

September 05, 2019

<b>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636</b>	<b>The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL</b>
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**Sub: Annual Report and Notice of AGM of IIFL Securities Limited and IIFL Wealth Management Limited**

Dear Sir(s)/ Madam(s),

This is in reference to our earlier intimation dated August 29, 2019 with respect to intimation of Annual General Meeting and Book Closure of IIFL Securities Limited (ISL) and IIFL Wealth Management Limited (IWML).

In this regard, please find enclosed the notice of Annual General Meeting along with Annual Report for F.Y. 2018-19 of ISL and IWML received from the said proposed to be listed Companies respectively.

We request you to kindly take the above on record and oblige.

Thanking You,

Yours faithfully,

For IIFL Finance Limited  
(Formerly Known as IIFL Holdings Limited)



**Jayesh Sharma  
Authorised Signatory**



*Encl: as above*

**IIFL Finance Limited (formerly known as IIFL Holdings Limited)**

**CIN No.: L67100MH1995PLC093797**

Corporate Office – 802, 8<sup>th</sup> Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069

Tel: (91-22) 6788 1000. Fax: (91-22) 6788 1010

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com

September 05, 2019

<b>The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051.</b>	<b>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.</b>
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**Sub: - Annual Report for the Financial Year 2018-19 and Notice of 24<sup>th</sup> Annual General Meeting of IIFL Securities Limited ('the Company')**

Dear Sir/Madam,

With reference to our earlier intimation dated August 29, 2019 and pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, on September 05, 2019, i.e. today, sent soft copy of the notice of 24<sup>th</sup> Annual General Meeting along with Annual Report for the F.Y. 2018-19 via email to those members who have registered their email address(es) with the Registrar and Share Transfer Agent of the Company i.e. Link Intime India Private Limited/Company and has also commenced the dispatch of hard copies by permitted mode to those members whose email address(es) are not registered with the Registrar/Company.

Notice of 24<sup>th</sup> Annual General Meeting, Proxy Form, Attendance Slip and Annual Report for the Financial Year 2018-2019 are also available on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiainfoline.com](http://www.indiainfoline.com)

Kindly take the same on record and oblige.

Thanking You,  
Yours faithfully,

For IIFL Securities Limited  
(Formerly Known as India Infoline Limited)



**Jayesh Upadhyay**  
**Company Secretary**  
**Membership No.:A26504**  
Place: Mumbai



**IIFL Securities Limited (Formerly "India Infoline Limited")**

Corporate Identity Number: **U99999MH1996PLC132983**

**Regd. Office:** IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654 • E-mail: [csteam@iifl.com](mailto:csteam@iifl.com) • Website: [www.indiainfoline.com](http://www.indiainfoline.com)



## IIFL Securities Limited (Formerly "India Infoline Limited")

CIN: U99999MH1996PLC132983

Regd. Office - IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654

E-mail: secretarial@iifl.com • Website: www.iifl.com

# NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of IIFL Securities Limited (formerly known as India Infoline Limited) will be held on Monday, September 30, 2019, at Hall of Harmony, Ground Floor, Nehru Centre, Discovery of India, Dr. Annie Besant Road, Worli, Mumbai - 400018 at 2.30 PM to conduct the following business:-

### ORDINARY BUSINESS:

- To consider and adopt:
  - The audited standalone financial statement(s) of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon; and
  - The audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2019, together with Auditors report thereon.
- To appoint a Director in place of Mr. Aniruddha Dange, who retires by rotation and being eligible, offers himself for reappointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Aniruddha Dange (DIN – 02599853), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

### SPECIAL BUSINESS

- To approve an offer or invitation made by the Company to the investors to subscribe to the Non-Convertible Debentures on private placement basis and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Memorandum of Association and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and SEBI (Issue and Listing of Debt Securities)

Regulations, 2008, and other applicable regulations as may be amended and applicable from time to time, approval of the Members be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches, up to offer and issue Non-Convertible Debentures aggregating to ₹ 500 Crore (Rupees Five Hundred Crore Only) on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and more beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/ or its duly constituted committee be and is hereby authorised to do all acts, deeds, things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To ratify the "IIFL Securities Employees' Stock Option Scheme - 2018" and to consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Memorandum of Association and Articles of Association of the Company, the composite scheme of arrangement approved by the National Company Law Tribunal, Mumbai bench vide its order dated March 07, 2019 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions for adoption and implementation of "IIFL Securities Employees' Stock Option

Scheme - 2018" (hereinafter referred as "IIFL ESOS Scheme - 2018" and/or "the Scheme") by creation and issuance of 80,000,000 (Eighty million) Stock Options, each of which would upon exercise of the same in terms of "IIFL ESOS Scheme - 2018" be converted into one Equity Share of ₹2/- each of the Company (the "Equity Shares"), which was approved by the members at the Extraordinary General Meeting of the Company held on February 21, 2018 and was amended/approved by the members at their Extraordinary General Meeting of the Company held on May 17, 2019 and is hereby ratified;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution including any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee/ Nomination and Remuneration Committee, which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things including to make any modifications, changes, variations or revisions in the "IIFL ESOS Scheme - 2018" from time to time, as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred herein, to any committee of Directors with a power to further delegate to any executive / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regards."

5. To approve material related party transactions with India Infoline Finance Limited and in this regards, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after called "the Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and the Company's policy on materiality of Related Party Transaction(s), and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) and

pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on August 08, 2019, the consent and approval of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall be deemed to include a Committee of the Board) to enter into arrangements/transactions/contracts with India Infoline Finance Limited, a Related Party as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with India Infoline Finance Limited and remaining outstanding at any one point in time shall not exceed ₹ 1000 Crore (Rupees One Thousand Crore Only) during any one financial year;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transaction/contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto".

6. To approve material related party transactions with IIFL Wealth Management Limited and in this regards, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after called "the Listing Regulations") , and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and the Company's policy on materiality of Related Party Transaction(s), and Rules made there under, (including any statutory modification(s) or re-enactment thereof for



the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on August 08, 2019 the consent and approval of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall be deemed to include a Committee of the Board) to enter into arrangements/transactions/contracts with IIFL Wealth Management Limited, a Related Party as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with IIFL Wealth Management Limited and remaining outstanding at any one point in time shall not exceed ₹ 150 Crore (Rupees One Hundred and Fifty Crore Only) during any one financial year;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/pay monies or to perform all other obligations in terms of such arrangements/ transaction/contracts, filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

7. To approve material related party transactions with IIFL Wealth Finance Limited and in this regards, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after called "the Listing Regulations") and the Company's policy on materiality of Related Party Transaction(s), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under,

(including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the consent of the Audit Committee and Board of Directors of the Company vide resolutions passed in their respective meetings held on August 08, 2019 the consent and approval of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall be deemed to include a Committee of the Board) to enter into arrangements/transactions/contracts with IIFL Wealth Finance Limited, a Related Party as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with IIFL Wealth Finance Limited and remaining outstanding at any one point in time shall not exceed ₹ 150 Crore (Rupees One Hundred and Fifty Crore Only) during any one financial year;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/pay monies or to perform all other obligations in terms of such arrangements/ transaction/contracts, filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

**By Order of the Board of Directors**

**Jayesh Upadhyay**  
Company Secretary  
ACS-26504

Date: August 14, 2019  
Place: Mumbai  
Registered Office: IIFL House,  
Sun Infotech Park, Road No. 16V,  
Plot No. B-23, Thane Industrial Area,  
Wagle estate, Thane-400604  
CIN:U99999MH1996PLC132983  
e-mail: secretarial@iifl.com  
Telephone No. - 022-41035000

## NOTES:

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours (48 hours) before the commencement of the Meeting.
 

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under note no. 24.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Aniruddha Dange (DIN – 02599853), is liable to retire by rotation at the Meeting and being eligible, offers himself for re-appointment and the Board of Directors of the Company recommends his re-appointment. Mr. Aniruddha Dange (DIN – 02599853), is not related to any of the Directors of the Company. Brief resume and nature of his expertise in specific functional areas are provided in Corporate Governance report. Names of companies in which he holds directorships and memberships/ chairmanships of Board Committees and shareholding as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided under the explanatory statement.
6. M/s. V. Sankar Aiyar & Co, Chartered Accountants (Firm Registration No. 109208W), were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on July 22, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.
 

Their appointment was subject to ratification by the Members at every subsequent AGM. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays, during business hours till the date of the Meeting.
9. Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).
10. Members are requested :
  - i. To bring their attendance slip along with their copy of Annual Report to the Meeting.
  - ii. To quote their folio nos. / ID nos. in all correspondence.
  - iii. To note that no gifts will be distributed in the AGM.
11. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Private Limited ("LinkIntime") at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
12. Members holding shares in dematerialised form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Link Intime.
13. The Company, consequent upon the introduction of the Depository System ("DS"), entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialized form through NSDL or CDSL.

14. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which after December 5, 2018, transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline was extended by SEBI to March 31, 2019. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.
15. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Link Intime.
18. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax Permanent Account Number (PAN) Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.
19. Additional information of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting, as required under Regulation 26(4) and 36(3) of SEBI Listing Regulation and 1.2.5 of SS-2, is annexed to the notice.
20. The Company has designated an exclusive e-mail ID called [secretarial@iifl.com](mailto:secretarial@iifl.com) to redress shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at [secretarial@iifl.com](mailto:secretarial@iifl.com)
21. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
22. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
23. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is, it is near to Nehru Planetarium, Mumbai.
24. Voting Results  
Information and other instructions relating to e-voting are as under:
  - I. Pursuant to the provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('e-voting').
  - II. The facility for voting through Poll shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting through 'Poll'.
  - III. **The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.**
  - IV. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility.
  - V. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/

beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Monday, September 23, 2019. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Monday, September 23, 2019 only shall be entitled to avail the facility of e-voting/ Poll on Demand.
- VII. The Board of Directors of the Company has appointed CS Nilesh Shah or failing him CS Mahesh Darji or failing him CS Hetal Shah of Nilesh Shah and Associates, a Practicing Company Secretary firm, Mumbai as Scrutinizer to scrutinise the Poll on Demand and e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer, after scrutinizing the votes cast at the Meeting through Poll on Demand and through e-voting, will, not later than forty eight hours from the conclusion of the Meeting make a consolidated scrutinizer's report which shall be placed on the website of the Company [www.iifl.com](http://www.iifl.com) and [www.indiainline.com](http://www.indiainline.com) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., Monday, September 30, 2019.
- X. Information and other instructions relating to e-voting are as under:
- (i) The voting period begins at 09:00 a.m. (IST) on Wednesday, September 25, 2019 and ends at 05:00 p.m. (IST) on Sunday, September 29, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, September 23, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on the tab Shareholders/ Members.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next, enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Account Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Account Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) of IIFL Securities Limited on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**
25. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Transfer Agent of the Company. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.
26. During the year 2018-19, the Company declared and paid an interim dividend of ₹ 15 per equity share (i.e. 150% of face value of ₹ 10 per share). The same shall be considered as final dividend.
- 
- REGISTRATION / UPDATING OF EMAIL IDS AND BANK DETAILS**
- Members are requested to support the "Green Initiative" by registering their email address with the Company, if not already done.
- Those Members who have changed their email address are requested to register their new email address with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.
- Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain bank details of its Members for the purpose of payment of dividends etc. Members are requested to register / update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode to enable expeditious credit of the dividend into their respective bank accounts electronically.



## ANNEXURE TO THE NOTICE

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 to the accompanying notice**

#### **Item no. 3**

The Company is a capital market intermediary registered with the SEBI for undertaking activities such as stock broking, depository services etc. In order to meet the Company's business plan and requirements, the Company proposes to use options including Bank Term Loan / Over Drafts, Public Issues and Private Placement of NCDs, Commercial Papers from various sources.

Pursuant to Section 42 of the Companies Act, 2013 ("the Act"), read with the Rules framed thereunder, a Company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

In order to augment long-term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes, the Board may, at an appropriate time, offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches on private placement, issuable/ redeemable at par.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more series/tranches, during the period of one year from the date of passing of the Resolution at Item No. 3, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board accordingly recommends the Special Resolution set out at Item No. 3 of this Notice for approval of the Members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

#### **Item no. 4**

The Company to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior

and critical talents had formulated IIFL Securities Employee Stock Option Scheme 2018' ('IIFL ESOS Scheme - 2018/ the Scheme') pursuant to the resolution(s) passed by the members at their meeting held on February 21, 2018 and amended on May 17, 2019.

Pursuant to the Composite Scheme of Arrangement, under Sections 230-232 and other applicable provisions of the Companies Act, 2013, among the Company, IIFL Finance Limited (Formerly IIFL Holdings Limited) and India Infoline Media & Research Services Limited and IIFL Wealth Management Limited and India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders as approved by the Mumbai Bench of the National Company Law Tribunal vide its order dated March 07, 2019, the Company is proposed to be listed on National Stock Exchange of India Limited and BSE Limited.

IIFL ESOS Scheme - 2018 has a pool size of 16,000,000 options of ₹ 10 each of the Company. Pursuant to the aforesaid Composite Scheme of Arrangement, the above mentioned ESOP pool of 16,000,000 options was converted into 80,000,000 (Eighty million) Stock Options exercisable into shares of ₹ 2 each of the Company. Till date, no grant has been made under the Scheme.

In terms of Regulation 12(1) of Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to the listing of its equity shares unless (i) Such scheme is in conformity with the said regulations and (ii) Such scheme is ratified by its shareholders subsequent to the listing. Further as per proviso to Regulation 12(1) the ratification under clause (ii) may be done any time prior to grant of new options or shares after listing of shares.

The main features of the IIFL Securities Employee Stock Option Scheme – 2018 and other details of the Scheme as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 6(2) of SEBI (Share Based Employee Benefits) Regulations, 2014, are as under:

Item	Particulars
Brief description of the Scheme	IIFL ESOS Scheme - 2018 is intended to reward the Eligible Employees (as described under herein below), for their performance and to motivate them to contribute to the growth and profitability of the Company. IIFL ESOS Scheme - 2018 will help to retain talent in the organization as the Company views stock options as an instrument that would enable the Eligible Employees to share the value they create for the Company and align individual objectives with the objectives of the Company in the years to come.
Total Number of Options to be granted	The Options to be granted to the Employees under IIFL ESOS Scheme - 2018, in one or more tranches, shall not result in issue of equity shares in excess of 80,000,000 (Eighty million). Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation / termination of the employees or otherwise, would be available for being re-granted at a future date. The Board/ any committee authorized by the Board is authorised to re-grant such lapsed / cancelled options as per the provisions of IIFL ESOS Scheme - 2018. The SEBI (Share Based Employee Benefits) Regulations, 2014 require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI (Share Based Employee Benefits) Regulations, 2014.
Identification of classes of employees entitled to participate and be beneficiaries in the Scheme	<p>i) Present and future, permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding Independent Director(s) and to such other persons as may be decided by the Board and / or permitted under SEBI (Share Based Employee Benefits) Regulations, 2014 but does not include an employee who is a promoter or a person belonging to the promoter group or a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, shall be eligible to participate in the IIFL ESOS Scheme - 2018.</p> <p>ii) Present and future, permanent employees of Holding and Subsidiary Company(ies) of the Company, whether working in India or outside India, and / or to the Directors of the Holding or Subsidiary Company(ies) of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board/Committee and / or permitted under SEBI (Share Based Employee Benefits) Regulations, 2014 but excluding employees who are promoters or persons belonging to the promoter group or a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, shall be eligible to participate in the IIFL ESOS Scheme - 2018.</p>
Transferability of Stock Options	The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee/ stock option holder while in employment, the right to exercise all the options granted to him/ her till such date shall be transferred to his/ her legal heirs or nominees.
Requirements of vesting, period of Vesting and maximum period within which the Options shall be vested	Vesting of the Stock Options may commence after the expiry of a minimum period of One year from the date on which the options were granted, and may extend up to such time as may be decided at the discretion of the Committee from the date of grant provided that the vesting period shall not exceed 5 (five) years. The vesting may occur in tranches, and may be subject to such terms and conditions of vesting, as may be stipulated by the Committee, in its sole and exclusive discretion.

Item	Particulars
Exercise Price or pricing formula	<p>The exercise price of the shares will be the closing market price of the shares one day before the date of the meeting of the Committee wherein the grants of options will be approved.</p> <p>The closing market price of the stock exchange where there is highest trading volume during the aforesaid period shall be considered.</p> <p>The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise price shall not go below the par value of Equity Share of the Company.</p>
Exercise Period and Process of Exercise	<p>Exercise Period shall be the time period after vesting within which the eligible employees/ directors should exercise his right to apply for the Equity Shares against the Stock Options vested in them pursuant to the Scheme. The Exercise Period shall be decided by the Committee and will not be more than 7 (Seven) years from the date of grant. The Stock Options will be exercisable by the Employees/ Directors by a written or electronic notice to the Company and payment of exercise price to exercise the Stock Options, in such manner, as may be prescribed by the Committee, in its discretion. In case of cashless system of exercise of vested Options, the Committee shall be entitled to specify such procedures and/or mechanisms for the shares to be dealt with thereon as may be necessary and the same shall be binding on the option grantees.</p>
Method of valuing the Stock Options	<p>The Company shall use the fair value method for valuation of the Options. Fair valuation of the Options will be carried out using the Black &amp; Scholes Option Pricing Method. The fair value of the Options shall be the basis for accounting for the ESOP charge in the Company's profit and loss statement.</p>
Appraisal process for determining the eligibility of the employees for the Scheme	<p>The Committee shall, based upon the performance and/or merit of the employees/directors, as per vesting criteria laid down by the Committee from time to time, if any, in its sole and exclusive discretion, considering the period of service/directorship put in/served by them, their designation and grade, their present and potential contribution to the success of the Company, its subsidiaries and other appropriate criteria, determine the eligibility of the Employees/Employee Directors to the Scheme.</p> <p>The Nomination and Remuneration Committee shall determine the eligibility criteria which should be fulfilled in order to become eligible to participate in the Scheme, in order to be granted options under the Scheme. The Nomination and Remuneration Committee will take into consideration potential of employee to contribute to Company's performance, position held, extent of contribution made by employee towards business results, achievement of medium and long term performance Schemes of the Company, difficulty in replacement and any other appraisal or evaluation process for determining the eligibility criteria as may be taken into consideration by Nomination and Remuneration Committee.</p>
Maximum number of Stock Options to be issued/granted per employee and in aggregate	<p>The maximum number of Options that can be granted to any employee as defined under scheme during any one-year can be equal to or exceed 1% of the issued capital of the Company at the time of grant of options. The Employee to whom the options shall be granted equal to or exceed 1% of the issued capital of the Company shall be identified by the said Nomination &amp; Remuneration Committee and/or such committee of the Board of Directors, as the Board may determine from time to time, under the IIFL ESOS Scheme - 2018.</p> <p>The aggregate number of Stock Options that may be granted under the IIFL ESOS Scheme - 2018 shall not exceed 80,000,000 (Eighty million) Options and equity shares.</p>
The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct.	<p>The granted options shall lapse in accordance with the terms and conditions as specified in the scheme.</p>

Item	Particulars
The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee.	<p>In the event of termination of the employment of an Option Grantee for misconduct or due to breach of policies or the terms of employment of the Company, all Employee Stock Options granted to such employee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.</p> <p>In the event of "Resignation", all Unvested Options, on the date of exit, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the Employee immediately but not later than one month from the last working day with the Company or seven years from the date of grant whichever is earlier. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.</p>
Maximum quantum of benefits to be provided per employee under the Scheme	The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.
Whether the Scheme is to be implemented and administered directly by the Company or through a trust	IIFL ESOS Scheme - 2018 shall be implemented by the Company through Direct route.
Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both	IIFL ESOS Scheme - 2018 provides new issue of Securities by the Company.
The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.	Not Applicable
Maximum percentage of Secondary Acquisition that can be made by the trust for the purpose of the scheme.	Not Applicable
Accounting and Disclosure Policies	The company shall comply with all the applicable disclosure and Accounting Policies in respect of options granted as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations 2014 and under other Applicable Laws and follow the accounting policies prescribed as per SEBI Regulations and Guidelines and the Guidance Note issued by the Institute of Chartered Accountants of India.
Lock-in period	The shares allotted to the employees, subsequent to exercise of vested options will be subject to lock-in, for such period, as per the discretion of Nomination and Remuneration Committee and shall be intimated to the Option Grantee at the time of grant.
Tax Liability and method of discharge of tax by the eligible employees to whom options are granted	Any Tax liability arising out of allotment of the Options or issue of Equity Shares, as the case may be, under this IIFL ESOS Scheme - 2018 will be deducted or paid, from/by the participant in accordance with applicable Laws in India and in such other countries as applicable. The participant shall be required to indemnify the Company with respect to any Tax liability arising out of the Grant, Vesting and/or Exercise of Options by such Eligible Employee.
Re-pricing of options	The Board or Nomination and Remuneration Committee may in accordance with the applicable SEBI (Share based Employee benefits) Regulation 2014 or any other rules/regulations and guidelines issued by SEBI or in terms of Companies Act, 2013, re-price the options granted under IIFL ESOS Scheme - 2018 which are not exercised whether or not they have been vested if such options are rendered unattractive due to fall in price of shares of the Company in the market subject to shareholders' approval.
Statement with regard to Disclosure in Director's Report	The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 shall be disclosed at the website of the Company at <a href="http://www.iifl.com">www.iifl.com</a> and <a href="http://www.indiainfo.com">www.indiainfo.com</a>

The draft scheme is open for inspection at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting.

In term of the provisions of relevant regulation of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with Rule 16 of the Companies Rules, consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 04 of this Notice.

The stock options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription to the securities of the Company.

The Board accordingly recommends the Special Resolution set out at Item No. 4 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company, including their relatives is in any way concerned or interested in the said Resolution, except to the extent of any Stock Options that may be granted to such Directors and/or such Key Managerial Personnel.

#### Item No. 5, 6 and 7

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as the Listing Regulations), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the members of a public listed Company through a resolution and all related parties shall abstain from voting on such resolution.

“Material Related Party Transaction” under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2018-19 is ₹ 875.56 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 87.56 Crores (10% of the Company’s annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the members’ approval for the following arrangements/transactions/contracts which may be entered into by the Company with its related parties from time to time:

(₹ in Crore)*			
Name of the Related Party	Nature of Relationship	Nature of Transactions	Amount
India Infoline Finance Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees/ availing or rendering of services/ lease/ leave and license etc.	1000
IIFL Wealth Management Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees/ availing or rendering of services / lease/ leave and license etc.	150
IIFL Wealth Finance Limited	Related party as per Accounting Standards and Listing Regulations	Loans/Inter-Corporate Deposits/Guarantees/ availing or rendering of services / lease/ leave and license etc.	150

\* The ceiling on the amounts of transactions specified as above would mean the transactions entered into and remaining outstanding at any point in time.

Pursuant to the Composite Scheme of Arrangement amongst the Company, IIFL Finance Limited (formerly known as IIFL Holdings Limited), IIFL Distribution Services Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, India Infoline Media and Research Services Limited and their respective Shareholders (“Scheme”), India Infoline Finance Limited will merge with IIFL Holdings Limited. Upon the said merger becomes effective, the aforesaid Limits for material related party transaction(s) with India Infoline Finance Limited will become the limits of IIFL Finance Limited.

The aforesaid related party transactions do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms’ length. However, the same are covered under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly the approval of the shareholders is sought by way of Ordinary Resolution.

The Audit Committee and Board have approved the aforesaid related party transactions at their respective meetings held on August 08, 2019 in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and noted that these transactions are in the Ordinary Course of Business and are at arm’s length basis.

The Board accordingly recommends the Ordinary Resolutions set out at Item Nos. 5, 6 and 7 of this Notice for approval of the Members.



With respect to the above matter, the Shareholders/Members are requested to note the following disclosures of Interest:

Sr. No.	Name of the Related Party	Nature of Concern or Interest
1	India Infoline Finance Limited (IIFL)	Mr. Nirmal Jain, Promoter of the Company, is a Whole-Time Director of IIFL. Mr. Venkataraman Rajamani, Promoter and Managing Director of the Company, is a Non-Executive Director of IIFL. Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFL Finance Limited and IIFL is a subsidiary of IIFL Finance Limited and both holds along with their relatives & persons acting in concert 92661432 equity shares i.e. 29.03% in IIFL Finance Limited.
2	IIFL Wealth Management Limited (IIFLWML)	Mr. Nirmal Jain and Mr. Venkataraman Rajamani are Non- Executive Directors of IIFLWML. Mr. Nirmal Jain and Mr. Venkataraman Rajamani are promoters of IIFLWML and holds along with their relatives & persons acting in concert 13237343 equity shares i.e. 15.55% in IIFLWML.
3	IIFL Wealth Finance Limited (IIFLWFL)	Ms. Rekha Warriar is a Non-Executive Independent Director of IIFLWFL. Mr. Venkataraman Rajamani and Mr. Nirmal Jain are promoters of IIFLWML and IIFLWFL is a Wholly Owned Subsidiary of IIFLWML.

Except the above Directors, Promoters and their Relatives, none of the Directors, Key Managerial Personnel and their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolutions set out at item Nos. 5, 6 and 7 respectively.

#### **Details of Director Seeking Appointment at the Annual General Meeting**

Mr. Aniruddha Dange is a Non-executive Director on the Board of the Company. He holds a Bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Bombay and has a Master's degree in Business Administration from the Indian Institute of Management, Calcutta. He has over 25 years of experience in the financial services industry. Prior to joining the Company, he worked at ICICI Securities Limited, at ABN Amro and, thereafter, at CLSA, covering the technology, media and telecom sectors. He became the Head of Research in 2003, leading a team of 15 research analysts at CLSA, where he worked for nine years before joining the Company.

Particulars	Aniruddha Dange
Date of Birth	22/10/1969
Nationality	Indian
Date of Appointment on the Board	28/01/2016
Qualifications	He holds a Bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Bombay and has a Master's degree in Business Administration from the Indian Institute of Management, Calcutta.
Expertise in specific functional areas	Corporate strategies and digitization
Number of shares held in the Company	1,772,631
Directorships held in other companies (excluding foreign companies)	1. Giskard Datatech Private Limited 2. Spaisa P2P Limited
Attendance in number of Board Meetings eligible during the financial year 2018-19	5
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	-
Relationships between Directors inter-se	None of the directors are related to each other.
Remuneration details (Including Sitting Fees & Commission)*	-

Note: \*He was paid remuneration of ₹ 13.41 million from IIFL Finance Limited, which was recovered from the Company and he is appointed as Non-Executive Director on the Board of the Company w.e.f. July 01, 2019.

By Order of the Board of Directors

**Jayesh Upadhyay**  
Company Secretary  
ACS-26504

Date: August 14, 2019  
Place: Mumbai  
Registered Office: IIFL House,  
Sun Infotech Park, Road No. 16V,  
Plot No. B-23, Thane Industrial Area,  
Wagle estate, Thane-400604  
CIN:U99999MH1996PLC132983  
e-mail: secretarial@iifl.com  
Telephone No. - 022-41035000



**IIFL Securities Limited (Formerly "India Infoline Limited")**

**CIN: U99999MH1996PLC132983**

Regd. Office - IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654

E-mail: secretarial@iifl.com • Website: www.iifl.com

**FORM No. MGT-11**

**PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):	
Registered Address:	
Email ID:	
Regd. Folio No. / Client ID:	
DP ID:	

I/We, being the member (s) of \_\_\_\_\_ shares of IIFL Securities Limited (Formerly known as India Infoline Limited), hereby appoint:

1. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her

2. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her

3. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her



as my / our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/ us and on my/our behalf at the Meeting of the Company to be held on and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

SR. NO.	PARTICULARS
1.	To consider and adopt: (a) The audited standalone financial statement(s) of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon; (b) The audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2019, together with Auditors report thereon.
2.	To appoint a Director in place of Mr. Aniruddha Dange, who retires by rotation and being eligible, offers himself for reappointment.
3.	To issue Non-Convertible Debenture on private placement basis.
4.	To ratify the 'IIFL Securities Employees' Stock Option Scheme – 2018'
5.	To approve material related party transaction with India Infoline Finance Limited
6.	To approve material related party transaction with IIFL Wealth Management Limited
7.	To approve material related party transaction with IIFL Wealth Finance Limited

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix ₹ 1/-  
revenue  
stamp

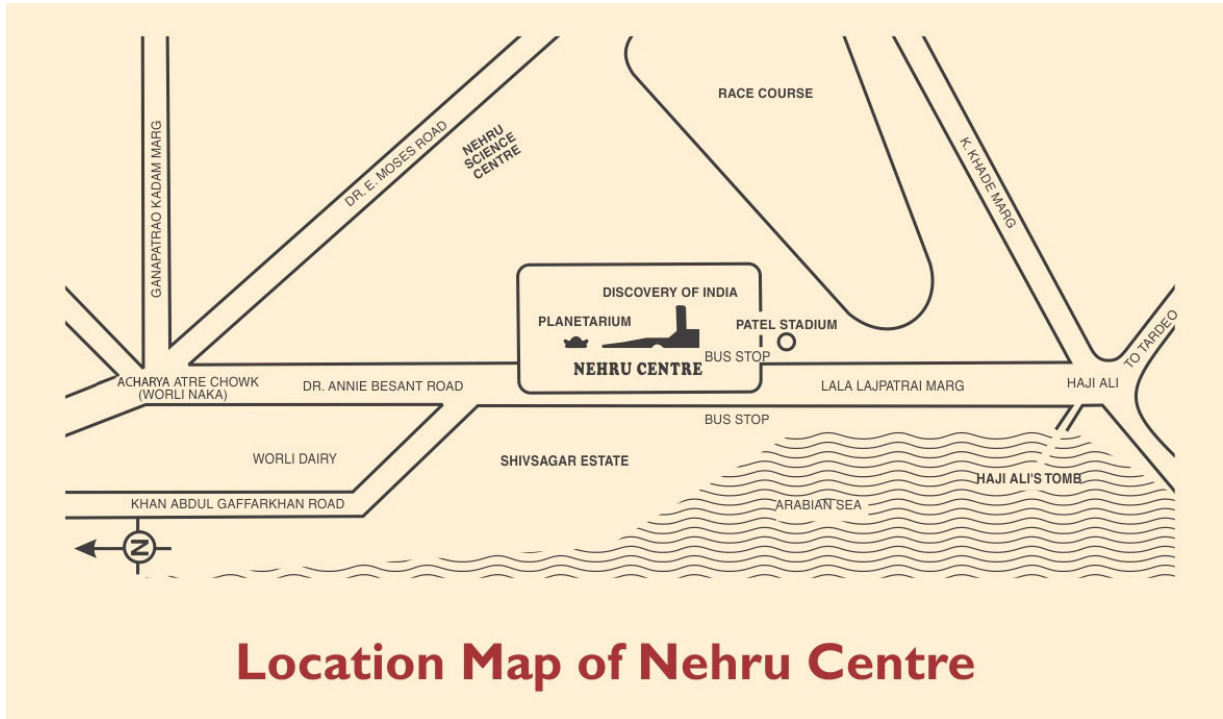
Signature of the Shareholder

Signature of the Proxy: \_\_\_\_\_

**NOTES:**

- This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at IIFL House, Sun Infotech Park, Road No. 16V, Plot No B-23, Thane Industrial Area, Wagle Estate Thane – 400604 not less than 48 hours before the commencement of the Meeting.
- Please affix revenue stamp before putting signature.
- Alterations, if any, made in the Form of Proxy should be initialed.
- In case of multiple proxies, the proxy later in time shall be accepted.
- Proxy need not be the shareholder of the Company.
- Body Corporate and FPI/FII Equity Shareholder(s) would be required to deposit certified copies of Board/ Custodial Resolutions/ Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at IIFL House, Sun Infotech Park, Road No. 16V, Plot No B-23, Thane Industrial Area, Wagle Estate Thane – 400604.
- Person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

**Route Map for Venue of the 24th Annual General Meeting of IIFL Securities Limited**





**IIFL Securities Limited (Formerly "India Infoline Limited")**

**CIN: U99999MH1996PLC132983**

Regd. Office - IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654

E-mail: secretarial@iifl.com • Website: www.iifl.com

**FORM No. MGT-11**

**PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):	
Registered Address:	
Email ID:	
Regd. Folio No. / Client ID:	
DP ID:	

I/We, being the member (s) of \_\_\_\_\_ shares of IIFL Securities Limited (Formerly known as India Infoline Limited), hereby appoint:

1. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her

2. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her

3. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him/her





as my / our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/ us and on my/our behalf at the Meeting of the Company to be held on and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

SR. NO.	PARTICULARS
1.	To consider and adopt: (a) The audited standalone financial statement(s) of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon; (b) The audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2019, together with Auditors report thereon.
2.	To appoint a Director in place of Mr. Aniruddha Dange, who retires by rotation and being eligible, offers himself for reappointment.
3.	To issue Non-Convertible Debenture on private placement basis.
4.	To ratify the 'IIFL Securities Employees' Stock Option Scheme – 2018'
5.	To approve material related party transaction with India Infoline Finance Limited
6.	To approve material related party transaction with IIFL Wealth Management Limited
7.	To approve material related party transaction with IIFL Wealth Finance Limited

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix ₹ 1/-  
revenue  
stamp

Signature of the Shareholder

Signature of the Proxy: \_\_\_\_\_

**NOTES:**

- This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at IIFL House, Sun Infotech Park, Road No. 16V, Plot No B-23, Thane Industrial Area, Wagle Estate Thane – 400604 not less than 48 hours before the commencement of the Meeting.
- Please affix revenue stamp before putting signature.
- Alterations, if any, made in the Form of Proxy should be initialed.
- In case of multiple proxies, the proxy later in time shall be accepted.
- Proxy need not be the shareholder of the Company.
- Body Corporate and FPI/FII Equity Shareholder(s) would be required to deposit certified copies of Board/ Custodial Resolutions/ Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at IIFL House, Sun Infotech Park, Road No. 16V, Plot No B-23, Thane Industrial Area, Wagle Estate Thane – 400604.
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# IIFL SECURITIES

**IIFL Securities Limited (Formerly known as "India Infoline Limited")**

CIN: U99999MH1996PLC132983

**Regd. Office** – IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area,  
Wagle Estate Thane – 400604

**Tel:** (91-22) 41035000 ; **Fax:** (91-22) 25806654

**E-mail:** [secretarial@iifl.com](mailto:secretarial@iifl.com) ; **Website:** [www.iifl.com](http://www.iifl.com)

## ATTENDANCE SLIP

### TWENTY FOURTH ANNUAL GENERAL MEETING ON MONDAY SEPTEMBER 30, 2019

Sr. No.:

Regd. Folio/ DPID/ Client ID	
Name and Address of the Sole/ First named Shareholder as registered with the Company	
Joint Holder1 Joint Holder2	
No. of shares held	

I hereby record my presence at TWENTY FOURTH ANNUAL GENERAL MEETING of IIFL Securities Limited to be held on Monday, **SEPTEMBER 30, 2019** at 2.30 p.m. at Hall of Harmony, Ground Floor, Discovery of India, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018. I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

-----  
**Shareholder's / Proxy's name in BLOCK letters**

-----  
**Signature of Shareholder /Proxy**

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Members/Proxy are requested to bring copy of the Annual Report at the meeting.

**(Only shareholders/proxies are allowed to attend the meeting)**

### ELECTRONIC VOTING PARTICULARS

<b>EVSN E-voting Sequence Number</b>	<b>User ID</b>	<b>*Default PAN/Sequence No.</b>
190831033		

\*Only Members who have not updated their PAN with the Company/Depository Participant(s) shall use Sequence No. as default PAN in the PAN Field.

#### **Note :**

Please read the instructions printed under Note No. 24 of the Notice of the 24<sup>th</sup> Annual General Meeting of the Company to be held on September 30, 2019. The e-voting period starts on September 25, 2019 at 9.00 a.m. and ends on September 29, 2019 at 5.00 p.m. and cut-off date for voting is September 23, 2019.



# LEVERAGING THE LEGACY

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IIFL SECURITIES LIMITED | ANNUAL REPORT 2018-19

# Across the pages

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Please find our online version at  
<https://www.iifl.com/investor-relations>

Or simply scan to download



**Disclaimer:** This document contains statements about expected future events and financials of IIFL Securities Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report



**We welcome our esteemed shareholders to the new, soon-to-be listed IIFL Securities' family.**

**A new beginning denotes growth, transformation and hope.**

**From being an equity research company, IIFL Securities has traversed through various industry cycles to emerge as one of the leading players in the capital markets industry.**

**Post the reorganisation of our parent company, we are now stepping into a new zone with a new strategy, targeting new opportunities. As the Company gets listed on the stock exchange, it is well placed to grow the business with the right values.**

**Despite several headwinds during the year, we displayed a balanced growth owing to a passion to perform. Endowed with a robust foundation, superior quality of services, advanced technology platforms, strong leadership and a determined team, we are poised to expand further in all our segments namely retail and institutional broking, research, advisory, financial product distribution and investment banking.**



# IIFL Securities Limited at a glance

IIFL is one of the key capital market players in the country. Incorporated in the year 1995, the Group has built a strong foundation over its two decades of operations. IIFL Securities primarily offers advisory and broking services, financial products distribution, institutional research and investment banking services.

IIFL Securities has established itself through a combination of leading-edge technology, diverse product offerings, management expertise, and a wide network of branches across India. The Company has developed long-term relationships with its customers with sustained high quality performance and continues to be their preferred investment partner.

As a part of the reorganisation process of IIFL Group, IIFL Securities will soon be listed independently on the stock exchanges.



### Vision

To be the most respected financial services company in India. Not necessarily the largest or most profitable.

**₹ 8,756 million**

Total Income as on  
March 31, 2019

**25.3%**

Return on Equity

**3.5%**

Cash Market Share

**2.4 million**

Customers

**500+**

Stocks Covered

**2,344**

Happy Employees



### Values

#### Fairness

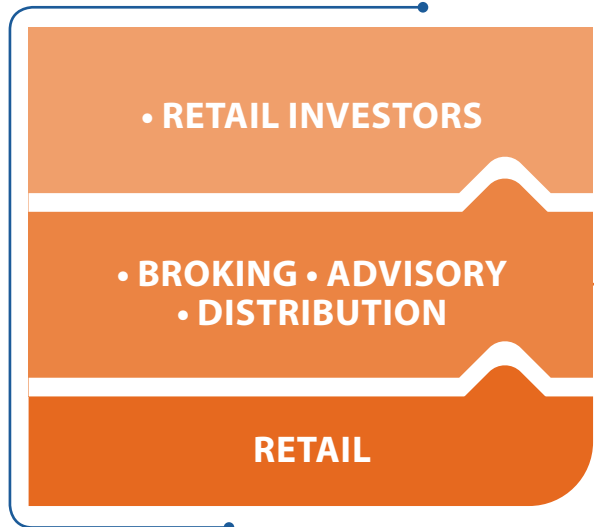
Fairness in our transactions with all stakeholders including employees, customers and vendors, bereft of fear or favour.

#### Integrity

Integrity and honesty of utmost nature, in letter, in spirit and in all our dealings with people, internal or external.

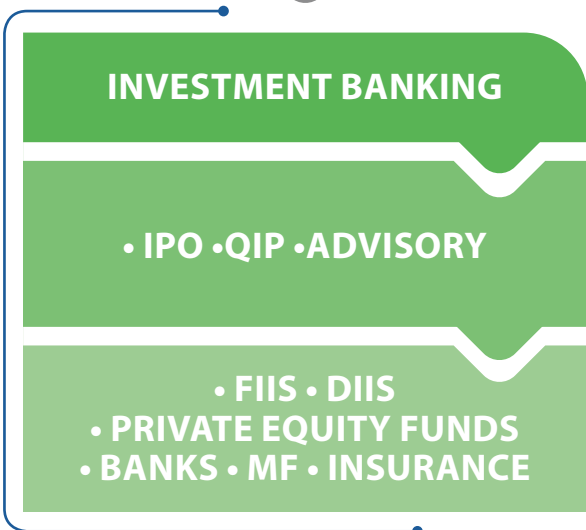
#### Transparency

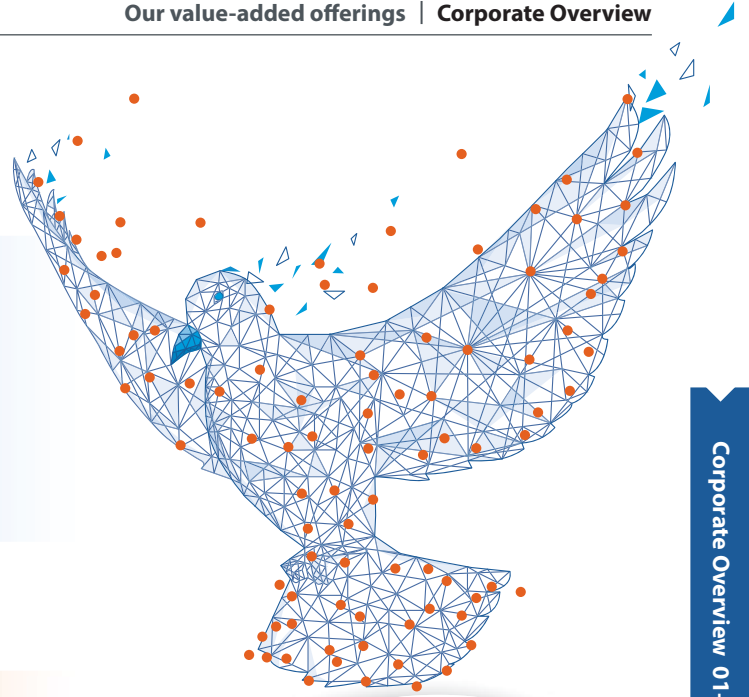
Transparency in all our dealings with stakeholders, media, investors and the public at large.



**Our value-added offerings**

We have a diversified business mix divided into three broad segments - Financial Advisory and Broking, Financial Product Distribution and Institutional Research & Investment Banking as follows:





### RESEARCH

- ▶ Proficient research team
- ▶ Extensive analysis
- ▶ Domain knowledge
- ▶ Large FII clientele

### BROKING SERVICES

- ▶ Diversified offerings
- ▶ Electronic brokerage platform
- ▶ Integrated interface
- ▶ Nationwide network
- ▶ Multi-channel platforms

### FINANCIAL PRODUCTS DISTRIBUTION

- ▶ Best products and services
- ▶ Deep understanding of customer behaviour
- ▶ Digital platforms
- ▶ Increased reach
- ▶ Superior experience

### ADVISORY

- ▶ Tailored solutions
- ▶ Extensive distribution capabilities
- ▶ Strong execution skills
- ▶ Industry expertise

## VALUE ENHANCEMENT

- ▶ Facilitating wealth-creation
- ▶ Preserving Investments
- ▶ Enabling long-term security
- ▶ Driving financial inclusion



## Retail Offerings

Our customised retail offerings span a wide financial spectrum to fulfil the evolving customer needs. We offer our retail customers a wide range of products and services in

- ▶ Equity, commodities, currency broking (both cash and derivatives) and research
- ▶ Third-party financial products distribution including mutual funds, insurance products, fixed deposits, loans, tax services and pension products, among others
- ▶ Advisory services, including financial planning, equity portfolio advisory, access to alternate investments, retirement planning and estate planning

We empower our customers to access the capital markets through our multichannel platform. With an electronic brokerage platform, we facilitate our customers to track various portfolio parameters. Our retail brokerage and distribution businesses are bolstered by our wide-spread presence. The wide range of products and services we offer enables us to cater to the needs of a vast client base and thereby build stronger relationships with them.

₹ **178 billion,**

**↑ 26% YoY**

The average daily equity market volumes for the capital market business

₹ **36 billion,**

**↑ 26% YoY**

Mutual Fund AUM supported by the growth in large cap and index linked stocks

**~2%**

Overall market share

**~3.5%**

Cash market share



# Institutional Offerings

Our institutional equities business offers broking, research and corporate access services to institutional clients including to sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, alternate investment funds, banks, pension funds, private equity, exchange traded funds, body corporates (including FDI investors), venture capital funds and development finance institutions. As a customer-centric company, we constantly strive to create value for our customers through our high quality products and services.

- ▶ Strong institutional research team comprising 25 analysts and 200+ stocks under coverage
- ▶ Excellent track record in block placements with institutional investors
- ▶ Reputed name for market leading distribution franchise across investor segments

# Insightful Research Offerings

The Company offers intensive research reports with an in-depth coverage of various sectors, economy, markets and companies.





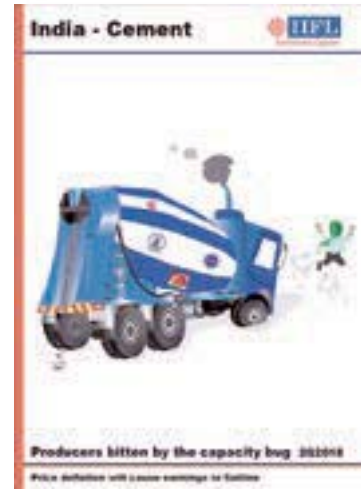
## Our internationally acclaimed research reports



A comprehensive overview of near & medium term macro trends on eight key facets of the Indian economy



A detailed analysis on the material gains from construction



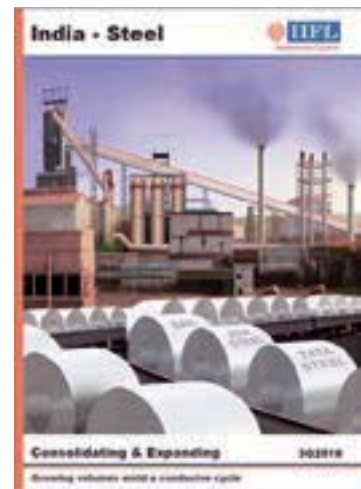
We explore the outbreak of capacity announcements which invites a looming price war over the medium term



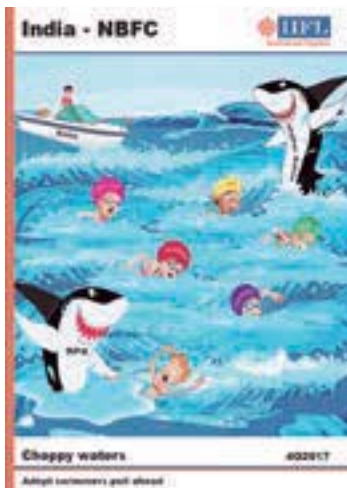
A detailed analysis of growth drivers and trends impacting the India formulations market



The report details the in and out of the dairy sector with initiation notes on Heritage, Parag and Prabhat



A detailed steel report highlighting ongoing industry consolidation and expansion



A detailed analysis of NBFC



A comprehensive overview of digitization to digital of Indian media



A deep dive into India's life insurance, focusing on the growth potential for protection insurance

# Distinguished Investment Banking Services















Despite volatile market conditions, IIFL Securities completed more than 15 transactions in the year, including 3 IPOs, 4 QIPs and 1 ReIT. A leading player in equity raising for private sector corporates, the Company has won many accolades for its distinguished services.

The Company manages initial public offerings, further public offer, qualified institutional placement, rights issues, preferential issues, share buybacks, tender offers, delistings, etc. IIFL Securities also provides advisory services to its clients including private equity placements and mergers and acquisitions. The Company engages with its clients to understand their business model, financial and strategic needs and customises the products and services to suit their requirements.

## Our strengths:

- ▶ Strong distribution capabilities with both domestic and foreign institutional investors for both private and public equity offerings
- ▶ Great execution skills, experience with regulatory issues, industry-specific expertise and excellent track record help us to garner more business from the existing and new clients
- ▶ Synergistic benefits from our existing relationships and referrals by other business divisions
- ▶ A pioneer in managing IPOs in sectors such as life insurance, general insurance, asset management among others

## Marquee Issues

<p><b>Embassy Office Parks ReIT</b></p> <p>QIP</p>  <p>₹ 47.5 billion (March 2019)</p>	<p><b>Aarti Industries</b></p> <p>QIP</p>  <p>₹ 7.5 billion (March 2019)</p>	<p><b>India Infoline Finance Ltd.</b></p>  <p>Divestment of CV Finance business (March 2019)</p>	<p><b>ECL Finance</b></p> <p>Public Issue of NCDs</p>  <p>₹ 9.1 billion (December 2018)</p>
<p><b>National Stock Exchange of India</b></p> <p>Private Placement</p>  <p>₹ 5.0 billion (November 2018)</p>	<p><b>HDFC Bank</b></p> <p>QIP</p>  <p>₹ 27.8 billion (August 2018)</p>	<p><b>Credit Access Grameen</b></p> <p>IPO</p>  <p>₹ 11.3 billion (August 2018)</p>	<p><b>HDFC Asset Management</b></p> <p>IPO</p>  <p>₹ 28.0 billion (July 2018)</p>
<p><b>IIFL Wealth Management</b></p> <p>Private Equity</p>  <p>₹ 7.5 billion (June 2018)</p>	<p><b>Varroc Engineering</b></p> <p>IPO</p>  <p>₹ 19.6 billion (June 2018)</p>	<p><b>Simplex Infrastructures</b></p> <p>QIP</p>  <p>₹ 4.0 billion (May 2018)</p>	<p><b>Magma Fincorp</b></p> <p>QIP + Block Deal</p>  <p>₹ 8.9 billion (April 2018)</p>

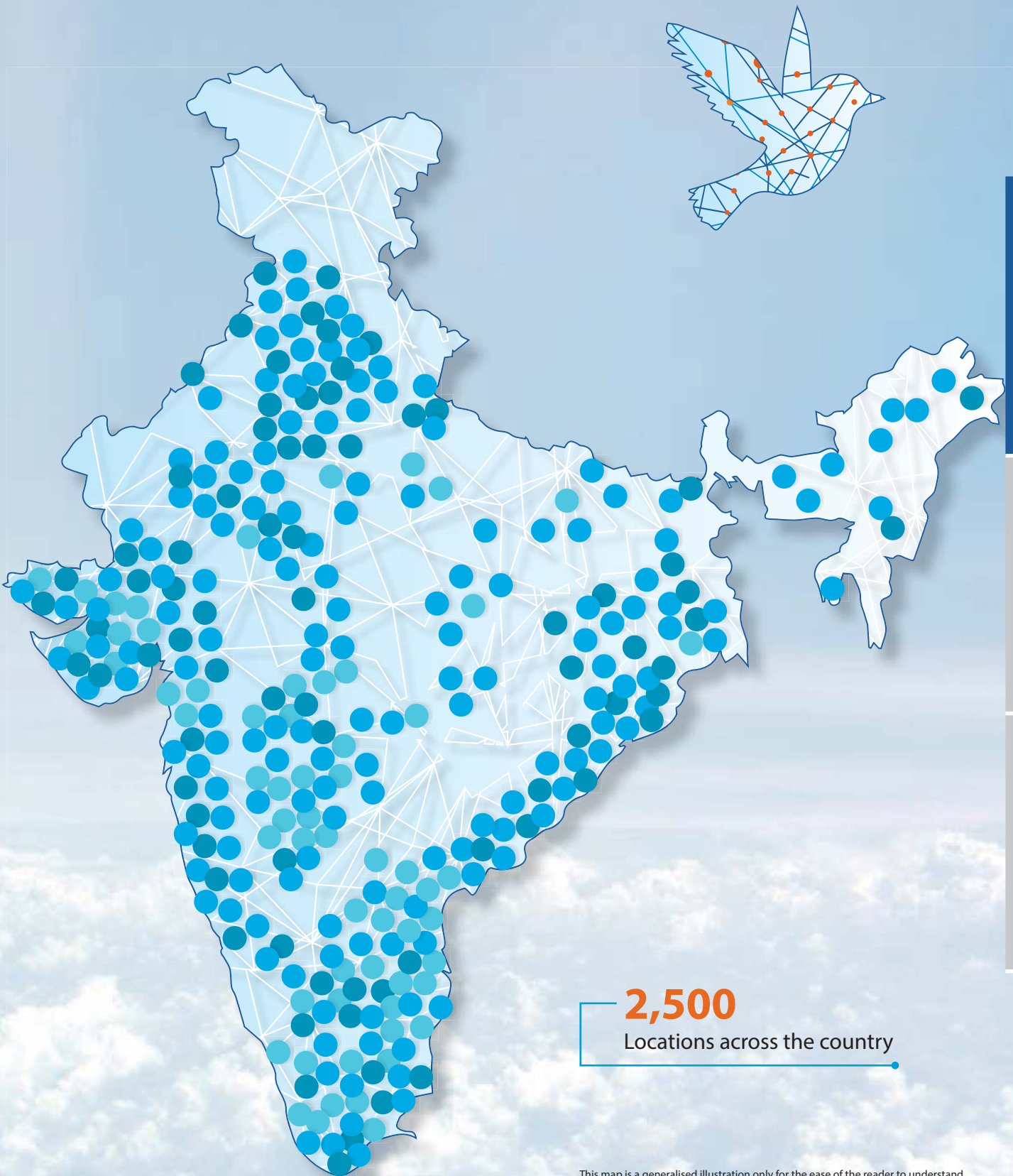
# Widespread presence providing ease of access to customers

We operate from a network of about 2,500 points of presence covering our branches and business partners, over 500 cities in India.

Our branches and points of presence help increase connect with customers, giving them ease of access, and our embedded digital capabilities give us scale and expand reach and provide our customers with best-in-industry service







**2,500**

Locations across the country

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

# Our intrinsic strengths





### Diversified product portfolio

- ▶ Retail & Institutional broking, investment banking, commodities, currency, F&O, distribution of mutual funds, PMS, insurance, pension funds etc
- ▶ A one-stop solution to cater to the investment requirements of people



### Customer-first approach

- ▶ Relevant products and a seamless trading experience to fulfil our retail and institutional customers' requirements
- ▶ Highest quality of customer service in prompt and efficient manner



### Leadership team with a vision

- ▶ Experienced and dedicated team of experts to initiate, conceptualise and execute operations
- ▶ Professionals from diverse backgrounds share our vision to power customers' financial growth



### Cutting-edge technology

- ▶ Operations backed by an excellent technical infrastructure ensuring speed, accuracy and security for customers
- ▶ Digitised channels and feature-rich mobile app help cater a wider market at a faster pace



### Widespread geographical footprint

- ▶ Significant presence in metro cities, semi-urban and rural markets through an extensive branch and partner network
- ▶ Strong distribution and sales team to understand the aspirations of various customers



### Sound risk and control framework

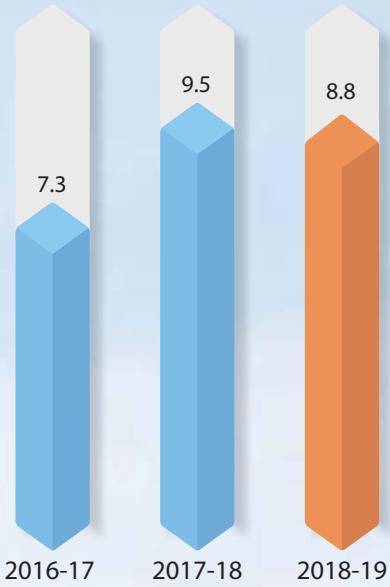
- ▶ Adequate systems of internal controls to achieve highest degree of transparency in all operations with effective compliance and regulations
- ▶ Holistic risk management system to build a stable and healthy portfolio across segments



# Financial highlights

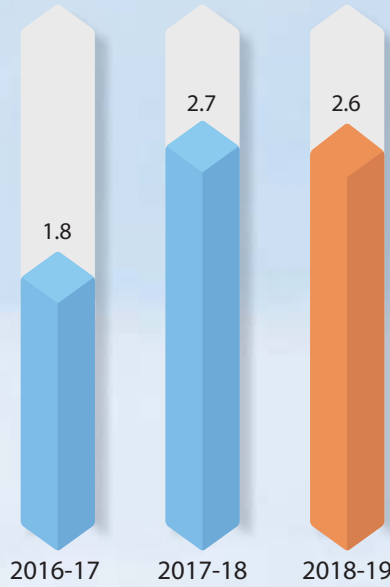


**Total Income  
(₹ billion)**



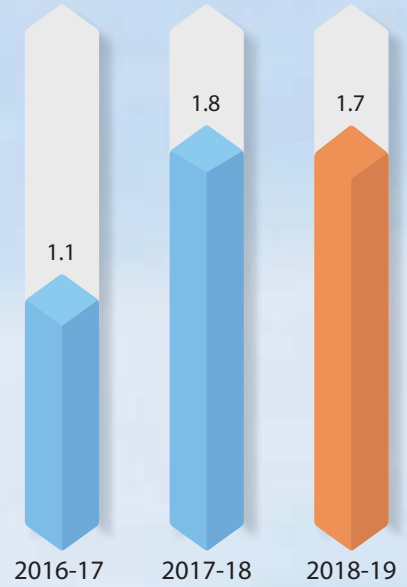
3 Years CAGR: **9.4%**

**Profit Before Tax  
(₹ billion)**



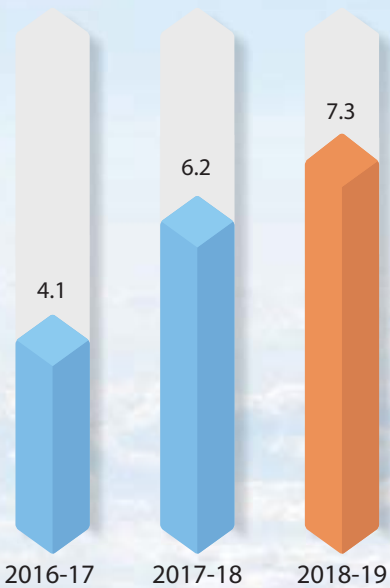
3 Years CAGR: **21.3%**

**Profit After Tax  
(₹ billion)**



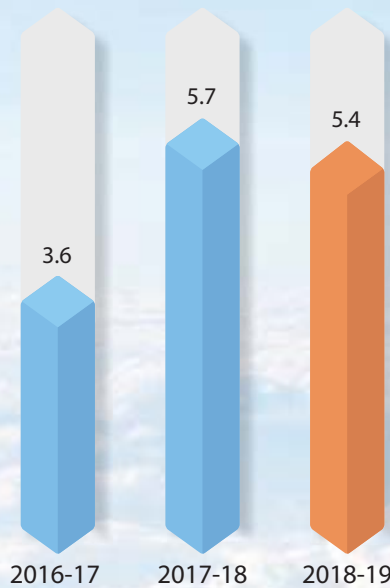
3 Years CAGR: **22.3%**

**Net Worth  
(₹ billion)**



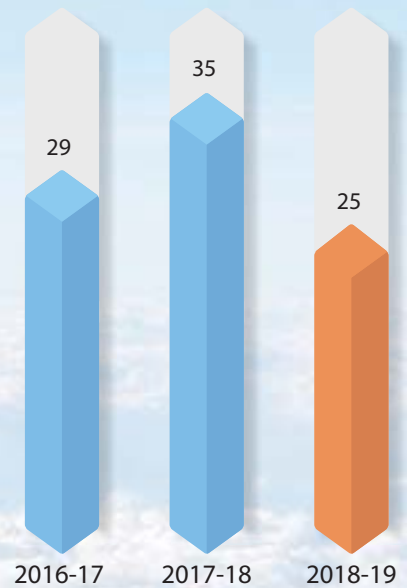
3 Years CAGR: **32.8%**

**Basic Earnings Per Share  
(₹)**



3 Years CAGR: **22.0%**

**Return on Equity  
(%)**



# Thriving on a rich legacy

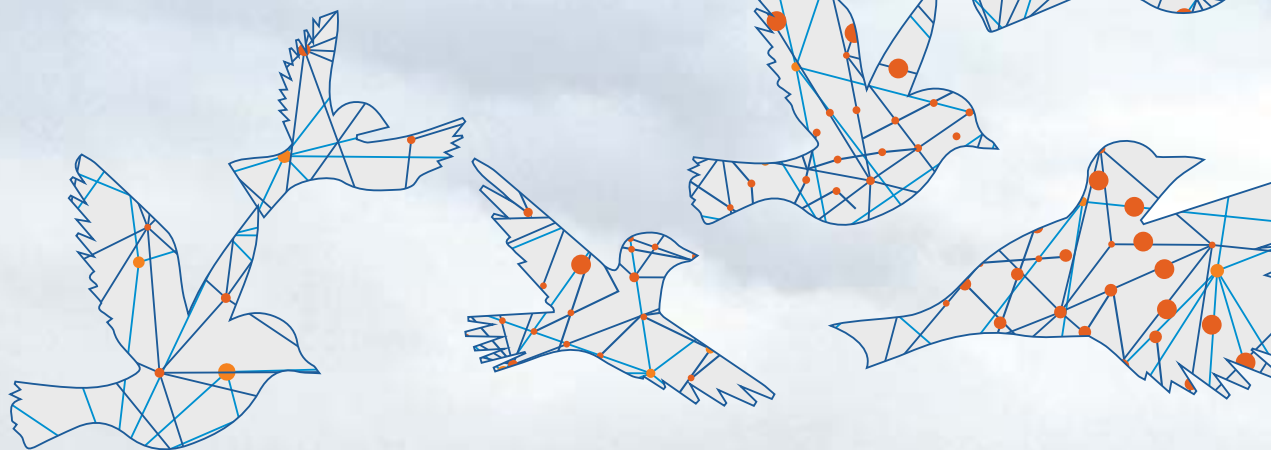
## Poised for higher growth

For IIFL, the journey of a thousand miles began with a single step. A strong vision and an enterprising mindset led to the modest beginning of IIFL as an equity research firm. The Company initiated its growth journey with meticulous strategies and well-executed approach to business.

With a passion to provide the best-in-class products and services, we continued to leverage opportunities that came our way. We responded to the growing needs of customers by expanding our product portfolio across segments. From providing research products, we broadened our offerings to include retail and institutional equity broking, financial products distribution, advisory services and investment banking. A high-level of determination enabled us to rapidly scale new heights in the financial services landscape. Over the past two decades, IIFL Securities formed the core business of the IIFL group, achieving significant milestones. Our evolution in the capital market is the culmination of the relentless efforts of a motivated team, providing high quality and insightful financial services.

Today, the 'IIFL' brand is a well-established and reputed name in the broking and financial services sector in the country. Our customers associate our brand with quality services and corporate values of integrity, trust and honesty. Integrated digital platforms and industry expertise has aided in increasing customer loyalty, retain our existing customers and gain new ones.

Since the incorporation of IIFL in 1995, we have served over 2.4 million customers through a network of about 2,500 points of presence covering our branches and business partners over 500 cities in India. We strongly believe that a solid foundation, robust core, deep network, comprehensive product suites and great customer service make us the preferred choice for our customers and it is their trust that keeps us motivated to excel.







# IIFL Group's inspiring evolution over two decades



## 1997

Focused on high quality-led research products - Probity 200 Company Reports, Economy Probe and Sector Reports to be subscribed by leading FII's, brokers, banks and companies.

## 2000

Pioneered the online trading space by launching 5paisa.com with full service brokerage at 0.05% when the industry was at 1-1.5%.

## 2003

Launched 'Trader Terminal', a pioneering technology built over 3 years, which revolutionised the online trading landscape.

## 2005

Accelerated the growth momentum post the listing of IPO on the NSE and BSE.

## 1995

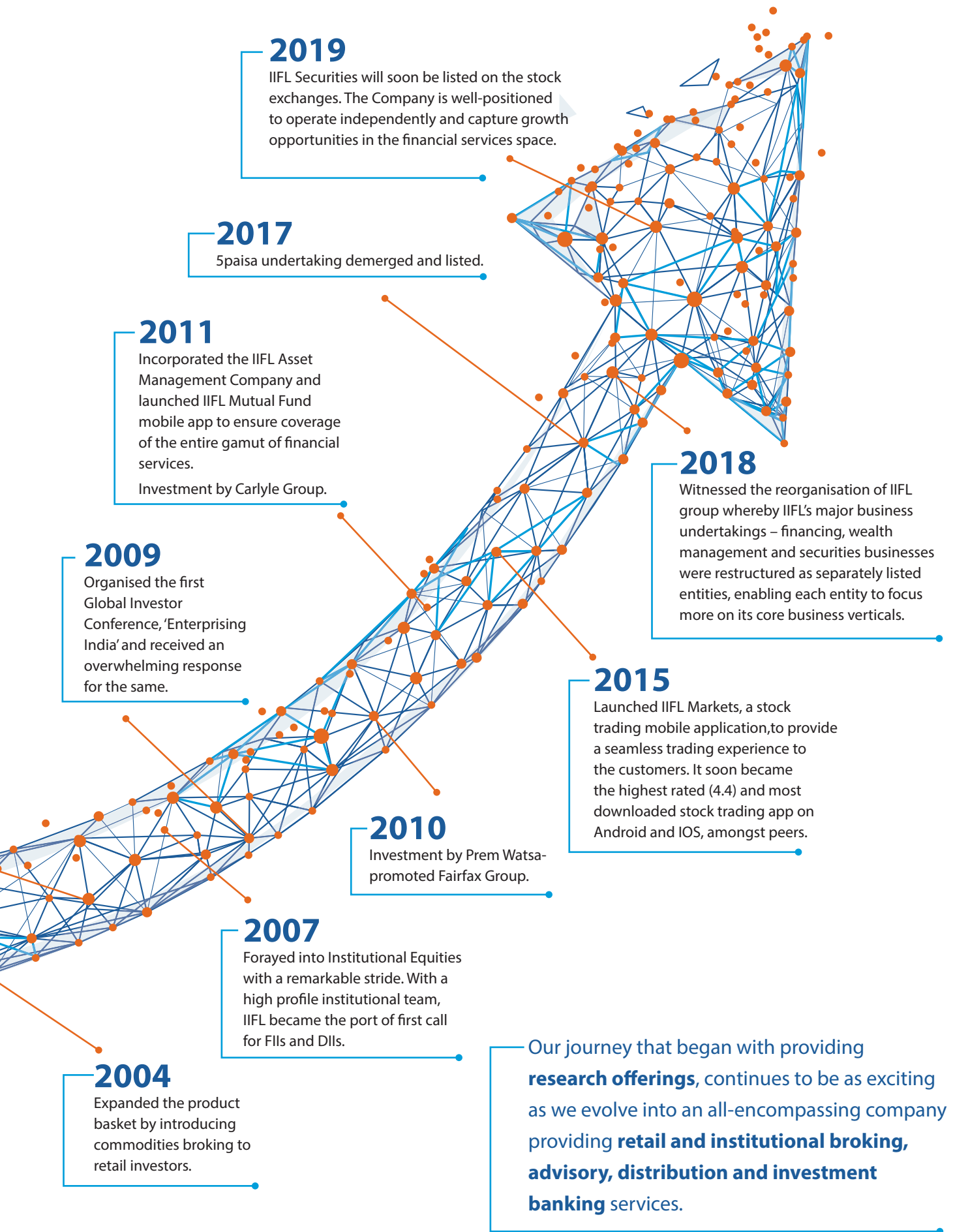
Originally incorporated in 1995 as Probity Research and Services Pvt. Ltd. - an independent equity research firm by a small group of passionate individuals.

## 1999

Launched online portal [www.indiainfoline.com](http://www.indiainfoline.com) to make the research reports available free on the internet, backed by an investment of US\$ 1 million from the CDC group.

## 2001

Became India's first Corporate Agent for Insurance despite funding challenges caused by the 'internet bubble'.



## 2019

IIFL Securities will soon be listed on the stock exchanges. The Company is well-positioned to operate independently and capture growth opportunities in the financial services space.

## 2017

5paisa undertaking demerged and listed.

## 2011

Incorporated the IIFL Asset Management Company and launched IIFL Mutual Fund mobile app to ensure coverage of the entire gamut of financial services.

Investment by Carlyle Group.

## 2009

Organised the first Global Investor Conference, 'Enterprising India' and received an overwhelming response for the same.

## 2010

Investment by Prem Watsa-promoted Fairfax Group.

## 2007

Forayed into Institutional Equities with a remarkable stride. With a high profile institutional team, IIFL became the port of first call for FIIs and DIIs.

## 2004

Expanded the product basket by introducing commodities broking to retail investors.

## 2018

Witnessed the reorganisation of IIFL group whereby IIFL's major business undertakings – financing, wealth management and securities businesses were restructured as separately listed entities, enabling each entity to focus more on its core business verticals.

## 2015

Launched IIFL Markets, a stock trading mobile application, to provide a seamless trading experience to the customers. It soon became the highest rated (4.4) and most downloaded stock trading app on Android and IOS, amongst peers.

Our journey that began with providing **research offerings**, continues to be as exciting as we evolve into an all-encompassing company providing **retail and institutional broking, advisory, distribution and investment banking services**.



# Leveraging technology architecture

## Driving higher efficiency across processes

We have been at the forefront of advanced technology adoption, developing investment solutions that improve customer experience. The Company has continuously invested in state-of-the-art technology infrastructure to build a strong back-end system. A highly responsive customer portal aided by data analytics ensures enhanced efficiency and superior client relationships.

### The IIFL Markets Mobile application

IIFL Markets is one of the top rated mobile applications for trading and market monitoring activities.

New features launched during the year include:

- ▶ Bracket and cover orders with trailing stop loss functionality for Swing traders
- ▶ 360 degree report to monitor the investments, their value and portfolio composition
- ▶ Easy access to research reports on Equity, IPO, Strategy and Morning Mantra
- ▶ Screeners to pick the stocks based on pre-defined variable in live market
- ▶ Facilitates Superstar Portfolio and Advance Trade Multiple Orders



**4.3**

Rating on play store

**3+ million**

App downloads

**39%**

Share in the total brokerage

**52%**

Clients trading through mobile App





### IIFL Mutual Funds Application

Mutual Funds (MF) app is a one-stop shop for customers to invest, track and monitor various types of mutual funds, get valuable recommendations and latest updates.

New features launched during the year:

- ▶ Paperless SIP and real time approval through internet banking
- ▶ Online transfer of holdings from other intermediaries to IIFL
- ▶ Smart Save with instant redemption feature
- ▶ Easy switch from Scheme A to Scheme B within the same portfolio
- ▶ Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP)
- ▶ Quick access to account statement, capital gain statement, dividend history etc.

## 4.3

Rating on play store

## 800,000

App downloads

### AAA: A one-stop solution for entrepreneurs interested in the capital market

With an objective of facilitating those who want to follow entrepreneurship route in the capital markets, IIFL Securities has launched a mobile office solution 'AAA' i.e. Advisor Anytime Anywhere (AAA).

Backed by robust technology, security and expertise, AAA helps its business partners/advisors manage their clients' investments, access quality research & training and monitor their business performance all within a single device. A tab-based platform, AAA comes with in-built comprehensive and relevant features in order to assist its partners.

- ▶ Helps manage client investments, access quality research and training material
- ▶ Allows end-to-end execution for a bouquet of financial products like Equities, Commodities, Currency, Mutual Fund, Insurance, Fixed Deposits, IPO, NPS and Loans, among others
- ▶ Facilitates advisors to monitor their business performance effectively
- ▶ Offers relevant learning content and comprehensive client reports
- ▶ Enables financial planning through tools like Goal Planning, research and IIFL View, among others
- ▶ Allows engagement with client network through various marketing tools
- ▶ Provides centralised support from a dedicated team and 24x7 AI-enabled chatbot



### Strategic acquisition in Trendlyne

IIFL Securities acquired 14.7% strategic stake in fin-tech startup Trendlyne, a stock market analytics platform for retail investors, analysts, fund managers and advisors. This strategic move will enable the Company to focus more towards providing superior investment solutions.

# Leading with people

## Driving employee excellence

### Fostering a balanced work environment

At IIFL, employees are at the centre of the drive to excellence and we believe in caring for them as a family. We are focussed on attracting, developing and retaining relevant industry talent. We take pride in providing an inclusive and diverse work culture in which everyone feels included and empowered. Our committed workforce bring our vision, values and strategy to life and help deliver the best customers experience.

We believe in a culture of teamwork, continuous learning and work-life balance. During the year, we initiated various learning programmes to ensure that our people are equipped with essential learning skills and leadership traits.

### Digitised learning

We emphasize on maximising the use of digital platforms, right from the on boarding stage. IIFL offers e-learning modules, live webinar sessions and video based modules in vernacular languages to ensure the regional adaptability and effective learning at the same time.

### In house pre-training model

The Company has in place a structured learning experience for all new hires through an in house pre-trained model called RISE – 'Readiness to IIFL through Skill Enhancement'. The project has been designed to familiarise and engage new members with the

organisational structure, its culture and principles. It comprises in-depth training on business aspects, on the job training & a subsequent refresher programme. The robustness of this program earned the organisation a much coveted industry recognition during the People Matters L&D Awards 2018 as 'Winner of Best in On Boarding Solutions'.

### Leadership program

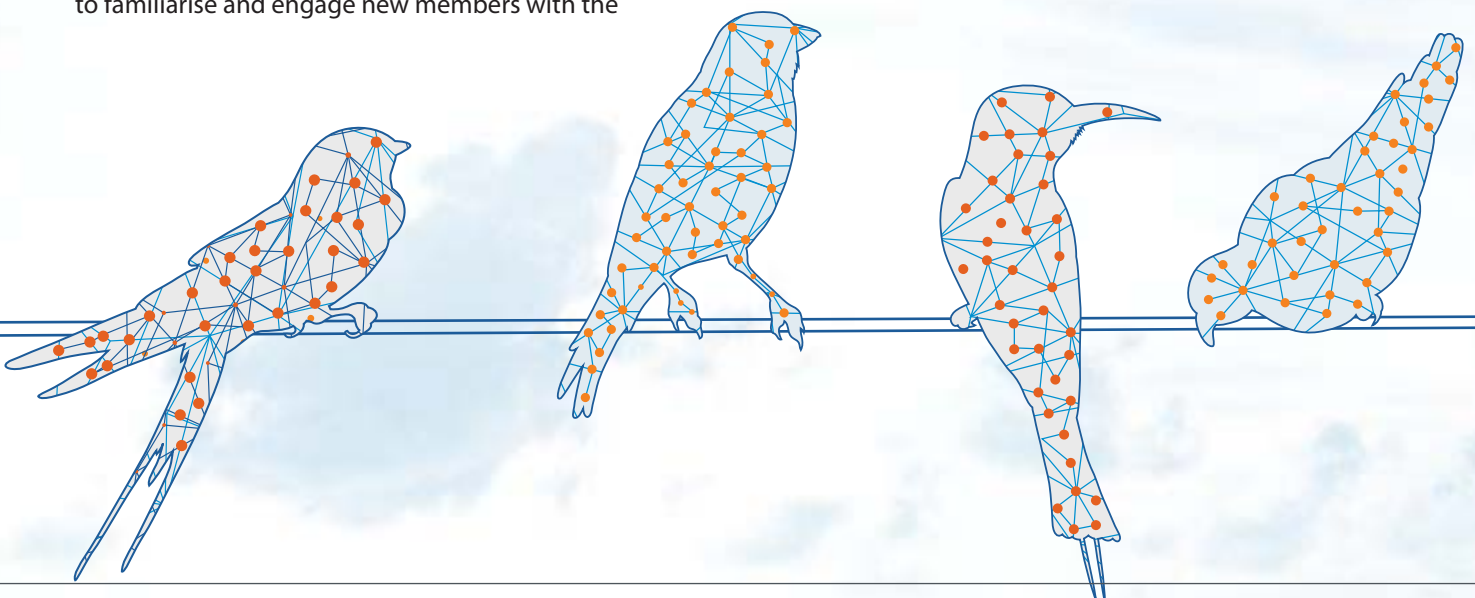
With strong thrust on creating future leaders, our role-based Leadership Programme, 'Leadership Mantra' was launched during the year, aimed at re-skilling front line leadership towards managing teams more effectively.

### Management development program

We conducted various learning programmes spanning across sales & business strategy, leadership & team building and creative thinking & decision making.

### Encouraging gender equality: Women at the forefront

At IIFL, we are committed to create a workplace environment where equal opportunities is provided to all. Our work culture allows women to foster their creativity and ingenuity into their jobs. Our women-centric interventions takes care of the significant career phases faced by women team members.







A session with Senior Management of IIFL



Speedmentoring session for Women Employees

- ▶ IIFL's Women Returnee Policy known as 'Bring Them Back Policy', aims at rehiring women from sabbatical
- ▶ Flexible hours, work from home or choice of location for new mothers, along with day care service partners at certain locations
- ▶ Speed mentoring session are held for all women employees to meet inspiring women leaders form industry, seek their views and exchange ideas



Employees during the Koraigad tour

### IIFL Human Resources

awarded for Smart Technology, Employee Culture, Creative Engaged Employee Plan and Employee Experience Design at Employee Engagement Summit 2018

**22%**

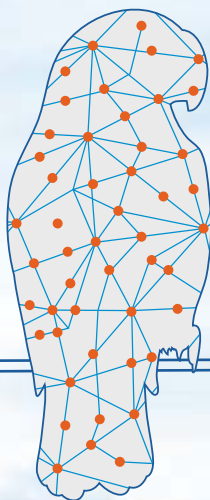
Female employees



Football team – Men



HR induction session



Training session for the women employees



Women employees in a group activity session

# Chairman's message



We are optimistic about our growth opportunity and the Company will continue to march ahead with its robust set of core values that have been its guiding force along with a strong focus on innovation and customer service.

## Set for a new beginning

### Dear Shareholders,

Over the two decades, your Company has built a rich legacy, evolving from a pure research house to a full-fledged securities business undertaking. In 2018, the parent Company, IIFL Finance Limited, took a strategic decision to restructure the group which would result in three separate entities for each of its core businesses – loans and mortgages, wealth management and capital markets. IIFL Securities Limited, now an independent entity which will soon be listed, has an extra edge in the industry with a strong foundation, value-driven fundamentals and end-to-end digitised processes.

Although facing challenges, the Indian economy remained one of the fastest growing economies in the world. Various structural reforms like Goods and Services Tax (GST) and the Insolvency and the Bankruptcy Code (IBC) led to a shift towards an organised economy and the Indian equity markets scaled all-time highs with the Sensex rising nearly 17% in FY19 - the highest growth in any fiscal year since FY10, despite volatility due to elections. During the second half of the year, the economy faced headwinds with global economic turmoil and slowdown in many domestic industries and businesses. The RBI has forecast GDP to grow at 7.2% in fiscal 2020, but this will be contingent on assumptions of financial markets stability and credit flows, a normal monsoon and incremental monetary and liquidity easing.

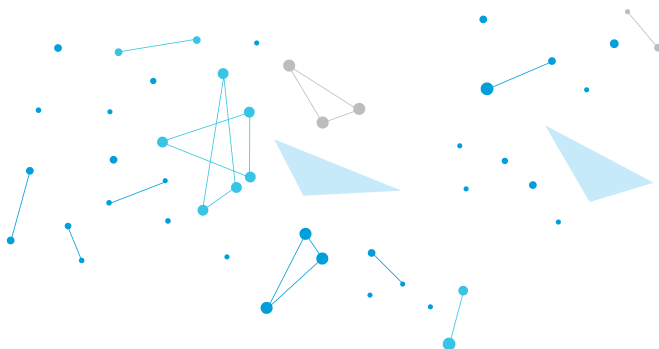
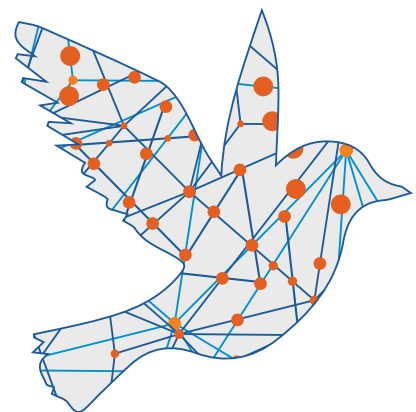
IIFL has grown over the years to become a leading name in the financial services industry. The Company provides advisory and broking services, financial product distribution, institutional research and investment banking services. It offers a differentiated value proposition through superior digital platforms, diversified products, strong research capability, a highly qualified and capable team, and customised solutions. In the fiscal year 2019, your Company has sustained performance despite the volatility in capital markets. Over the course of its journey, it has witnessed various industry cycles and has the capability to withstand challenges.

We are optimistic about our growth opportunity and the Company will continue to march ahead with its robust set of core values that have been its guiding force along with a strong focus on innovation and customer service.

I would like to take this opportunity to appreciate all employees for their passion and commitment towards the Company's vision, and express my gratitude to all the directors, customers, shareholders and other stakeholders for their continued confidence in the Company as it progresses on an exciting path ahead.

Regards,

**Kranti Sinha**  
Chairman





# Managing Director's message



Our strong customer relationships, robust risk management systems, compliance orientation and dedicated customer servicing helped our business. In the coming year, we will continue to focus on state-of-the-art technology tools with a keen focus on customer satisfaction.

## Leveraging the legacy

Dear Shareholders,

It gives me immense pleasure to present to you the 24th Annual Report of IIFL Securities Limited. IIFL Securities will soon be listed on the stock exchanges, born out of IIFL Group's reorganization over the past year.

As you all know, the IIFL Group was founded as an equity research firm two decades ago and has grown leaps and bounds over the years to have become one of the largest diversified financial services provider in the country. The Capital Markets business was the bedrock on which the fortunes of IIFL group were built and, as such, is the foundation of our strong legacy.

**'Excellence is the unlimited ability to improve the quality of what you have to offer!'**

~ Rick Pitino

As we embark on a new phase in our journey, it is reassuring to look back at the distance covered. We have over the years built a strong core, honed our skills and implemented best practices born out of experience, with a single-minded aim to achieve excellence. It is on the back of this legacy that I look at the future with confidence and excitement.

## Our performance

Your Company registered a total income of ₹ 8.8 billion during the financial year 2018-19, while the profit after tax stood at ₹ 1.7 billion. We maintained ~3.5% share of daily cash turnover and a ~2% share in total turnover of Stock Exchanges. Our institutional research catered to over 500 companies and our Investment Banking team completed more than 15 transactions across various products, including QIPs for Embassy Office Parks REIT, HDFC Bank, Magma Fincorp, IPOs for HDFC Asset Management, Varroc Engineering, Credit Access Grameen, Private Placement for National Stock Exchange of India among others.

During the year, pursuant to regulatory enablements, the Company also started commodities broking service under its banner, enabling providing all securities' services under a single platform. Investment Banking earlier carried on under IIFL Finance Limited (formerly IIFL Holdings Limited), now operates under the Company, pursuant to effecting the demerger.

IIFL's tenth Enterprising India - Global Investors' Conference was held from the 13th to 15th of February 2019 with the theme 'Elections-Economy-Earnings' and witnessed participation from 122 companies and 700+ investors.

The Company won many accolades over the year including 'Best Use of Digital Media/Platform in the Share Trading Category' at the Drivers of Digital Awards for IIFL Markets App, 'Best Financial Advisory Services for NRIs' at the UAE-India Economic Forum, the 'Go Green Initiative for Executing Maximum Digital Transactions' by NSDL at the Star Performer Awards 2018, 'Best IPO Bidding Member – Retail' at NSE Market Achievers Awards and many more.

The Indian economy and financial sector witnessed several headwinds post the IL&FS crisis in September, 2018 and investor sentiment weakened consequently. The performance of the Company was also impacted during the year due to this market volatility. However, our strong customer relationships, robust risk management systems, compliance orientation and dedicated customer servicing helped our business. Moreover, with government's and regulator's various positive measures, we are optimistic of a recovery in the second half of the coming year. Demand for financial services like ours will remain robust due to under-penetration and need for people to channelise their savings. We aim to leverage our cutting edge products, superior customer services,



research and advanced technologies to boost our performance.

## The digital edge

We are leveraging the digital ecosystem to offer our customers a compelling experience. Today, customers require greater personalisation and convenience, across products. Our marquee mobile applications - IIFL Markets and IIFL Mutual Funds which are highly rated and well appreciated among customers, along with our proprietary web trading portal, cater effectively to these requirements.

During the year, we also announced the launch of 'AAA' (Advisor Anytime Anywhere). Through the distinctive proposition of 'AAA', IIFL Securities is creating a gateway of opportunity to empower IFA aspirants, specifically in tier II and III cities and help them realise their entrepreneurial dreams. AAA promises to offer a one stop solution for an entrepreneur interested in financial advisory with access to stock markets, mutual funds, news, expert views, research and learning modules. With AAA we are planning to expand our distributor network significantly in FY20.

## Looking ahead

In the coming year, your Company will continue to focus on state-of-the-art technology tools with a keen focus on customer satisfaction. We are poised to capitalise on opportunities.

I would like to thank our shareholders, customers, bankers, partners, regulators and employees for their consistent support and look forward to strengthening our relationship in the future.

Regards,

**R Venkataraman**  
Managing Director

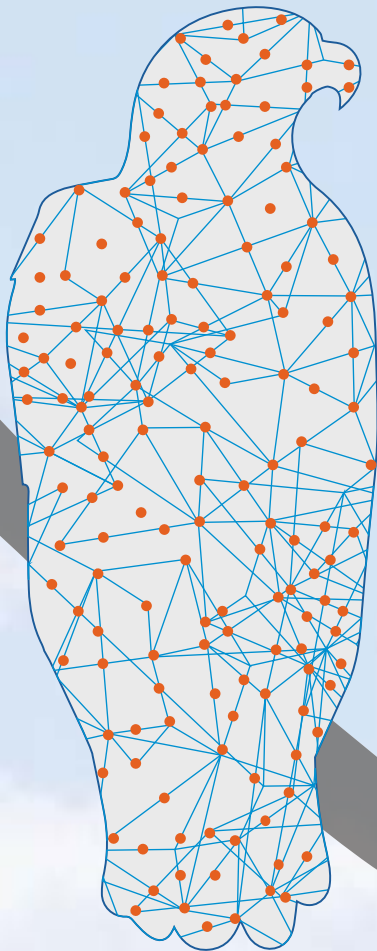
# Enterprising India Investor Conference

IIFL's tenth Enterprising India - Global Investors' Conference was held from the 13th to 15th of February 2019. This time the theme was 'Elections-Economy-Earnings'.

The Enterprising India Conference brings together some of the most notable industry experts, investors and corporate presenters. This year, we witnessed participation from 122 companies and 700+ investors. Additionally, we also featured 25 specialist speakers, including **Dr. Jim Walker**, renowned economist; **Mr. Manish Sabharwal**, Chairman - Team Lease Services; **Mr. Shekhar Gupta**, Editor in Chief - The Print;

**Mr. Amitabh Kant**, CEO - NITI Aayog;  
**Mr. Krishnan Sitaraman**, Senior Director - CRISIL;  
**Mr. Nikhil Ojha**, Partner (Mumbai) - Bain & Company; and **Mr. Amin Toufani**, Chair - Finance & Economics, Singularity University (New York).

The conference was well attended by companies from all major sectors - Auto, Cement, Banking, FMCG, IT Services, Infrastructure, Oil & Gas and Media, among others.







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# Awards and recognition



## Drivers of digital awards 2018

- ▶ IIFL Markets App received the award in the category – Best Use of Digital Media/Platform in the Share Trading Category
- ▶ mf.indiaonline.com won in the category – Online Engagement and Loyalty Scheme of the year and Best Online Payment Solution (Merchant)
- ▶ www.indiaonline.com received Mobby's Award at World Marketing Congress for 'Best Financial Website'



Accredited with *Qadat Al Tagheer Award* under the 'Best Financial Advisory Services for NRIs' category at the UAE-India Economic Forum





Won 'ET Now Making of Developed India (MODI)' Award for Brand and Marketing Excellence under the category 'Best use of Technology to improve Customer Service in Financial Industry'



Honoured with 'Go Green Initiative for Executing Maximum Digital Transactions' by NSDL at the Star Performer Awards 2018



Received the 'Most Innovative Wealth, Assets and Investment Management Service/ Product Award' for 'IIFL Markets App' by ET Now and BFSI Awards



Won NSE Market Achievers Awards 2018 in the 'Best IPO Bidding Member – Retail' category



Awarded in the category Customer Excellence at the India CX Summit & Awards 2019, presented by Zendesk



IIFL Human Resources awarded for Smart Technology, Employee Culture, Creative Engaged Employee Plan and Employee Experience Design at Employee Engagement Summit 2018

# Board of Directors



**Kranti Sinha**

*Independent Director*

Kranti Sinha is an Independent Director and Chairman on the Board of our Company. He holds a Master's degree in Arts from Agra University and started his career as a Class I Officer with Life Insurance Corporation of India ("LIC"). He served as Director and Chief Executive Officer of LIC Housing Finance Limited from August 1998 to December 2002 and concurrently as the Managing Director of LICHFL Care Homes Limited (a wholly-owned subsidiary of LIC Housing Finance Limited). He retired from the permanent cadre of the executive director of LIC. He also served as the deputy president of the Governing Council of Insurance Institute of India and as a member of the Governing Council of National Insurance Academy, Pune apart from various other such bodies.



**Venkataraman Rajamani**

*Managing Director*

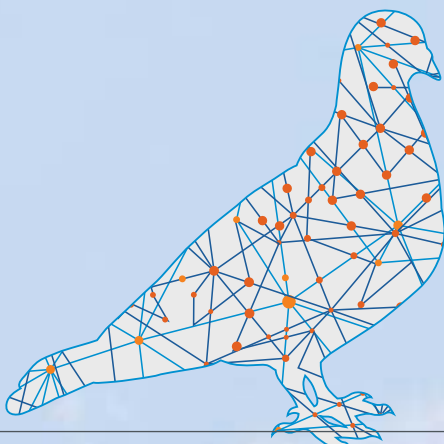
Venkataraman Rajamani is the Managing Director of our Company. He holds a Bachelor's degree in Technology in Electronics and Electrical Communications from the Indian Institute of Technology, Kharagpur and a Master in Business Administration from the Indian Institute of Management, Bangalore. He joined our Company in 1999 and is currently a promoter and the managing director of IIFL Finance Limited (formerly IIFL Holdings Limited). He has a varied experience of over 28 years in the financial services sector. Prior to this, he worked with ICICI Limited, ICICI Securities Limited, and Taib Capital Corporation Limited. He has also served as the assistant vice president of GE Capital Services India Limited in their private equity division.



**Mohan Radhakrishnan**

*Whole-time Director*

Mohan Radhakrishnan is a Whole-time Director on the Board of our Company. He is a qualified Chartered Accountant. He has over 32 years of experience in financial services and capital market regulations and compliances. He is associated with the IIFL Group as the Chief Compliance Officer since last 14 years. In the past, he was associated with SEBI as a general manager where he served for a period of over 13 years. He had held various positions in the regulations, supervision, market surveillance and investigation functions at SEBI. During his tenure at SEBI, he also served as the member secretary of the "Group for Review of Portfolio Managers Regulations" in 2000, coordinator for the "Committee on Strengthening of Disclosures in the Offer Documents of Companies" in 2001 among others.







### **Narendra Deshmal Jain**

*Whole-time Director*

Narendra Deshmal Jain is a Whole-time Director on the Board of our Company. He holds a Bachelor's degree in Commerce from University of Mumbai and is a qualified Chartered Accountant. He has over 21 years of experience in the financial services industry, specifically in areas such as operations, taxation, internet banking and finance. In the past, he was associated with ICICI Brokerage Service Limited, where he worked in areas like operations, risk, compliance and design and development of systems and processes. He was also associated with Hindustan Petroleum Corporation Limited wherein he was involved in areas such as indirect taxation and marketing analytics.



### **Aniruddha Dange**

*Non-executive Director*

Aniruddha Dange is a Non-executive Director on the Board of our Company. He holds a Bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Bombay and has a degree in Masters of Business Administration from the Indian Institute of Management, Calcutta. He has over 25 years of experience in the financial services industry. Prior to joining our Company, he worked at ICICI Securities Limited, at ABN Amro and thereafter, at CLSA, covering the technology, media and telecom sectors and became the head of research in 2003, leading a team of 15 research analysts at CLSA, where he worked for nine years, before joining our Company.



### **Rekha Warriar**

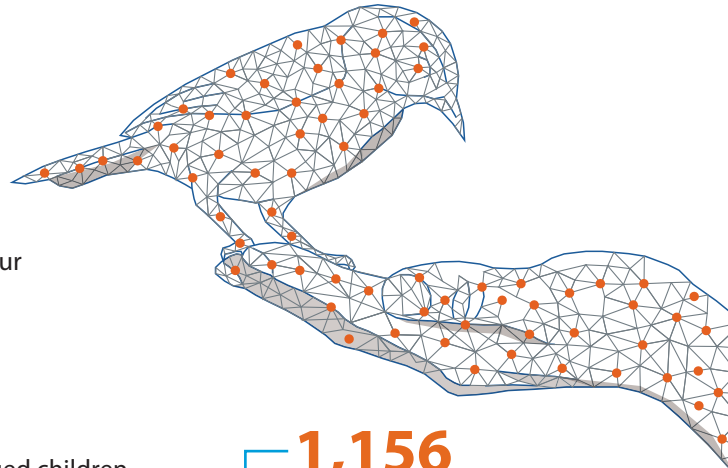
*Independent Director*

Rekha Warriar is an Independent Director on the Board of the Company. She holds a Masters degree in Applied Mathematics from the University of Bombay and a Masters in Public Policy from Princeton University, USA. She has over 30 years of experience with the Reserve Bank of India in various departments like Foreign Exchange, Financial Stability, Internal Debt Management, Rural Development etc.. She has also served as a member of faculty in RBI's training colleges and as Associate Professor at the National Institute of Banking Management, Pune. She retired as a Regional Director (West Bengal and Sikkim), RBI in July 2017.



# Being responsible and sustainable

Social developmental initiatives are a key focus area for IIFL and our efforts are aimed at empowering the society at grassroots level.



## Transforming lives through education

### 'Sakhionki Baadi'

IIFL is committed on imparting quality education to underprivileged children of the society. Therefore, with a special focus on education, IIFL Foundation has by set up schools in many districts of South Rajasthan including tribal districts of Rajsamand and Udaipur. Backed by innovative teaching practices, it has successfully brought 34,452 out-of-school girls into the fold of education.

### Mission 'Chouras'

With the aim of providing access to education and a place of safety for children of construction workers, IIFL foundation has initiated learning centres-cum-creches. Mission 'Chouras' is supported by trained teachers to teach children, who are otherwise deprived of basic education.

**1,156**

Community schools

**34,452**

Girls benefited during the year 2018

**50+**

Children benefited through Chouras



## Addressing healthcare challenges

### Annual Mega Camp 2019 at Barsana

- Organised an eye and dental check-up camp at Barsana – country's renowned place of pilgrimage
- Offered 'Free of Cost' eye and dental check-up to beneficiaries, primarily from 120 villages

### Eye Camp

- All the patients at the camp were provided eye check ups
- Around 1,096 patients were operated for cataract surgery

### Dental camp

- Provided dental check-up services to patients and distributed free dentures to 62 patients
- Educated patients on oral cancer along with a general orientation on oral hygiene



**2,863**

Beneficiaries

**1,416**

Beneficiaries





### Medical equipment at Government Hospital

IIFL Foundation extended its support, by providing and upgrading medical equipment at Municipal General Hospital in Mumbai (Sion). The aid intends to support treatment of patients from marginalised section of the society.

### Safeguarding the ecosystem

#### Water conservation at Aurangabad

IIFL Foundation has taken the lead to address the acute shortage of water by constructing water trenches at five locations - Shiroti, Wahegaon, Jalegaon Mete, Satal Pimpri and Khambgaon in the Aurangabad district of Maharashtra. Spanning across 4.43 km, these trenches help to make ground water positive and recharge the wells.



**58.92 crore litres**  
Water conserved

**10,644**  
Individuals benefited

**31,630**  
Livestock benefited

### Our community initiative: IIFL Milan

IIFL Foundation launched a new community connect program called 'IIFL Milan' to organise unique initiatives with asocial impact.

#### 1) Sehat ki baat, aap ke saath

Helped create awareness on various lifestyle and health-related habits. More than 1,080 health camps organised in a single day in over 700 locations

#### 2) Rangon ka milan

A drawing and slogan contest, was held across 1,240 branches in a single day in over 700 locations. More than 39,200 citizens participated with diverse topics such as 'A healthy India', 'Educated girl child' among others

#### 3) Aao banayein swasth Bharat

Health camp drew participation from 30,225 citizens, especially women and senior citizens. More than 1,060 health camps were organised in over 700 cities and towns

#### 3) Future ka ganit

Workshops were organised at 1,206 branches across 700+ cities to promote financial literacy. The workshop was attended by more than 52,000 citizens





## DIRECTORS' REPORT

### Dear Shareholders

On behalf of the Board of Directors, it is our pleasure to present the First Annual Report after effecting the De-Merger of IIFL Finance Limited (Formerly IIFL Holdings Limited), the Listed Company and the Twenty Fourth Annual Report of IIFL Securities Limited ("the Company"; erstwhile India Infoline Limited), together with the Audited Financial Statements for the year ended March 31, 2019. We welcome all the shareholders of IIFL Finance Limited, pursuant to allotment of shares of the Company in June 2019, upon affecting the Composite Scheme of Arrangement.

### Highlights of Financial Performance

The Company has recorded the following financial performance, for the year ended March 31, 2019:

#### 1. Financial Results

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. Financial statements for the year ended and as at March 31, 2018 have been restated to conform to Ind AS.

A summary of the financial performance of the Company and its major subsidiaries, for the financial year ended March 31, 2019, is as under:

(₹ in million)		
Name of the Company	Revenue	Profit after Tax
IIFL Securities Limited	7,058.05	1,449.39
IIFL Facilities Services Limited	1,119.84	122.77
IIFL Insurance Brokers Limited	367.27	120.66
IIFL Management Services Limited	334.17	27.68
IIFL Capital Inc	243.33	22.99
IIFL Wealth (UK) Limited	115.82	-9.95

#### - Consolidated Financial Results

A summary of the consolidated financial performance of the Company, for the financial year ended March 31, 2019, is as under:

(₹ in million)		
Particulars	2018-19	2017-18*
Revenue	8,755.65	9,471.93
Profit Before Tax	2,580.81	2,735.31
Profit After Tax	1,714.33	1,805.76
Total Comprehensive Income	1,721.01	1,797.63

\* Previous period figures have been regrouped/rearranged, wherever necessary

#### - Standalone Financial Results

A summary of the standalone financial performance of the Company, for the financial year ended March 31, 2019, is as under:

(₹ in million)		
Particulars	2018-19	2017-18*
Revenue	7,058.05	7,426.57
Profit Before Tax	2,162.73	2,412.75
Profit After Tax	1,449.39	1,575.08
Total Comprehensive Income	1,457.32	1,567.85

\* Previous period figures have been regrouped/rearranged, wherever necessary

#### 2. Review of Operations and Business and the state of Company affairs

The Company's consolidated revenue was ₹ 8,755.65 million in the financial year 2018-19 as against ₹ 9,471.93 million in the financial year 2017-18, a decline of 7.56% from that of previous year. The Company has earned consolidated net profit of ₹ 1,714.33 million compared with the previous year net profit of ₹ 1,805.76 million, a marginal decline of 5.06% from that of previous year.

##### I. Broking and Distribution

The Company's broking & distribution services continues to be a key player in both, the retail and institutional segments of the capital market, with over 2,500 points of presence covering the Company's branches and business partners over 500 cities in India. A combination of reduced investor optimism, shocks in the debt market, and uncertainty about the consumption story led to a volatile year, in terms of inflows to the markets. Despite these headwinds, the average daily equity market volumes for the capital market business surged 26% year-on-year (y-o-y) to ₹ 177.96 billion. The Company has continued the acceleration in new client acquisition, with the retail broking business adding 88,398 new customers in FY 18-19.

As you are aware, IIFL offers a varied product/service suite to its customers – equities, commodities and currency broking, mutual fund distribution, depository participant services, portfolio management services, structured products, and Investment Banking. The distribution business faced significant headwinds during the year due to the volatile situation, with high networth clients taking long time to commit funds towards capital market-linked investments. Our Mutual Fund

## DIRECTORS' REPORT (Contd.)

distribution AUM grew 25.6% to reach ₹ 36.25 billion at the end of FY 18-19, supported by growth in the large-cap and index-linked stocks. Net mutual fund inflows for the year were ₹ 3.53 billion. The retail investors remain committed to building long term wealth, as witnessed in our SIP AUM growing to ₹ 6.18 billion, a growth of 64.8% year on year. Distribution strength was also witnessed when the Company emerged as the top distributor for the Non Convertible Debentures (NCD) issue of India Infoline Finance Limited, by garnering ₹ 106 billion of subscription from a large number of clients towards the same.

Building on the successes of the previous years, the Company continues to improve its digital offerings in its retail broking business. The Company's mobile trading app 'IIFL Markets' remains the highest rated on Android and iOS among peers, with over 2.7million downloads. Since its launch in February 2015, the brokerage earned and the number of retail clients trading on mobile is on a steady rise. D-I-Y (Do It Yourself) based mobile trading revenue contribution crossed 50% in the last quarter of FY18-19 and over 40% of the total client base has used this channel for trading. New enhancements continue to add value to users and help keep them engaged on the platform in a sustainable manner. IIFL has also launched a holistic goal-based investment management solution to help investors target key lifestyle goals.

Our focussed and consistent efforts towards digitisation and enhancing our service offering & manpower productivity have resulted in improved profitability and enhanced operating margins for the retail broking business.

### II. Institutional Equities

Market volumes in the institutional segment were more or less the same as the previous year's. The Company's market share was marginally higher on a year-on-year basis. The pressure on yields remained unrelenting, compressing them by almost 2bps in FY18-19. Our efforts to invest in the F&O business paid off; volumes were up almost six times YoY, albeit on a relatively low base. The Company's institutional equities research continued to be one of the best ranked on the Street.

### III. Investment Banking

Despite the market volatility, especially in the second half of the fiscal, our investment banking division completed more than 15 transactions, including 3

IPOs, 4 QIPs and 1 ReIT listing. The Investment Banking division continues to have market leadership in equity raising for private sector corporates and has been ranked No. 1 in equity capital raising for private sector companies covering equity IPOs, FPOs, QIPs, ReITs, Invits and IPPs during FY17-19. For the second year in a row, the Investment Banking division has been ranked as the Best IPO Lead Manager - India, by Capital Finance International ("CFI.co") in 2019.

Some of the large transactions completed by the Company's investment banking division in FY18-19 include:

- i. ₹ 47.5 billion ReITs issue of Embassy Office Parks;
- ii. ₹ 28 billion IPO of HDFC Asset Management Company;
- iii. ₹ 27.75 billion QIP of HDFC Bank;
- iv. ₹ 11.31 billion IPO of CreditAccess Grameen; and
- v. ₹ 7.5 billion QIP of Aarti Industries.

The Company has a robust pipeline of investment banking transactions across a number of product categories, which are in different stages of execution. The Company's investment in people and processes for the past few years is starting to bear fruit, as it continues to diversify its product/service offerings. Clients continue to value the Company's focus & commitment and consider it as their trusted advisor, as reflected in the large volume of repeated business.

### 3. Macro-economic Overview:

India was the fastest growing economy in the world in FY19 and is expected to sustain the same pace in FY20. Various structural reforms like Goods and Services Tax and Insolvency and Bankruptcy Code led to a shift towards an organised economy and improved ease of doing business. India's real GDP grew at 7.1% in FY19. Price levels remained within RBI's target and headline inflation largely remained at the same level as the previous year.

The Indian economy was adversely affected with the global slowdown, increase in commodity prices, fiscal slippage and domestic liquidity transmission, causing a slowdown in consumption. Growth rates were adversely affected across sectors; Manufacturing slowed from 16.7% YoY in Q1FY19 to 11% YoY in Q3FY19, agricultural output from 6.8% YoY in Q1FY19 to 2% YoY in Q3FY19 and Services remained stagnant at ~13% through FY19. Despite facing headwinds though, the economy demonstrated resilience in 2018-19. Indian Capital Markets remained attractive for domestic and

## DIRECTORS' REPORT (Contd.)

global investors and investment in Mutual Funds continued to see traction.

Developments on the digital front have been impressive in the past year. The Government's 'Digital India' initiative has led to major transformations in the traditionally cash-driven economy. Digital payments and transactions have boomed in recent times and technology initiatives are expected to revolutionise the financial services industry.

### 4. Industry Overview

Despite headwinds from the global slowdown and the transient impact of demonetisation, the Indian economy demonstrated resilience in FY18-19. As per the IMF's World Economic Outlook, April 2019 edition, India's GDP grew at 7% in FY19 as against 8.2% in FY17. This was majorly due to an overall slowdown in consumption, which is impacting key indicators, leading to a heightened pace of economic and structural reforms that, in the medium term, should positively impact economic growth. With the current government's ambition of realising a US\$ 5 trillion economy by 2024, consumption and investment are both likely to accelerate rapidly.

A positive investment scenario supported by a robust macroeconomic performance, easing inflationary pressures, stable FDI inflows, and regulatory and structural reforms by the government have improved business confidence and attracted investors to the Indian capital market. The Indian stock market scaled new peaks on the back of positive domestic and global sentiments, despite a pick-up in the GDP growth being restricted in first half of FY18-19.

Healthy returns on investments and increasing awareness among the masses have boosted participation of individual investors (retail and HNI) in mutual funds. Assets managed by the Indian mutual fund industry have grown, from ₹ 9.75 trillion as on June 30, 2014 to ₹ 24.25 trillion as on June 30, 2019, about 2½ fold increase in a span of 5 years. Individual investors held ₹ 13.54 trillion in mutual funds as of March 2019, an increase of 16.08% over March 2018. Investments of individual investors in equity schemes increased by 16.39% over March 2018. Regulatory changes have impacted the commissions earned by distributors through changes in the payout structures. Small players are expected to be hit much more compared with larger distributors, who have multiple streams of income.

Indian equity indices hit all-time highs in 2019. Buoyant markets have accelerated trading volumes. Average daily cash trading volumes went up 44% YoY. However, rise in

transaction volumes has been offset by steadily falling yields. Yields have been declining over the past few years due to multiple factors, including: i) rise of passive investment, ii) rising participation of domestic funds that have lower yields, iii) increasing share of derivatives in transactions, and iv) the European and UK regulators having introduced Markets in Financial Instruments Directive or MiFID II norms from January 2018 and, under these norms, investors need to separately account for execution and research instead of the bundled cost model followed so far.

### 5. KEY INITIATIVES/DEVELOPMENTS:

#### I. Investment Banking

Pursuant to Composite Scheme of Arrangement approved by National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated March 07, 2019 as explained in point no. 6 of this report and SEBI approval dated July 12, 2019, the Merchant Banking License of IIFL Finance Limited (Formerly IIFL Holdings Limited) was transferred to the Company being part of Securities business undertaking.

#### II. Commodities Broking

With a view to integrate the equity and commodities broking business carried on by respective subsidiaries within the IIFL group and to ensure smooth operations and servicing of their clients, the commodity broking business of Multi Commodity Exchange of India Limited ("MCX") and the National Commodity and Derivatives Exchange Limited ("NCDEX") carried on by IIFL Commodities Limited was transferred to IIFL Securities Limited, vide slump sale agreement dated June 5, 2018 executed between IIFL Commodities Limited and IIFL Securities Limited pursuant to the necessary approvals and in accordance with the SEBI circular dated September 21, 2017 which permits integration of equity and commodity broking.

#### III. Launched a mobile office solution 'AAA' i.e. Advisor Anytime Anywhere

A one-stop solution for entrepreneurs interested in the capital market with an objective of facilitating those who want to follow entrepreneurship route in the capital markets, IIFL Securities has launched a mobile office solution 'AAA' i.e. Advisor Anytime Anywhere. Backed by robust technology and expertise, AAA helps its business partners/advisors manage their client's investments, access quality research & training

## DIRECTORS' REPORT (Contd.)

and monitor their business performance all within a single device. A tab-based platform, AAA comes with in-built comprehensive and relevant features in order to assist its partners.

#### IV. Enterprising India Investor Conference

IIFL's Tenth Enterprising India - Global Investors' Conference was held from the 13th to 15th of February 2019. This time the theme was 'Elections-Economy-Earnings'.

The Enterprising India Conference brings together some of the most notable industry experts, investors and corporate presenters. This year, we witnessed participation from 122 companies and 700+ investors. Additionally, we also featured 25 specialist speakers, including Dr. Jim Walker, renowned economist; Mr. Manish Sabharwal, Chairman - TeamLease Services; Mr. Shekhar Gupta, Editor in Chief - The Print; Mr. Amitabh Kant, CEO - NITI Aayog; Mr. Krishnan Sitaraman, Senior Director - CRISIL; Mr. Nikhil Ojha, Partner (Mumbai) - Bain & Company; and Mr. Amin Toufani, Chair - Finance & Economics, Singularity University (New York).

The conference was well attended by companies from all major sectors - Auto Cement, Banking, FMCG, IT Services, Infrastructure, Oil & Gas, and Media, among others.

#### V. Awards and Accolades

The Directors are happy to report that during the year, the Company was recognised and felicitated for its exemplary performance in various fields.

Some of its significant achievements are:

- Won the NSE Market Achievers Awards 2018 in the Best IPO Bidding Member Retail category
- Received two awards at the BSE Annual Felicitations ceremony
- Awarded for being the top volume performer in the Primary Market segment, regarding Equity-IPO/FPO Bids Members for FY17-18, and in the Primary Market Segment regarding Debt Public Issue Bids - Members for FY17-18.
- Honoured for the Go Green Initiative for 'Executing Maximum Digital Transactions' by NSDL at its Star Performer Awards 2018
- ET Now and Broadcast One recognised the IIFL Group as Disruptors in the Financial Services

Space for sustained innovation through technological intervention in non-banking finance, wealth management and broking space

- Received the Qadat Al Tagheer Award under the Best Financial Advisory services for the NRI category at the UAE-India Economic Forum
- The Company is India's Number-1 banker for equity issuances by private sector companies in Fiscal 2017-18, by Prime Database
- Customer Excellence in NBFC Sector, at the India CX Summit and Awards 2019
- Received the 'Customer Experience Award' for the Category: Best Use of Technology to Enhance Customer Experience, at the Customer Fest Show 2019
- Received the prestigious ET Now, Making of Developed India Awards For Brand and Marketing Excellence, under the Category: Best use of Technology to improve Customer Service in the Financial Industry

#### VI. Corporate Social Responsibility (CSR) Initiative

The Corporate Social Responsibility Committee of the Board has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities which can be undertaken by the Company. The Board approved CSR Policy which is available on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiainfoline.com](http://www.indiainfoline.com).

IIFL group has set-up India Infoline Foundation (generally referred to as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013 which acts as the principal arm to undertake CSR initiatives on behalf of the Company & its subsidiaries.

The Company has identified focus areas for CSR initiatives which includes:

- Water Conservation
- Provision of Medical Equipment to Hospital
- Medical Treatment for poor patients
- Education - Eradication of Girl child Illiteracy
- Support to Differently abled
- Educational support to the Tribal out-of-school children - Maharashtra

## DIRECTORS' REPORT (Contd.)

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of Companies Act, 2013) of the preceding three years on CSR projects, fully utilising the required amount.

### 6. Composite Scheme of Arrangement of the IIFL Group

As you are aware, the Board of Directors of the Company, at its meeting held on January 31, 2018 had approved the Composite Scheme of Arrangement amongst the Company, IIFL Finance Limited (erstwhile IIFL Holdings Limited; "IIFL"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Wealth Management Limited ("IIFL Wealth"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which, *inter-alia*, envisages the demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Finance Limited into the Company. The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated March 7, 2019, sanctioned the Composite scheme of arrangement and the certified true copy of the NCLT order was received on March 15, 2019.

Pursuant to the order, the following parts of the Scheme are made effective: (a) amalgamation of IIFL M&R with IFL; (b) demerger of the Securities Business Undertaking (as defined in the scheme) of IFL into the Company; (c) demerger of the Wealth Business Undertaking (as defined in the Scheme) of IFL into IIFL Wealth; and (d) transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly-owned subsidiary, i.e. IIFL Distribution, on a going-concern basis. However, the merger of India Infoline Finance Limited with IFL shall be made effective on receipt of the requisite licences/registrations by IFL, to carry on the lending business.

Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Securities Business Undertaking into the Company, 18,718,281 Equity Shares of ₹10 each, held by IIFL Finance Limited (erstwhile IIFL Holdings Limited) in the Company, were extinguished and cancelled and in lieu of the same, the equity shareholders of IIFL Finance Limited whose name appeared in the Register of Members on record date May 31, 2019 were allotted one (1) equity share in IIFL Securities Limited of ₹ 2 each, credited as fully paid-up for every one (1) equity share of ₹ 2, fully paid-up and held by such equity shareholders in

IIFL Finance Limited. Accordingly, 319,234,462 equity shares of ₹ 2 each of the Company were issued and allotted to the Eligible Shareholders of IIFL Finance Limited on June 6, 2019.

Pursuant to the above and the Scheme becoming effective from April 1, 2018 the following Companies have become subsidiaries of the Company:

Sr. No.	Name of the Subsidiary
1	IIFL Facilities Services Limited
2	IIFL Management Services Limited
3	IIFL Insurance Brokers Limited
4	IIFL Commodities Limited
5	IIFL Wealth (UK) Limited
6	IIFL Capital Inc.
7	IIFL Asset Reconstruction Limited
8	India Infoline Foundation (Section 8 Company)

As per the Scheme, IIFL Finance Limited transferred the assets and liabilities pertaining to the demerged undertaking (Securities Business Undertaking), to the Company at the respective carrying values as appearing in the books of accounts of IIFL Finance Limited from April 1, 2018 (the appointed date). The demerger has been accounted under the pooling of interests method, in accordance with Appendix C of IndAS 103 Business Combinations and comparatives have been restated from the beginning of the earliest previous year, presented in these financial statements, viz. April 1, 2017, as if the business combination had occurred from that date. Accordingly, the capital reserve as at each of the reporting periods arrived at, is as mentioned below:

Particulars	(₹ in million)		
	March 31, 2019	March 31, 2018	April 1, 2017
Net assets value of the Securities Business Undertaking (A)	1,414.99	1,470.15	1,655.73
Profit for the year transfer under the Scheme (B)	178.67	-	-
ESOP reserve (C)	21.83	-	-
Equity share capital to be cancelled (D)	187.18	187.18	169.00
New equity share capital to be issued (E)	638.41	637.96	635.82



## DIRECTORS' REPORT (Contd.)

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Impact of differential tax rate - deferred tax (F)	1.68	1.68	-
Capital reserve created from the above (A-B-C+D-E-F)	761.58	1,017.69	1,188.91

### Listing of Shares on Stock Exchange

The Company has filed the necessary listing application with the SEBI, NSE and BSE for listing of its equity shares. After the receipt of approval of listing and trading, trading on the stock exchanges will commence.

### 7. Dividend

During the year under review, the Company declared and paid an interim dividend of ₹ 15 per share (i.e. 150% of the face value of ₹ 10 per share); this led to an outgo of ₹ 280.77 million, excluding dividend distribution tax. The same is considered as final dividend. Similarly, the subsidiaries, namely IIFL Commodities Limited and IIFL Insurance Brokers Limited, had also declared dividends and the same had led to an outgo of ₹ 12.54 million and ₹ 50 million respectively.

The dividend payout for the year under review is in accordance with the Company's policy to pay sustainable dividend linked to long-term growth objectives of the Company, to be met by internal cash accruals.

The Board of Directors of the Company has adopted a Dividend Distribution Policy and the same is available on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

### 8. Share Capital:

In terms of the Composite Scheme of Arrangement approved by the NCLT on March 7, 2019, 18,718,281 Equity Shares of ₹ 10 each held by IIFL Finance Limited (formerly IIFL Holdings Limited) in the Company were extinguished and cancelled and in lieu of the same, the Company allotted fresh 319,234,462 equity shares of ₹ 2 each to the eligible shareholders whose name appeared in the Register of Members on May 31, 2019 i.e. Record Date.

### 9. Employees Stock Option Scheme (ESOS)

As approved by the shareholders of the Company at their extra-ordinary general meeting held on February 21, 2018 the Company has in place the IIFL Securities Employee Stock Option Scheme 2018 (IIFL ESOS Scheme-2018) with a pool size of 16,000,000 options of ₹ 10 each of the Company. Pursuant to the approval of NCLT Mumbai Bench on the Composite Scheme of Arrangement, the above mentioned ESOP pool of 16,000,000 (Sixteen million) options was converted into 80,000,000 (Eighty million) Stock Options exercisable into shares of ₹ 2 each of the Company. Till date, no grant has been made under the Scheme. However, pursuant to the Composite Scheme of Arrangement, eligible option holders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) will be entitled for stock options of the Company under IIFL ESOS Scheme-2018 in the ratio of one stock option for every stock option held in IIFL Finance Limited.

There is no material change in the IIFL ESOS Scheme-2018 during the year under review and the Scheme is in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 are provided on the website at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com) and the same is available for inspection by the members at the Registered Office of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

The Company is proposed to be listed, therefore, approval of members by a Special Resolution for ratification of the 'IIFL ESOS Scheme-2018 is being sought in the notice convening the Annual General Meeting of the Company. (Please refer Item No. 4 of the Notice.)

### 10. Deposits

The Company did not accept/renew any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder and as such, no amount of principal or interest was outstanding as on the Balance Sheet date. Further, the Company does not intend raising any public deposits, in terms of its declaration to the Reserve Bank of India.

## DIRECTORS' REPORT (Contd.)

### 11. Transfer to Reserves

The Company during the year under review has not transferred any amount to the General Reserve.

### 12. Subsidiary Companies

Pursuant to the Composite Scheme of Arrangement become effective as mentioned in point 6 above, from April 1, 2018, IIFL Finance Limited (Formerly IIFL Holdings Limited) ceased to be the Holding Company of the Company and below mentioned companies have become subsidiaries of the Company:

Sr. No.	Name of the Subsidiaries
1	IIFL Facilities Services Limited
2	IIFL Management Services Limited
3	IIFL Insurance Brokers Limited
4	IIFL Commodities Limited
5	IIFL Wealth (UK) Limited
6	IIFL Capital Inc.
7	IIFL Asset Reconstruction Limited
8	India Infoline Foundation (Section 8 Company)

During the financial year 2018-19, the Company had incorporated IIFL Securities Services IFSC Limited as Wholly Owned Subsidiary. IIFL Facilities Services Limited, a wholly owned subsidiary of company, has acquired 99% stake in Shreyans Foundations LLP which is holding 50% stake in Meenakshi Tower LLP, a joint venture between wholly owned subsidiaries of the Company, IIFL Management Services Limited and Shreyans Foundation LLP. Pursuant to this Meenakshi Towers LLP has become subsidiary of the Company.

As per the provisions of Sections 134 and 136 of the Companies Act, 2013, read with applicable Rules, Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards, the Board of Directors had, at its meeting held on May 13, 2019 approved the consolidated financials of all the subsidiaries of the Company along with the Company's Standalone financial statements. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of each of the subsidiary companies are not attached to the accounts of the Company for the Financial Year 2018-19. The Company will make these documents/details available upon request by any member of the Company. These documents/details will also be available for inspection by any member of the

Company at its registered office and at the registered offices of the concerned subsidiaries, except on Saturdays, Sundays and Public Holidays. The Annual Report of all the subsidiaries will be uploaded on the website of the Company, i.e. www.iifl.com and www.indiainfoline.com. As required by Companies Act, 2013, the Company's consolidated financial statements included in this Annual Report incorporate the accounts of its subsidiaries. A report on the performance and financial position of each of the subsidiaries, associates and joint ventures companies as per Companies Act, 2013 is provided in the prescribed form AOC-1 as 'Annexure A' of the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

Pursuant to Regulations 16 and 24 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, IIFL Facilities Services Limited (formerly IIFL Real Estate Limited) is the 'material subsidiary' of the Company for the Financial Year 2019-20.

The policy on determining the material subsidiary, is available on the website of the Company, at www.iifl.com and www.indiainfoline.com.

### 13. Management Discussion and Analysis Report

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this report.

### 14. Directors and Key Managerial Personnel

#### ➤ Directors

The Board comprises of Mr. Venkataraman Rajamani (DIN: 00011919) Managing Director, Mr. Mohan Radhakrishnan (DIN: 00012070) and Mr. Narendra Jain (DIN: 01984467) as the Executive Directors of the Company. Mr. Kranti Sinha (DIN: 00001643) and Ms. Rekha Warriar (DIN: 08152356) are Independent Directors and Mr. Aniruddha Dange (DIN: 02599853) is a Non-Executive Non-Independent Director of the Company. Mr. Kranti Sinha (DIN: 00001643) is the Chairman of the Company.

#### ➤ Change in Directors

During the financial year 2018-2019:

##### a) Appointment

Mr. Venkataraman Rajamani was appointed as an Additional Director w.e.f. May 13, 2019 and was designated as Managing Director, w.e.f. May 15,

## DIRECTORS' REPORT (Contd.)

2019 for a period of five years. He was confirmed as Managing Director at the Extraordinary General Meeting of the Company held on May 17, 2019.

Ms. Rekha Warriar was appointed as an additional Director in the capacity of Independent Director for a period of five years w.e.f. May 8, 2019. She was confirmed as an Independent Director at the Extraordinary General Meeting of the Company held on May 17, 2019.

Pursuant to the Scheme becoming effective, Narendra Jain was re-designated as an Executive Director on May 13, 2019.

Mr. Aniruddha Dange was re-designated as Non-Executive Director on July 1, 2019.

### b) Retirement by Rotation

In accordance with Section 152 of the Companies Act, 2013 ("Act") read with Article 157 of the Articles of Association of the Company, Mr. Aniruddha Dange is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends the same for the approval of Shareholders.

### c) Resignation:

Ms. Geeta Mathur, due to her personal reasons, resigned as an Independent Director of the Company, w.e.f. May 8, 2019. The Directors of the Company place on record their sincere appreciation for the valuable services rendered by Ms. Geeta Mathur during her tenure as an Independent Director.

### d) Key Managerial Personnel

Mr. Venkataraman Rajamani - Managing Director, Mr. Mohan Radhakrishnan and Mr. Narendra Jain – Whole Time Directors of the Company, Mr. Arindam Chanda - Chief Executive Officer, Mr. Bhawani Jhanwar – Chief Financial Officer, Mr. Jayesh Upadhyay – Company Secretary & Compliance Officer, are the Key Managerial Personnel, as per the provisions of the Companies Act, 2013 and rules made thereunder.

Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2019 are mentioned in the Extract to the

Annual Return in Form MGT-9, which is attached as "Annexure - 2" and forms a part of this report of the Directors.

## 15. Meetings of Directors & committees/Board effectiveness:

### ➤ Meetings of the Board of Directors

The Board met five (5) times during the FY18-19, to discuss and approve various matters, including financials, appointment of the Auditors, review of audit reports and other Board businesses. For further details please refer to the report on Corporate Governance.

### ➤ Committees of the Board

In accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee

#### **Audit Committee:**

The Audit Committee comprises of Mr. Kranti Sinha, Independent Director, Ms. Rekha Warriar, Independent Director and Mr. Narendra Jain, Whole Time Director.

The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met during the year under review and discussed on various matters including financials, internal audit reports and Audit Report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The details of Committee meeting held during the year under review and the terms of reference of Audit Committee are provided in the Corporate Governance Report.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of two Independent Directors viz. Mr. Kranti Sinha, Independent Director, Ms. Rekha Warriar, Independent Director and Mr. Aniruddha Dange, Non-Executive Director, as members of the Committee.

## DIRECTORS' REPORT (Contd.)

The role, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

The Board has on the recommendation of the Nomination & Remuneration Committee framed a Nomination and Remuneration policy in compliance with the aforesaid provisions for selection and appointment of Directors, KMPs, senior management personnel of the Company. The Nomination and Remuneration policy is available on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

The said policy, the details of Committee meetings and the terms of reference of Nomination and Remuneration Committee held during the year under review are provided in the Corporate Governance Report.

### **Corporate Social Responsibility Committee**

As per Section 135 of Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) Committee, comprises of Mr. Kranti Sinha, Independent Director, Mr. Mohan Radhakrishnan, and Mr. Narendra Jain, Whole Time Director.

The Committee has approved CSR Policy of the Company and the same is available on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com). The Annual Report on CSR activities in accordance with Companies (Corporate Social Responsibility Policy) Rules 2014 is attached as **"Annexure - 1"** to this report.

The details of Committee meeting held during the year and the terms of reference of CSR Committee are provided in the Corporate Governance Report.

### **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of Mr. Kranti Sinha, Independent Director, Ms. Rekha Warriar, Independent Director and Mr. Narendra Jain, Whole Time Director.

The role and terms of reference of the Stakeholders Relationship Committee are in conformity with the requirements of the Companies Act, 2013

and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

## **16. Board Effectiveness**

### ➤ **Familiarisation Program for the Independent Directors**

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model, etc. Details of the Familiarisation Programme are given in the Corporate Governance Report and are also available on the Company's website i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

### ➤ **Annual Evaluation of the Board**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular no. SEBI/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually, including Independent Directors based on the criteria and framework adopted by the Board. The Board approved the evaluation results, as collated by the Nomination and Remuneration Committee ("NRC"). The evaluation process, manner and performance criteria (for independent directors) in which the evaluation has been carried out are explained in the Corporate Governance Report.

The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors, at their meeting held on March 22, 2019, reviewed the following:

- Performance of Non-Independent Directors and the Board as a whole.
- Performance of the Chairperson of the Company.
- Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary



## DIRECTORS' REPORT (Contd.)

for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed their satisfaction with the overall functioning and implementations of their suggestions.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the cohesiveness that exists among the Board Members, the two-way candid communication between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

### ➤ **Statement on declaration given by the Independent Directors**

The Company has received necessary declaration from each Independent Director of the Company that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

The above declarations were placed before the Board and in the opinion of the Board all the Independent Director fulfils the conditions specified under the Act and the Listing Regulation and are Independent to the Management.

### **17. Directors' Responsibility Statement:**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **18. Risk Management**

The Company has in place various policies and procedures covering the business, risk management, compliance, operations, employees, finance & accounting, and customer services that are approved by the Board. Further, the Company has in place the Risk Management systems policy for the Securities broking and investment banking business as mandates by the SEBI, Stock Exchange and depository.

The Directors, on a regular basis, (a) oversee and approve the Company's enterprise wide risk management framework; and (b) oversee that all the risks such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and others that the organisation faces have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing such risks.

The Company has in place specialised internal audits on the Broking and Depository Participant business, as per SEBI/Exchanges/Depositories' norms. The findings on Audit Reports are reviewed by the Audit Committee/Board at its periodical meetings and the reports are submitted to the Exchanges/Depositories.

The Company's management monitors and reports the principal risks and concerns that can impact its ability to achieve its strategic objectives.

The Company's management systems, organisational structures, processes, standards and code of conduct together form the risk management governance system of the Company and management of associated risks.

## DIRECTORS' REPORT (Contd.)

### 19. Internal Financial Controls

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system regarding financial reporting are adequate and such controls are operating effectively.

### 20. Contracts and arrangements with Related Parties:

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All contracts executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee/Board for approval, wherever applicable.

The policy for determining 'material' subsidiaries and the policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com). You may refer to Note no. 35 to the Standalone Financial Statement, which contains related party disclosures. Since all related party transactions entered into by the Company were on an arm's length basis and in the ordinary course of business and the Company had not entered into any material related party contracts, Form AOC-2 disclosure is not required to be provided.

Since the Company is proposed to be listed, the Company has sought approval from shareholders for material related party transactions and details of the same can be referred from the Notice convening the Annual General Meeting of the Company.

### 21. Extract of Annual Return

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

"Annexure - 2". The extract of the Annual Return of the Company has been placed and can be accessed at website, at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

### 22. Material changes and commitments affecting the financial position of the Company:

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

### 23. Secretarial Audit

The Board had appointed M/s Nilesh Shah and Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The Auditor had conducted the audit and their report thereon was placed before the Board. The report of the Secretarial Audit is annexed herewith as "Annexure - 3". There are no qualifications or observations in the Report.

### 24. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The additional information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is appended as "Annexure - 4" and forms part of this Report.

### 25. Whistle Blower Policy/ Vigil Mechanism

In compliance of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors, Employees and Stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has disclosed the policy on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

During the financial year 2018-19, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries.

### 26. Prevention of Sexual Harassment

The Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with

## DIRECTORS' REPORT (Contd.)

the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace.

The Company's Directors further state that during Fiscal 2018-19, there were no complaints pending pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported, pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints received in the year : 01
- b) Number of complaints disposed of during the year : 01
- c) Number of cases pending more than ninety days: Nil
- d) Number of workshops or awareness programme against sexual harassment carried out:

The Company has conducted online training for creating awareness against sexual harassment of women at work place.

- e) Nature of action taken by the employer or district officer: Not applicable

### 27. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure – 5" to this report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

### 28. Statutory Auditors

M/s. V. Sankar Aiyar & Co, Chartered Accountants, Mumbai (Firm Registration Number: 109208W) were appointed as the Statutory Auditor of the Company at the Twenty

Second Annual General Meeting held on July 21, 2017, to hold office from the conclusion of the said Meeting till the conclusion of the Twenty Seventh Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter. However, the requirement of seeking ratification of the members for continuance of their appointment has been withdrawn, consequent upon the changes made in the provisions of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, with effect from May 7, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in the Annual Report.

### 29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2), respectively, relating to Meetings of the Board and its Committees that have mandatory application.

### 30. Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of fraud committed in the Company, by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

### 31. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by the SEBI. As a proposed to be a listed Company, the report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached with the report on Corporate Governance.

### 32. Particulars of Loans, Guarantees or Investments

Particulars of loans given and investments made are given in the notes for the Standalone financial statements (refer to

## DIRECTORS' REPORT (Contd.)

Notes 6 & 7 of the financial statements for the year ended March 31, 2019).

### 33. General

The Directors state that during Financial Year 2018-19:

1. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
2. The Company has not issued any sweat equity shares during the year.
3. There is no change in the nature of business of the Company. There are no significant and material orders passed against the Company by the Regulators or Courts or Tribunals, which would impact the going-concern status of the Company and its future operations.

### 34. Appreciation

The Directors place on record their sincere appreciation for the assistance and guidance provided by the Government, Regulators, Stock Exchanges, Depositories, other statutory

bodies and the Company's Bankers for the assistance, cooperation and encouragement extended to the Company.

The Directors also gratefully acknowledge all stakeholders of the Company, viz. customers, members, dealers, vendors, banks and other business partners, for the excellent support received from them during the year. The Company's employees are instrumental in the Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholders is also greatly valued. The Directors look forward to your continuing support.

### For and on behalf of the Board

#### Venkataraman Rajamani

Managing Director  
DIN: 00011919

#### Narendra Jain

Whole Time Director  
DIN: 01984467

Date: August 14, 2019  
Place: Mumbai



## ANNEXURE – 1 to the Directors' Report

### The Annual Report on Corporate Social Responsibility (CSR) Activities

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

#### 1. Outline of the CSR Policy

The CSR Policy and projects of the Company are steered by the same values that guide the business of the Company. It can be summarised into one acronym – GIFTS, which stands for:

- **G**rowth
- **I**ntegrity
- **F**airness
- **T**ransparency
- **S**ervice Orientation

By applying these values to its CSR projects, the Company undertakes initiatives that create sustainable growth and empower the underprivileged sections of society.

The focus areas prioritised by the Company in its CSR strategy are given below:

- Water Conservation
- Provision of Medical Equipment to Hospital
- Medical Treatment for poor patients
- Education – Eradication of Girl child Illiteracy
- Support to Differently abled
- Educational support to the Tribal out-of-school children - Maharashtra

The IIFL Group has established the India Infoline Foundation ("generally referred IIFL Foundation") to manage the CSR Projects on behalf of the Company. The CSR Policy adopted by the Company is available on [www.iifl.com](http://www.iifl.com) and [www.indiainfo.com](http://www.indiainfo.com).

#### 2. Composition of the CSR Committee

The Company has constituted a CSR Committee of the Board that fulfils all requirements of Section 135 of the Companies Act 2013 (hereafter referred to as Section 135). The members constituting the Committee have been listed below:

- Mr. Kranti Sinha
- Mr. Mohan Radhakrishnan
- Mr. Narendra Jain

#### 3. Prescribed CSR spend of IIFL Securities Ltd.

##### a) Average net profit of the Company for the last three financial years

The average net profit of the Company for the last three financial years was calculated as ₹ 1,281,106,676.

##### b) Prescribed CSR Expenditure

The recommended CSR expenditure for the Company, as per Section 135, for Financial Year 2018-19 was ₹ 25,622,134.

##### c) Amount Spent

During Financial Year 2018-19, the Company spent the entire budget, i.e. ₹ 25,622,134, on various social development activities. That is, the Company spent exactly 2% on its CSR activities.

##### d) Amount unspent

Nil

#### 4. Details of CSR spend during the financial year

During FY2018-19, the Company spent a total of ₹ 25,622,134 on CSR projects. A breakdown of the manner in which this expenditure was made has been depicted in the table below:

(₹ in million)

Sr. No.	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure up to Reporting Period	Amount Spent directly or through Implementing Agency
1	Water Conservation	Environment	Wardha (Maharashtra)	15	15	15	Through the India Infoline Foundation
2	Medical Equipment	Health	Mumbai (Maharashtra)	1	1	1	Through the India Infoline Foundation
3	Medical Treatment for poor patients	Health	Chennai (Tamil Nadu)	1	1	1	Through the India Infoline Foundation
4	Education support for out-of-School Girls	Education	Pratapgarh (Rajasthan)	6.12	6.12	6.12	Through the India Infoline Foundation
5	Support to the Differently Abled	Differently Abled	Mumbai (Maharashtra)	0.5	0.5	0.5	Through the India Infoline Foundation
6	Educational support to the Tribal out-of-school children	Education	Thane (Maharashtra)	1	1	1	Through the India Infoline Foundation

## ANNEXURE – 1 to the Directors' Report (Contd.)

(₹ in million)

Sr. No.	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure up to Reporting Period	Amount Spent directly or through Implementing Agency
7	Educational support to the Tribal out-of-school children	Education	Sindhudurg (Maharashtra)	1	1	1	Through the India Infoline Foundation

Brief Description of the Projects:

- Water Conservation:** Numerous cases of farmers in distress due to acute shortage of water have been surfacing for a while, especially in the state of Maharashtra. The IIFL Foundation has hence taken the lead to address the issue first-hand, at Wardha District of Maharashtra. The IIFL Foundation has taken up 'River Rejuvenation' work at Wardhana River, Wardha (Maharashtra) that covers 109km in total and is speculated to directly benefit the population from 16 villages from the Arvi District in Wardha. The project is speculated to directly impact 3,463 hectares of Cultivated Land and 890 hectares of Irrigated Land. Ensuring sustainability of our environment and the natural resources is an absolute need of the hour, to safeguard the future of our coming generations.
- Medical Equipment:** Provision of medical equipment at a Municipal General Hospital at Mumbai. The medical equipment shall aid in treatment of patients from the marginalised sections of society who avail free-of-cost treatment at government hospitals.
- Medical Treatment for poor patients:** Provision of Free Medical check-up and treatment for those in need and the economically weak. The facility was arranged at a leading hospital at Chennai (Tamil Nadu).
- Education support to out-of-school girls:** It is a matter of great concern and embarrassment that girls in large numbers in India continue to be out of school and remain illiterate. The problem is particularly severe in the northern state of Rajasthan. The IIFL Foundation has vowed to change this in the next few years through community schools, which disseminate 'multi grade multi-level' learning. The learning centres are initiated in the villages as per the convenience of the girls, to enable them to get educated. With 1,156 such schools, called "Sakhion ki Baadi", the IIFL Foundation has already brought back over 34,452 girls into the fold of education. And this is only the beginning.
- Support to the Differently Aabled:** Support to individuals with Hearing Impairment. The support helped many individuals to acquire special training, skills as well as technical aid (hearing devices). Students receive an avenue to complete formal education and pursue careers in various sectors.

- Educational support to the Tribal out-of-school children (Thane):** Granting last mile support to children from secluded villages, to attend Government Schools. The primary target group belongs to the indigenous tribal communities, who have been cut-off from the main community, citing reasons such as caste and occupation. However, slowly, the communities are turning inclusive and participative to all. The IIFL Foundation has come forward to ease the mainstream process through direct intervention with the communities.
- Educational support to the Tribal out-of-school children (Sindhudurg):** Support to a community-led school that facilitates formal education to the children of a marginalised sect of various secluded hamlets in the Sindhudurg District, on the western coast of Maharashtra.

### 5. Responsibility statement of the CSR Committee

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

### For and on behalf of the Board

**Kranti Sinha**  
Independent Director  
DIN: 00001643

**Narendra Jain**  
Whole Time Director  
DIN: 01984467

Date: August 14, 2019  
Place: Mumbai

**ANNEXURE – 2** to the Directors' Report

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended March 31, 2019**

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

**I. Registration and other details:**

i) CIN:	U99999MH1996PLC132983
ii) Registration Date	21/03/1996
iii) Name of the Company	IIFL Securities Limited (formerly known as India Infoline Limited)
iv) Category/ Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered office and contact details	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane-400604 Tel No.: 022-41035000 Fax No.: 022- 25806654
vi) Whether listed company	No <b>(Proposed to be listed)</b>
vii) Name, Address and Contact details of the Registrar and Transfer Agent, if any	<b>For de-materialised securities</b> Link Intime India Private Limited C101, 247Park, LBS Marg, Vikhroli (West), Mumbai - 400083 Tel: +91 22 49186000 Fax: +91 22 2594 6969 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in <b>For Physical Security</b> N.A.

**II. Principal business activities of the Company**

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

Name and Description of main products/ services	NIC Code of the Product/ service*	% of total turnover of the Company
Stock Broking	66,120	70
Advisory Income and Distribution of Financial Products	66,190	15

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

**III. Particulars of holding, subsidiary and associate companies**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	*IIFL Finance Limited (Formerly IIFL Holdings Limited)	IIFL House Sun Infotech Park, Road No. 16V, Plot No.B-23 Thane Industrial Area, Wagle Estate, Thane – 400604	L67100MH1995PLC093797	Holding Company	100	2(46)
2	IIFL Securities IFSC Services Limited	No. 404, 4th floor, Signature Building, Block-13-B, Zone-1, Gift City, Gandhinagar, Gujarat 382355	U65929GJ2018PLC103546	Subsidiary	100	2(87)

## ANNEXURE – 2 to the Directors' Report (Contd.)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
3	*IIFL Facilities Services Limited (formerly IIFL Real Estate Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604	U70102MH2007PLC176401	Subsidiary	100	2(87)
4	*IIFL Insurance Brokers Limited (formerly India Infoline Insurance Brokers Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604	U66010MH2005PLC154486	Subsidiary	100	2(87)
5	*IIFL Commodities Limited (formerly India Infoline Commodities Limited)	143 MGR Road, Perungudi, Chennai, Tamil Nadu, 600096	U51100TN2004PLC077573	Subsidiary	100	2(87)
6	*India Infoline Foundation	IIFL Centre, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U80901MH2015NPL253380	Subsidiary [Section 8 Company]	100	2(87)
7	*IIFL Management Services Limited (formerly India Infoline Insurance Services Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604	U74140MH2000PLC129816	Subsidiary	100	2(87)
8	*IIFL Asset Reconstruction Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604	U74120MH2015PLC260200	Subsidiary	100	2(87)
9	*IIFL Wealth (UK) Limited	45 King William Street, London, EC4R 9AN, UK	Not Applicable	Subsidiary	100	2(87)
10	*IIFL Capital Inc.	1114 Avenue of the Americas, 34th Floor, New York, NY – 100036	Not Applicable	Subsidiary	100	2(87)
11	^Shreyans Foundation LLP	No.5C, EGA Trade Centre 809, P H Road, Kilpauk, Chennai-600010	Not Applicable	Step-down subsidiary	99	2(87)
12	^Meenakshi Towers LLP	5C, EGA Trade Centre, 809, PH Road Kilapuk, Chennai-600010	Not Applicable	Step-down subsidiary	100	2(87)

Note:

\* Pursuant to the Composite Scheme of Arrangement approved by NCLT vide its order dated March 07, 2019 and the scheme becoming effective from May 13, 2019 as mentioned in the point 6 of this Directors' Report, IIFL Finance Limited ceased to be holding Company and the above mentioned companies have become subsidiary companies of the Company.

^ IIFL Facilities Services Limited, a wholly owned subsidiary of company, has acquired 99% stake in Shreyans Foundations LLP which is holding 50% stake in Meenakshi Tower LLP, a joint venture between wholly owned subsidiaries of the Company, IIFL Management Services Limited and Shreyans Foundation LLP. Pursuant to this Meenakshi Towers LLP has become subsidiary of the Company.



## ANNEXURE – 2 to the Directors' Report (Contd.)

### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding\*

(Shares in million)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)			No. of Shares held at the end of the year (As on 31-03-2019)			% Change during the Year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/HUF	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0
d) Bodies Corp.	18.72	0	18.72	18.72	0	18.72	99.99
e) Banks / FI	0	0	0	0	0	0	0
f) Any Other (Nominees of IIFL Finance Limited)	0	0.000020	0.000020	0	0.000020	0.000020	0.01
<b>Sub-total (A) (1):-</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>100.00</b>
<b>(2) Foreign</b>							
a) NRIs - Individuals	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>100.00</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0

## ANNEXURE – 2 to the Directors' Report (Contd.)

(Shares in million)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)			No. of Shares held at the end of the year (As on 31-03-2019)			% Change during the Year
	Demat	Physical	Total	Demat	Physical	Total	
c) Central Govt	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Bodies Corp.	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to ₹ 0.1 million	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 0.1 million	0	0	0	0	0	0	0
C. Any Other							
Office Bearers	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0

## ANNEXURE – 2 to the Directors' Report (Contd.)

(Shares in million)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% Change during the Year
	Total		% of Total Shares		Total		% of Total Shares		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
Non Resident Indians (Non Repat)	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Member	0	0	0	0	0	0	0	0	0
Directors/Relatives	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Company	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
Overseas Bodies Corporate	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)Group (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>100.00</b>	<b>18.72</b>	<b>0.000020</b>	<b>18.72</b>	<b>100</b>	<b>0</b>

## ANNEXURE – 2 to the Directors' Report (Contd.)

### ii. Shareholding of Promoters:-\*

(Shares in million)

Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
IIFL Finance Ltd. (Formerly IIFL Holdings Ltd.) along with nominees.	18.72	100	NA	18.72	100	NA	0
<b>Total</b>	<b>18.72</b>	<b>100</b>	<b>NA</b>	<b>18.72</b>	<b>100</b>	<b>NA</b>	<b>0</b>

### iii) Change in Promoters' Shareholding\*

(Shares in million)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2018)	18.72	100	18.72	100
Date wise Increase / Decrease in Promoters Shareholding during the year, specifying the reasons for the increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc):				
<b>At the end of the year (31.03.2019)</b>	<b>18.72</b>	<b>100.00</b>	<b>18.72</b>	<b>100</b>

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

Sr. No.	Name of shareholders	Shareholdings at the beginning of the year (01.04.2018)		Change in Shareholdings (No. of shares)		Shareholdings at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-	-

**\*Note** – Pursuant to the Composite Scheme of Arrangement among the Company, IIFL Finance Limited (formerly IIFL Holdings Limited) (“IIFL”), India Infoline Media and Research Services Limited (“IIFL M&R”), IIFL Wealth Management Limited (“IIFL Wealth”), India Infoline Finance Limited (“IIFL Finance”), IIFL Distribution Services Limited (“IIFL Distribution”), and their respective shareholders, under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“Scheme”) and the Scheme coming into effect and in consideration of the transfer and vesting of the Securities Business Undertaking into the Company, 18,718,281 Equity Shares of ₹ 10 each, held by IIFL Finance Limited (formerly IIFL Holdings Limited) in the Company were extinguished and cancelled and, in lieu of the same, the equity shareholders of IIFL Finance Limited whose name appeared in the Register of Members on record date May 31, 2019 were allotted one (1) equity share in IIFL Securities Limited of ₹ 2 each credited as fully paid-up for every one (1) equity share of ₹ 2 each fully paid-up, held by such equity shareholders in IIFL Finance Limited. Accordingly, 319,234,462 equity Shares of ₹ 2 each of the Company were issued and allotted to the Eligible Shareholders of IIFL Finance Limited on June 6, 2019. Accordingly, as on date, the Promoters and their shareholding has undergone change. The revised shareholding pattern is available for inspection for the shareholders.



## ANNEXURE – 2 to the Directors' Report (Contd.)

### v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Directors and KMP	Shareholdings at the beginning of the year (01.04.2018)		Change in Shareholdings (No. of shares)		Shareholdings at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
-	-	-	-	-	-	-	-

Note: Pursuant to the Composite Scheme of Arrangement as on August 14, 2019, the shareholding of Directors and key managerial personnel is as under:

S. No.	Name of Director / Key Managerial Personnel	Designation	Number of shares	% of the total shares of the Company
1.	Mr. Kranti Sinha	Director	115,000	0.04
2.	Mr. Venkataraman Rajamani	Managing Director	10,984,432	3.44
3.	Mr. Mohan Radhakrishnan	Director	100,000	0.03
4.	Mr. Aniruddha Dange	Director	1,772,631	0.55
5.	Mr. Narendra Deshmaj Jain	Director	58,000	0.02
6.	Mr. Arindam Chanda	Chief Executive Officer	14,205	0.01
7.	Mr. Jayesh Upadhyay	Company Secretary	300	0.00
	<b>Total</b>		<b>13,046,568</b>	<b>4.09</b>

### V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued, but not due for payment

(₹ in million)

	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of year (01.04.2018)</b>				
(i) Principal amount	437.47	4,903.88	-	5,341.35
(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	-	34.57	-	34.57
<b>Total (i+ii+iii)</b>	<b>437.47</b>	<b>4,938.45</b>	-	<b>5,375.92</b>
<b>Changes in Indebtedness during the year</b>				
Addition	14,147.39	41,600.10		55,747.49
Reduction	(13,579.49)	(46,538.54)		(60,118.03)
<b>Net Change</b>	<b>567.90</b>	<b>(4,938.44)</b>		<b>(4,370.54)</b>
<b>Indebtedness at the end of the financial year (31.03.2019)</b>				
(i) Principal amount	1,005.37	-	-	1,005.37
(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,005.37</b>			<b>1,005.37</b>

## ANNEXURE – 2 to the Directors' Report (Contd.)

### VI. Remuneration of the Directors and Key Managerial Personnel

#### A. Remuneration to the Managing Director, Whole-Time Directors and/or Manager

(₹ in million)

Particulars of Remuneration Name of MD/WTD/Manager	Name of MD/WTD/ Manager		Total
	Mohan Radhakrishnan	Aniruddha Dange*	
Gross salary			
(a) Salary, as per provisions contained in Section 17(1) of the Income Tax Act, 1961	14	12.76	26.76
(b) Value of perquisites u/s 17(2) of the IT Act, 1961	-	-	-
(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- as a % of profit	-	-	-
- others, specify	-	-	-
Others, please specify (Company's contribution to PF + Pension fund + National Pension Scheme)	0.56	0.64	1.2
Total (A)	14.56	13.40	27.96
Ceiling, as per the Act	₹ 216.24 million, being 10% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013.		

\*Note: - Mr. Aniruddha Dange has been re-designated as non- executive director w.e.f. July 01 , 2019.

#### B. Remuneration to other directors:

(₹ in million)

Particulars of Remuneration Name of Director	Name of Directors			Total
	Geeta Mathur#	Kranti Sinha	@ Narendra Jain	
1. Independent Directors				
- Fees for attending board/ committee meetings	0.28	0.33	-	0.61
- Commission	-	-	-	-
- Others	-	-	-	-
Total (1)	<b>0.28</b>	<b>0.33</b>	-	<b>0.61</b>
2. Other Non-Executive Directors				
- Fees for attending board/ committee meetings	-	-	-	-
- Commission	-	-	-	-
- Others	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	<b>0.28</b>	<b>0.33</b>	-	<b>0.61</b>
Total Managerial Remuneration	₹ 28.57 million*			
Overall Ceiling, as per the Act	₹ 237.87 million, being 11% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013.			

\* This includes the total remuneration paid to the Whole Time Directors, but does not include sitting fees paid to the Non-Executive Directors

# Ms. Geeta Mathur has resigned from the Board of Directors, w.e.f. May 8, 2019

@ Mr. Narendra Jain was re-designated as Executive Director w.e.f. May 13, 2019, in line with the Composite Scheme of Arrangement approved by the NCLT on March 07, 2019

**ANNEXURE – 2** to the Directors' Report (Contd.)**C. Remuneration to Key Managerial Personnel (KMP), other than MD/Manager/WTD**

(₹ in million)

Particulars of Remuneration Name of KMP	Key Managerial Personnel			
	Arindam Chanda - CEO	Bhawani Jhanwar - CFO	Jayesh Upadhyay - CS	Total
Gross salary				
(a) Salary, as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15.14	5.98	1.07	22.19
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	NIL	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission, as a % of profit	-	-	-	-
Others, please specify (Company contribution towards PF, Pension Fund, NPS)	0.00	0.26	0.00	0.26
<b>Total</b>	<b>15.14</b>	<b>6.24</b>	<b>1.07</b>	<b>22.45</b>

**VII. Penalties / Punishment/Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board****Venkataraman Rajamani**

Managing Director  
DIN: 00011919

**Narendra Jain**

Whole Time Director  
DIN: 01984467

Date: August 14, 2019

Place: Mumbai

## ANNEXURE – 3 to the Directors' Report

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**IIFL Securities Limited**

(formerly known as India Infoline Limited)

IIFL House, Sun Infotech Park

Road No. 16V, Plot No. B-23

Thane Industrial Area

Wagle Estate, Thane – 400 604

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **IIFL Securities Limited** [Formerly known as India Infoline Limited] (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- (v) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:
  - (a) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
  - (c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
  - (d) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
  - (e) The Securities and Exchange Board of India (Research Analyst) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Depository and Participant) Regulations, 2018;
  - (g) The Securities and Exchange Board of India (Know Your Client) Regulations, 2011.
  - (h) Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2015.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws (in addition to the above mentioned Laws (i to v) and applicable to the Company) and we have also relied on the representation made by the Company and its



## ANNEXURE – 3 to the Directors' Report (Contd.)

Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the of the same.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no observation of instances of non-Compliance in respect of the same.

### We further report that:

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

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs except as mentioned below:

- 1) The Company has received approval of Hon'ble National Company law tribunal, Mumbai Bench on 07.03.2019 for Composite Scheme of Arrangement u/s 230 to 232 of the Companies Act, 2013 amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders whereby, *inter-alia*, the Securities Business Undertaking of IIFL Holdings Limited shall be demerged into the Company. The appointed dated is April 1, 2018.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

**For Nilesh Shah & Associates**

**Nilesh Shah**

Company Secretaries

Date:- May 08, 2019

Place:- Mumbai

FCS : 4554

C.P. : 2631

## **ANNEXURE – A** of the Secretarial Audit Report to the Directors' Report

To

The Members,

**IIFL Securities Limited**

**(formerly known as India Infoline Limited)**

IIFL House, Sun Infotech Park

Road No. 16V, Plot No. B-23

Thane Industrial Area

Wagle Estate, Thane – 400 604

Dear Sir / Madam,

**Sub: Our Report of even date is to be read along with this letter**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Nilesh Shah & Associates**

**Nilesh Shah**

Company Secretaries

FCS : 4554

C.P. : 2631

Date:- May 08, 2019

Place:- Mumbai

## ANNEXURE – 4 to the Directors' Report

### Information relating to conservation of energy, technology absorption and innovation, and foreign exchange earnings/ outgo forming part of the Directors' Report in terms Section 134(3) (m) of the Companies Act, 2013.

#### Conservation of energy:

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

Installation of capacitors to save power

1. Installed Thin Film Transistor (TFT) monitors that saves power
2. Light Emitting Diode (LED) lights
3. Automatic power shutdown of idle monitors
4. Creating environmental awareness by way of distributing the information in electronic form
5. Minimising air-conditioning usage
6. Shutting off all lights, when not in use and
7. Education and awareness programmes for employees

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

#### Technology absorption and innovation:

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

The Company remains committed to investing in technology to provide competitive edge and contribute in business that is scalable. Digital and analytics continue to be the key focus areas, to bring in agility, availability and relevance.

#### Highlights of the current year:

- The Company rolled out tablets in branches, enabling faster loan disbursements; delivering operational efficiencies and superior customer experience.
- Oracle Financials' implementation across the Group has helped redefine a few business processes, strengthened controls in areas of finance and procurement, provided better checks & balances, and improved access controls.
- The IIFL Markets App has now over 1million downloads on Android, iOS, iPad, etc.
- The Company consolidated multiple digital assets under the iifl.com umbrella. Further, all email ids reflected this new domain, reinforcing the IIFL brand instead of only 'indiainfoline'.
- The Company rolled out more customer-facing and feet-on-street mobile apps and web-based apps as a part of its digital initiatives to reduce cycle time and increased right first time. This also resulted in more transparent customer interactions, with increased focus on self-service.
- The Company worked to economise operations by rationalising the partner/vendor ecosystem, in-house development and shifting towards open source platforms.
- The Company also made considerable progress in the area of business analytics during the year. It implemented a solution for analysis of lead data and customer segmentation analytics for better targeting.
- The Company successfully completed the ISO 27001:2013 annual re-certification in January 2019.

As the Company continues to expand its geographic reach and enhance the scale of operations, it intends to further develop and integrate technology to support growth and improve service quality. Technology is a trusted ally in creating business value.

## ANNEXURE – 4 to the Directors' Report (Contd.)

The Company committed significant investments, in terms of technology, systems and manpower, in the aforesaid initiative and is continuously developing the same.

### Foreign Exchange Earnings/Outgo:

(₹ in million)

Particulars	2018-19	2017-18
Earning in Foreign Currency		
Advisory Fees & Research Income	116.88	199.24
<b>Total Earning</b>	<b>116.88</b>	<b>199.24</b>
Expenses in Foreign Currency		
Marketing expenses	35.65	19.50
Membership & Subscription	0.51	0.26
Office expenses	2.03	0.69
Professional Fees	179.48	144.01
Software Charges	46.65	39.90
Travelling expenses	4.46	4.49
<b>Total Expenses</b>	<b>268.78</b>	<b>208.85</b>

### Research and Development (R & D):

The Company is engaged in stock broking and portfolio management services, which entail internal research of investment products, sectors and markets. Apart from the above, the Company does not carry-out any research and development activities.

### For and on behalf of the Board

#### Venkataraman Rajamani

Managing Director  
DIN: 00011919

#### Narendra Jain

Whole Time Director  
DIN: 01984467

Date: August 14, 2019

Place: Mumbai

## ANNEXURE – 5 to the Directors' Report

**The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Requirement	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mr. Mohan Radhakrishnan – WTD	34.89X
		Mr. Aniruddha Dange #	32.14X
		Mr. Venkataraman Rajamani ^^	NA
		Mr. Narendra Jain@@	NA
		<b>Non-Executive Director@</b>	
		Mr. Kranti Sinha	NA
		Ms. Geeta Mathur*	NA
		Ms. Rekha Warriar^	NA
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	<b>Executive Directors</b>	
		Mr. Mohan Radhakrishnan – WTD	NIL
		Mr. Aniruddha Dange #	NIL
		Mr. Venkataraman Rajamani ^^	NA
		Mr. Narendra Jain @@	NA
		<b>Non-Executive Director</b>	
		Mr. Kranti Sinha	NA
		Ms. Geeta Mathur*	NA
		Ms. Rekha Warriar^	NA
		<b>CFO, CEO and CS</b>	
		Mr. Arindam Chanda - CEO	16%
		Mr. Bhawani Jhanwar - CFO	10%
Mr. Jayesh Upadhyay - CS	12%		
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 12%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
IV	The number of permanent employees on the rolls of the Company	The Company had 1,923 employees on the rolls as on March 31, 2019.	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	In Financial Year 2018-19, there is an average increase of 11% in the remuneration other than managerial personnel as compared to increase of 7% in the remuneration of managerial personnel.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

Note:

- \*Ms. Geeta Mathur, Independent Director, has resigned from the Board of Directors of the Company, w.e.f. May 8, 2019.
- #Mr. Aniruddha Dange re-designated as a Non-Executive Director, w.e.f. July 1, 2019.
- ^Ms. Rekha Warriar appointed as an Independent Director, w.e.f. May 8, 2019.
- ^^Mr. Venkataraman Rajamani appointed as Managing Director, w.e.f. May 15, 2019.



## **ANNEXURE – 5** to the Directors' Report (Contd.)

5. @ Sitting fees is not forming part of remuneration in aforesaid calculation and there is no remuneration paid to Independent Director and Non-Executive Director.
6. @@ Narendra Jain was re-designated as Executive Director w.e.f. May 13, 2019, in line with the Composite Scheme of Arrangement approved by the NCLT on March 07, 2019
7. WTD- Whole Time Director, CEO- Chief Executive Officer, CFO- Chief Financial Officer, CS – Company Secretary.
8. The ratio of the remuneration of each director to the median employee's remuneration is prepared based of comparable remuneration i.e. 2017-18 and 2018-19.

### **For and on behalf of the Board**

**Venkataraman Rajamani**

Managing Director  
DIN: 00011919

**Narendra Jain**

Whole Time Director  
DIN: 01984467

Date: August 14, 2019  
Place: Mumbai

# CORPORATE GOVERNANCE REPORT

Pursuant to the affecting of the Composite Scheme of Arrangement as explained in point no. 6 of Directors Report, the Company has issued and allotted 319,234,462 equity shares to the shareholders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) on June 6, 2019 and the Company has filed the listing application with the National Stock Exchange of India Limited and BSE Limited for in-principle approval for listing of shares of the Company. The Company has received the in-principle approval from NSE and approval from BSE and SEBI is awaited. Since the Company is proposed to be listed, the Company has prepared the Corporate Governance Report in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on August 14, 2019 and forms part of the Board's Report.

## 1. OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IIFL Securities Limited ('the Company') follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being one of the most respected financial services company's in the Capital Markets space in India. Since inception, the promoters have demonstrated an exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With the implementation of a stringent employee code of conduct policy and adoption of a whistle-blower policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

The Company also considers its stakeholders as partners in success, and the Company remains committed to maximising stakeholders' value. The Company's corporate governance philosophy is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the Board Committees.

## 2. BOARD OF DIRECTORS

### (a) Composition of the Board of Directors:

The Board of Directors ("Board") of the Company has an optimum combination of Executive and Non-Executive Directors (including one Independent Woman Director) and the Chairman of the Board is Non-Executive Director. The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
<b>Executive Directors</b>	Mr. Venkataraman Rajamani (Managing Director) (Promoter)
	Mr. Mohan Radhakrishnan (Whole-Time Director)
	Mr. Narendra Jain (Whole-Time Director)
<b>Independent Directors</b>	Mr. Kranti Sinha (Independent Director and Chairman)
	Ms. Rekha Warriar (Independent Director)
<b>Non-Executive Director other than Independent Director</b>	Mr. Aniruddha Dange (Non-Executive Director)

Note:

- Ms. Rekha Warriar appointed as an Independent Director, w.e.f. May 8, 2019.
- Mr. Narendra Jain was re-designated as Whole Time Director, w.e.f. May 13, 2019.
- Mr. Venkataraman Rajamani appointed as Managing Director, w.e.f. May 15, 2019.
- Mr. Aniruddha Dange re-designated as a Non-Executive Director, w.e.f. July 1, 2019.
- Ms. Geeta Mathur, Independent Director, has resigned from the Board of Directors of the Company, w.e.f. May 8, 2019.

### (b) Brief profiles of the Directors are as follows:

- MR. KRANTI SINHA** - Independent Director and Chairman

Mr. Kranti Sinha is an Independent Director and Chairman on the Board of our Company. He holds a Master's degree in Arts from Agra University and started his career as a Class I Officer with Life Insurance Corporation of India ("LIC"). He served as Director and Chief Executive Officer of LIC Housing Finance Limited, from August 1998 to December 2002, and concurrently, as the Managing Director of LICHL Care Homes Limited (a wholly-owned subsidiary of LIC Housing Finance Limited). He retired from the permanent cadre of the Executive Director of LIC. He also served as the Deputy President of the Governing Council of the Insurance Institute of India and as a member of the Governing Council of the National Insurance Academy, Pune, apart from various other such bodies.

## CORPORATE GOVERNANCE REPORT (Contd.)

List of Directorship held in other listed Companies	Name of the Company	Category of Directorship
	IIFL Home Finance Limited	Independent Director
	IIFL Facilities Services Limited	Independent Director
No of shares held in the Company	115000	

• **MS. REKHA WARRIAR** - Independent Director

Ms. Rekha Warriar is an Independent Director on the Board of the Company. She holds a Masters degree in Applied Mathematics from the University of Bombay and a Masters in Public Policy from Princeton University, USA. She has over 30 years of experience with the Reserve Bank of India in various departments like Foreign Exchange, Financial Stability, Internal Debt Management, Rural Development etc.. She has also served as a member of faculty in RBI's training colleges and as Associate Professor at the National Institute of Banking Management, Pune. She retired as a Regional Director (West Bengal and Sikkim), RBI in July 2017.

List of Directorship held in other listed Companies	Name of the Company	Category of Directorship
	IIFL Wealth Finance Limited	Independent Director
No of shares held in the Company	Nil	

• **MR. VENKATARAMAN RAJAMANI** - Managing Director

Mr. Venkataraman Rajamani is the Managing Director of the Company. He holds a Bachelor's degree in technology in Electronics and Electrical Communications from the Indian Institute of Technology, Kharagpur and a Master's in Business Administration from the Indian Institute of Management, Bangalore. He has been contributing immensely to the establishment of various businesses and spearheading key initiatives of the IIFL Group over the past 20 years. He joined the Company in 1999 and is currently a promoter and the Managing Director of IIFL Finance Limited (formerly IIFL Holdings Limited). He has a varied experience of over 28 years in the financial services sector. Prior to this,

he worked with ICICI Limited, ICICI Securities Limited, and Taib Capital Corporation Limited. He has also served as the Assistant Vice President of GE Capital Services India Limited in its private equity division. He was accredited as the Best CEO in the large corporate category by Business World magazine in 2018.

List of Directorship held in other listed Companies	Name of the Company	Category of Directorship
	IIFL Finance Limited	Managing Director
	India Infoline Finance Limited	Non- Executive Director
	IIFL Home Finance Limited	Non- Executive Director
	Samasta Microfinance Limited	Non-Executive Director
No of shares held in the Company	10984432	

• **MR. MOHAN RADHAKRISHNAN** - Whole-Time Director

Mr. Mohan Radhakrishnan is a Whole-Time Director on the Board of the Company. He is a qualified Chartered Accountant. He has over 32 years of experience in financial services and capital market regulations and compliances. He is associated with the IIFL Group as the Chief Compliance Officer since the last 14 years and is involved in new and developmental initiatives and in setting up regulatory systems and processes across the financial services activities of the IIFL Group. In the past, he was associated with SEBI as a General Manager, where he served for a period of over 13 years. He had held various positions in the regulations, supervision, market surveillance and investigation functions at SEBI. During his tenure at SEBI, he also served as the member secretary of the "Group for Review of Portfolio Managers Regulations" in 2000, coordinator for the "Committee on Strengthening of Disclosures in the Offer Documents of Companies" in 2001, and member of the "Working Group to prepare Pilot Policy Statement on Takeover/ Merger and Transfer of Shares of Banks" set up by the RBI in 2003. Prior to joining SEBI, he was associated with Carborundum Universal Limited, wherein he was involved in areas such as corporate finance and taxation for five years.

## CORPORATE GOVERNANCE REPORT (Contd.)

List of Directorship held in other listed Companies	<b>Name of the Company</b> IIFL Facilities Services Limited	<b>Category of Directorship</b> Non-Executive Director
No of shares held in the Company	100000	

• **MR. NARENDRA JAIN** – Whole-Time Director

Mr. Narendra Jain is a Whole-Time Director on the Board of our Company. He holds a Bachelor's degree in Commerce from the University of Mumbai and is a qualified Chartered Accountant. He has over 21 years of experience in the financial services industry, specifically in areas such as operations, taxation, internet banking and finance. He has handled various key positions in the IIFL Group as well as other support functions such as back office operations, depository participant operations, know your client quality, customer service risk, audit administration and branch operations. In the past, he was associated with ICICI Brokerage Service Limited, where he worked in areas like operations, risk, compliance and design and development of systems and processes. He was also associated with Hindustan Petroleum Corporation Limited, wherein he was involved in areas such as indirect taxation and marketing analytics.

List of Directorship held in other listed Companies	Nil
No of shares held in the Company	58000

• **MR. ANIRUDDHA DANGE** - Non-Executive Director

Mr. Aniruddha Dange is a Non-Executive Director on the Board of the Company. He holds a Bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Bombay and has a Master's degree in Business Administration from the Indian Institute of Management, Calcutta. He has over 25 years of experience in the financial services industry. Prior to joining the Company, he worked at ICICI Securities Limited, at ABN Amro and, thereafter, at CLSA, covering the technology, media and telecom sectors. He became the Head of Research in 2003, leading a team of 15 research

analysts at CLSA, where he worked for nine years before joining the Company.

List of Directorship held in other listed Companies	Nil
No of shares held in the Company	1772631

(c) **Matrix chart of core skills/expertise / competencies of the Board members:**

The Board has identified the following skills/expertise/competence for the effective functioning of the Company which is currently available with the Board:

Sr. No.	Skills and Attributes
1.	Knowledge of Sector
2.	Accounting and Finance
3.	Financial and Capital Markets
4.	Strategy and Planning
5.	Leadership
6.	Corporate Governance & Compliances
7.	Risk Management
8.	Stakeholders Relationship
9.	CEO/Senior Management Experience / Leadership

The Board of Directors of the Company has the necessary Skills/Expertise/Competence in all the above mentioned areas.

(d) **Board Meetings and Directorship / Committee membership(s) of Directors:**

During the financial year 2018-19, five (5) Board Meetings were held on the following dates: May 1, 2018, July 30, 2018, October 30, 2018, November 20, 2018 and January 28, 2019.

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies. The table below gives the details of the names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on August 14, 2019. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies:

## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Director (DIN)	Date of appointment	Category	Number of board meeting attended during the year	Attendance at last AGM	Directorships in Indian Public Limited companies (Including IIFL Securities Limited)	Membership/ Chairpersonship of Committees (including IIFL Securities Limited)\$	
						Member	Chairman@
Mr. Kranti Sinha (DIN: 00001643)	27/07/2015	Independent Director	5	Yes	3	2	2
Ms. Geeta Mathur* (DIN: 02139552)	22/01/2015	Independent Director	4	Yes	10	6	3
Mr. Mohan Radhakrishnan (DIN: 00012070)	22/05/2006	Whole Time Director	5	Yes	4	1	1
Mr. Narendra Jain** (DIN: 01984467)	13/05/2019	Whole Time Director	5	Yes	2	2	0
Mr. Aniruddha Dange# (DIN: 02599853)	01/07/2019	Non-Executive Director	5	Yes	2	0	0
Ms. Rekha Warriar^ (DIN: 08152356)	08/05/2019	Independent Director	NA##	NA ##	3	2	1
Mr. Venkataraman Rajamani^^ (DIN: 00011919)	15/05/2019	Managing Director	NA##	NA ##	7	5	1

Note:

- \*Ms. Geeta Mathur, Independent Director, has resigned from the Board of Directors of the Company, w.e.f. May 8, 2019.
- \*\*Mr. Narendra Jain was re-designated as Whole Time Director, w.e.f. May 13, 2019.
- #Mr. Aniruddha Dange re-designated as a Non-Executive Director, w.e.f. July 1, 2019.
- ^Ms. Rekha Warriar appointed as an Independent Director, w.e.f. May 8, 2019.
- ^^Mr. Venkataraman Rajamani appointed as Managing Director, w.e.f. May 15, 2019.
- ##Ms. Rekha Warriar and Mr. Venkataraman Rajamani were appointed w.e.f. May 8, 2019 and May 15, 2019 respectively hence they have not attended Board Meeting and Annual General Meeting held during the last year.

\$ The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.

@ This is in addition to the number of committees in which the Director is designated as a committee member.

### (e) Board Level Performance Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors, including Independent Directors ("IDs") and Board as a Whole.

The criteria for performance evaluation are as under:

#### For Chairman:

The criteria for evaluation of Chairman, *inter-alia*, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and

openly discuss challenging matters, attendance at meetings, assistance to the Board in formulating policies and setting standards, accessibility, ability to analyse strategic situations, ability to project a positive image of the Company, and compliance with regulatory requirements.

#### For Executive Directors:

The criteria for evaluation of Executive Directors, *inter-alia*, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering,



## CORPORATE GOVERNANCE REPORT (Contd.)

capitalise on opportunities created by economic and technological changes, assistance to the Board in formulating policies and setting standards and following them, accessibility, ability to analyse strategic situations, ability to project a positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the Group.

### **For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of Non-Executive Directors, *inter-alia*, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

### **For the Board as a whole:**

The criteria for evaluation of the Board, *inter-alia*, includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

### **(f) Separate meetings of Independent Directors:**

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on March 22, 2019, *inter-alia*, to discuss the following:

- To review the performance of Non-Independent Directors and the Board as a whole;
- To review the performance of the Chairperson of the company;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time.

### **(g) Familiarisation programme for Independent Directors:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarisation programmes of the Company may be accessed on the Company's website: [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

### **(h) Meetings of the Board:**

- Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matters of urgency, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board Meeting.
- Board Meeting Location: The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- Notice and Agenda distributed in advance: The Company's Board / Committees are presented with detailed notes, along with the agenda papers, which are being circulated well in advance of the Meeting. The Company has implemented an App based e-meeting system accessible through secured iPads provided to the Directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary, in consultation with the Chairman of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focussed discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

## CORPORATE GOVERNANCE REPORT (Contd.)

- Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ Committee Members.
- Presentations by Management: The Board / Committee is given presentations, wherever practicable, covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices, and operating performance of the Company before taking on record the financial results of the Company.
- Access to employees: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to get a full understanding of the issues being considered.

**(i) Information Supplied to the Board / Committees:**

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of the businesses and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company;
- Minutes of the Meetings of the Board and all other Committees of the Board;
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary;
- Status of important/material litigations etc.;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature,

including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;

- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property;
- Any significant development in human resources / industrial relations front, as and when it occurs;
- Sale of the material nature of investments, assets that are not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of an adverse exchange rate movement, if material;
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, if any, and others, and steps taken by the Company to rectify instances of non-compliances, if any.

**(j) Minutes of the Meetings:** The draft Minutes of the proceedings of the Meetings are circulated among the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes in consultation with the Chairman of the Board. The Minutes are confirmed by the Members and signed by the Chairman at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

**(k) Post meeting follow-up mechanism:** The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings, which calls for actions to be taken, are promptly initiated and, wherever required, communicated to the concerned departments/ divisions. Such an updated report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

### 3. AUDIT COMMITTEE

- I. The present Audit Committee of the Company comprises of two Independent Directors (Mr. Kranti Sinha and Ms. Rekha Warriar) and one Executive

## CORPORATE GOVERNANCE REPORT (Contd.)

Director (Mr. Narendra Jain). Mr. Kranti Sinha, is the Chairman of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

- II. The scope of the Audit Committee includes the references made under Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 and other applicable provisions of the Companies Act, 2013, besides other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:
- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
  - c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - i. Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    - ii. Changes, if any, in accounting policies and practices and reasons for the same;
    - iii. Major accounting entries involving estimates based on the exercise of judgment by the Management;
    - iv. Significant adjustments made in the financial statements arising from the audit findings;
    - v. Compliance with listing and other legal requirements relating to financial statements;
    - vi. Disclosure of any related party transactions; and
    - vii. Qualifications/ modified opinions in the draft audit report.
  - e) Reviewing the quarterly financial statements with the management before submission to the Board for approval;
  - f) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - g) Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
  - h) Approval or any subsequent modification of transactions of the Company with related parties;
  - i) Scrutiny of inter-corporate loans and investments;
  - j) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - k) Evaluation of internal financial controls and risk management systems;
  - l) Monitoring the end use of funds raised through public offers and related matters, if any;
  - m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - n) Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit;
  - o) Discussion with internal auditors of any significant findings and follow up thereon;
  - p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - q) Discussion with statutory auditors before the commencement of the audit, about the

## CORPORATE GOVERNANCE REPORT (Contd.)

- nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) The Audit Committee may call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
  - s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - t) To establish and review the functioning of the whistle blower mechanism;
  - u) Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - v) Related Party Transactions:
    - i. all related party transactions shall require prior approval of the Audit Committee.
    - ii. the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:
      1. the criteria for granting the omnibus approval shall be specified, which shall be in line with the Company's policy on related party transactions and such approval shall be based on factors, namely repetitiveness of the transactions (in past or in future) and the justification for the need of omnibus approval;
      2. the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
      3. such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- iii. the omnibus approval shall specify:
    1. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into and the value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
    2. the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
    3. the indicative base price or current contracted price and the formula for variation in the price if any;
    4. such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and the aforesaid details are not available, the Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 10 million per transaction;
  - iv. the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company, pursuant to each of the omnibus approvals given;
  - v. such omnibus approvals shall be valid for a period not exceeding one (1) financial year and shall require fresh approvals after the expiry of such financial year;
  - vi. however, such prior and omnibus approval shall not be required in case of transactions entered into between the company and its wholly owned subsidiary/ subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- w) Review of:
    - i. management discussion and analysis of financial condition and results of operations;

## CORPORATE GOVERNANCE REPORT (Contd.)

- ii. statement of significant related-party transactions (as defined by the Audit Committee), submitted by management;
  - iii. management letters / letters of internal control-weaknesses issued by the statutory auditors;
  - iv. internal audit reports relating to internal control weaknesses;
  - v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - vi. statement of deviations including:
    1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
    2. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;
- x) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above and, for this purpose, shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- y) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the Listing Regulations or by any other regulatory authority.

During the financial year 2018-19, the Audit Committee of the Company met four (4) times on May 1, 2018, July 30, 2018, October 30, 2018 and January 28, 2019. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The Audit Committee was constituted on April 3, 2014 and the same was later reconstituted on May 8, 2019. The attendance of each member of the Committee at the Meeting as on March 31, 2019 is given below:

Name of the members	Designation	Non-Executive/ Executive /Independent	No. of committee meetings held	Committee meeting attended
Mr. Kranti Sinha	Chairman	Independent Director	04	04
Mr. Narendra Jain	Member	Whole Time Director	04	04
Ms. Geeta Mathur*	Chairperson	Independent Director	04	04
Ms. Rekha Warriar^	Member	Independent Director	NA	NA

### Note:

1. \*Ms. Geeta Mathur has resigned from the Directorship and Audit Committee Chairpersonship, w.e.f. May 8, 2019.
2. ^Ms. Rekha Warriar appointed as a Director and Audit Committee Member, w.e.f. May 8, 2019.

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 30, 2018.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of Ms. Rekha Warriar, an Independent Director, as the Chairperson, Mr. Kranti Sinha, an Independent Director, as member and Mr. Aniruddha Dange, a Non-Executive Director, as the member of the Committee. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is in the process of appointing one more Non-Executive Director/ Independent Director who will also be nominated to the Nomination Remuneration Committee.

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are, broadly, as follows:



## CORPORATE GOVERNANCE REPORT (Contd.)

1. Succession planning of the Board of Directors and Senior Management Employees;
2. Identifying and selection of candidates for appointment as Directors / Independent Directors, based on certain laid down criteria;
3. Identifying potential individuals for appointment as Key Managerial Personnel (KMP) and to other Senior Management positions;
4. Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria, as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long-term objectives of the Company.

The Nomination and Remuneration Committee also administer the Company's Stock Option plans.

During the year under review, the Nomination and Remuneration Committee of the Company met two (2) times i.e. on May 1, 2018 and January 28, 2019. The necessary quorum was present at the meetings.

The Nomination and Remuneration Committee was constituted on January 22, 2015 and the same was later reconstituted on May 8, 2019.

The Constitution of Nomination and Remuneration Committee and details of attendance of each member of the Committee at the Meeting of the Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Kranti Sinha	Member	Independent Director	2	2

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Narendra Jain#	Member	Executive Director	2	2
Ms. Geeta Mathur*	Chairperson	Independent Director	2	1
Ms. Rekha Warriar^	Chairperson	Independent Director	NA	NA
Mr. Aniruddha Dange\$	Member	Non-Executive Director	NA	NA

### Note:

1. # Mr. Narendra Jain was re-designated as Whole-Time Director w.e.f May 13, 2019, in line with the Composite Scheme of Arrangement approved by NCLT on March 07, 2019.
2. \* Ms. Geeta Mathur has resigned from the Directorship and Chairpersonship of the Nomination and Remuneration Committee, w.e.f. May 8, 2019.
3. ^ Ms. Rekha Warriar appointed as a Chairperson, w.e.f. May 8, 2019.
4. \$ Mr. Aniruddh Dange was re-designated as Non-Executive Director w.e.f from July 01, 2019.

The Company Secretary of the Company acts as the Secretary of the Committee.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The details of the Nomination & Remuneration policy and remuneration paid to the Directors are as follows:

#### a) Nomination and Remuneration Policy:

##### I. OBJECTIVE:

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

##### II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

## CORPORATE GOVERNANCE REPORT (Contd.)

2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
  - Managing Director, or Chief Executive Officer or Manager;
  - Whole-Time Director;
  - Chief Financial Officer;
  - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014, as amended from time to time.
5. "Senior Management" means the personnel of the company who are members of its core management team, excluding the Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them therein.

### III. ROLE OF THE COMMITTEE:

1. Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating this policy ensure that the:
  - i. level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- iii. remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and ensure that the policy is disclosed in the Board's report;

3. Identify persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
4. Whether to extend or continue the terms of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
5. Devising a policy on diversity of the Board of Directors.

### IV. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

1. Appointment Criteria and Qualifications:
  - (a) A person being appointed as Director, KMP or in a senior management role should possess adequate qualifications, expertise and experience for the position he/she is considered for.
  - (b) Independent Director:
    - i. Qualifications of Independent Director:
 

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
    - ii. Positive attributes of Independent Directors:

## CORPORATE GOVERNANCE REPORT (Contd.)

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

(c). Removal:

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

(d) Retirement:

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

### V. REMUNERATION:

#### A. Directors:

1. Executive Directors (Managing Director, Manager or Whole Time Director):
  - i. At the time of appointment or re-appointment, the Executive Directors shall be paid such

remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.

- ii. The remuneration shall be subject to the approval of the Members of the Company in the General Meeting, as per the requirement of the Companies Act, 2013.

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

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

2. Non-Executive Director:

- a. The Non-Executive Independent Director may receive fees for attending the meeting of the Board or Committee thereof. Provided

## CORPORATE GOVERNANCE REPORT (Contd.)

that the amount of such fees shall not exceed Rupees Hundred Thousand (₹ 100,000) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- b. A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- c. The Committee may recommend to the Board the payment of commission, to reinforce the principles of collective responsibility of the Board.
- d. In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- e. The total commission payable to the Directors shall not exceed prescribed limits, as specified under Companies Act, 2013.
- f. The commission shall be payable on *pro rata* basis to those Directors who occupy office for part of the year.

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

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

- a. Maintaining a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company;
- b. Compensation should be reasonable and sufficient to attract, retain

and motivate KMP and senior management;

- c. Remuneration payable should comprise a fixed component and a performance linked variable, based on the extent of achievement of individual performance vis-à-vis overall performance of the company;
- d. Remuneration shall be also considered in the form of long-term incentive plans for key employees, based on their contribution, position, and length of service, in the nature of ESOPS/ESPS.

### **C. Research Analysts:**

- a. The compensation of all individuals employed as Research Analysts shall be reviewed, documented and approved at least annually by the Committee
- b. While approving the compensation of the Research Analysts, the Committee shall not consider:
  - i. Any specific brokerage services transaction which might have happened because of the services of the Research Analyst; and
  - ii. Any contribution made by the Research Analyst to brokerage services business other than that of preparing and / or providing research reports.

### **VI. EVALUATION:**

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

### **VII. OTHER DETAILS:**

#### **Membership**

The Committee shall consist of minimum 3 Non-Executive Directors, majority of them being independent. The Chairman of the Committee shall be an Independent Director. The Chairman of the Company shall not be a Chairman of the Committee. The term of the Committee shall be

## CORPORATE GOVERNANCE REPORT (Contd.)

continued, unless terminated by the Board of Directors.

### Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as

it considers appropriate, to be present at the meetings of the Committee.

### Secretary

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of the Company Secretary, the Committee

### b) Details of Remuneration paid to Directors during FY 2018-19 and details of number of shares and convertible instruments held by Directors as on March 31, 2019 is as under:

Name of the Director	Designation	Salary and perquisite (₹ million)	Commission (₹)	Sitting Fees (₹ million)	Contribution to PF and other funds (₹ million)	Stock options (quantity)	No. of equity shares held
Mr. Kranti Sinha	Independent Director	-	-	0.33	-	NA	115000
Mr. Mohan Radhakrishnan	Whole Time Director	14.00	-	-	0.56	-	100000
Mr. Narendra Jain**	Whole Time Director	-	-	-	-	2000	58000
Mr. Aniruddha Dange#	Non-Executive Director	12.76	-	-	0.64	-	1772631
Ms. Geeta Mathur*	Independent Director	-	-	0.28	-	NA	Nil
Ms. Rekha Warriar^	Independent Director	NA	NA	NA	NA	NA	Nil
Mr. Venkataraman Rajamani^^	Managing Director	NA	NA	NA	NA	NA	10984432

may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

Note:

- \* Ms. Geeta Mathur, Independent Director, has resigned from the Board of Directors of the Company, w.e.f. May 8, 2019.
- \*\* Mr. Narendra Jain was re-designated as Whole Time Director, w.e.f. May 13, 2019 and he was holding ESOPs of IIFL Finance Limited and, pursuant to the Composite Scheme of Arrangement, he will be eligible for 2,000 ESOPs of IIFL Securities Limited.
- #Mr. Aniruddha Dange re-designated as a Non-Executive Director, w.e.f. July 1, 2019.
- ^Ms. Rekha Warriar appointed as an Independent Director, w.e.f. May 8, 2019.
- ^^ Mr. Venkataraman Rajamani appointed as Managing Director, w.e.f. May 15, 2019.

The term of office of Mr. Venkataraman Rajamani as the Managing Director is of five years from the date of appointment i.e. May 15, 2019. and the term of office of Mr. Mohan Radhakrishnan

as the Whole Time Director is for five years from the date of his appointment i.e. January 28, 2019 and the term of office of Mr. Narendra Jain is of five years from the date of appointment i.e. May 13, 2019. The term of office of Ms. Rekha Warriar is of five years from the date of her appointment i.e. May 08, 2019. Further, pursuant to the SEBI (LODR) Regulations 2015, the shareholders have approved the continuation of the term of office of Mr. Kranti Sinha as Non-Executive Independent Director of the Company till the completion of his present term, i.e. up to July 27, 2020. Their employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation.

### c) Remuneration to Non-Executive/ Independent Directors:

During the year under review, the Independent Directors were paid ₹ 30,000 (Rupees Thirty Thousand only) towards sitting fees, for attending each of the Board Meetings, Audit Committee Meetings and Independent Directors' Meetings and also were paid ₹ 15,000 (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The Company has not granted any Employee Stock Options



## CORPORATE GOVERNANCE REPORT (Contd.)

to the Independent Directors. There are no pecuniary relationships or transaction of the Non-Executive Directors with the Company.

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted on May 8, 2019 and the Members of the Committee comprises of Ms. Rekha Warriar, Independent Director, as the Chairperson and Mr. Kranti Sinha, Independent Director and Mr. Narendra Jain, Executive Director as the Member. The broad terms of reference of the Committee are as under:

- i. To consider and resolve stakeholders and investors grievances;
- ii. It shall consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- iii. To approve allotment of shares, debentures and other securities as per the authority conferred to the Stakeholders Relationship Committee by the Board of Directors, from time to time;
- iv. To approve/authorise the officers of the Company to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name/address etc. in respect of shares, debentures and securities received by the Company;
- v. To review or address the complaints received by the Company from investors, SEBI, the Stock Exchanges, Ministry of Corporate Affairs, etc. and the action taken for redressal of the same and to suggest resolution of long pending complaints;
- vi. To approve and ratify the action taken by the authorised officers of the Company in compliance with investors, for issue of duplicate/replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of the Company;
- vii. To monitor and expedite the status and process of dematerialisation and dematerialisation of shares, debentures and securities of the Company;
- viii. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of the Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary;
- ix. To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by the Company to resolve or reduce them;

- x. To ensure compliance of transfer of unpaid dividend and shares to IEPF on or before due date;
- xi. To monitor the progress of release of unpaid dividend and process of dissemination of these records, in accordance with the prescribed guidelines, rules and regulations;
- xii. To review the results of any investigation or audit conducted by any statutory authority;
- xiii. Review the effectiveness of the system for monitoring compliance with laws and regulations;
- xiv. Review the mechanism of handling investor's complaints and the status of any pending complaints, which remain unresolved or unattended;
- xv. Any significant or important matters affecting the interest of the Company.

The Company is proposed to be listed and as per SEBI's circulars, guideline, Regulations it had got registered under the SEBI Scores Portal. Any shareholder who has any grievance or concern may write on <https://scores.gov.in>.

The Company has not received any complaint from investors directly or through SEBI's SCORES portal.

No pledge has been created over the equity shares held by the Promoters.

The constitution of the Stakeholders Relationship Committee is given below:

Name of the members	Designation	Non-Executive/Independent	No. of committee meetings held#	Committee meeting attended
Ms. Rekha Warriar	Chairperson	Independent Director	NA	NA
Mr. Kranti Sinha	Member	Independent Director	NA	NA
Mr. Narendra Jain	Member	Executive Director	NA	NA

# Constitution of Stakeholders Relationship Committee was not applicable to the Company during Financial Year 2018-19. Since the Stakeholders Relationship Committee was constituted on May 8, 2019 no meeting was held till the date of this report.

The name, designation and address of Compliance Officer of the Company is as under:

## CORPORATE GOVERNANCE REPORT (Contd.)

<b>Name and designation:</b>	Mr. Jayesh Upadhyay, Company Secretary & Compliance Officer
<b>Registered Office Address:</b>	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604
<b>Contacts:</b>	Tel: +91 22 6272 8812 E-mail: secretarial@iifl.com

The Company Secretary of the Company acts as Secretary of the Committee.

### 6. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

The Company follows a system, whereby all the acts, rules and regulations applicable to the Company are identified and compliance with such acts, rules and regulations is monitored by a dedicated team on a regular basis. Verification of the compliances with major acts/regulations is carried out by suitable external Auditors/Lawyers/Consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to the Company is placed before the Board on a regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities, as per the requirements from time to time.

### 7. GENERAL BODY MEETINGS

The following table gives the details of the last three Annual General Meetings of the Company:

<b>Date of AGM</b>	<b>Location</b>	<b>Time</b>	<b>Whether any special resolutions passed</b>
July 30, 2018	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. b-23, Thane Industrial Area, Wagle Estate, Thane - 400604	04.00 PM	Yes. 2 Special Resolutions were passed
July 21, 2017	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. b-23, Thane Industrial Area, Wagle Estate, Thane - 400604	04.45 PM	Yes. 3 Special Resolutions were passed
July 28, 2016	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. b-23, Thane Industrial Area, Wagle Estate, Thane - 400604	11.00 AM	Yes. 4 Special Resolutions were passed

### **National Company Law Tribunal Convened Meeting:**

A National Company Law Tribunal (“NCLT”) convened meeting of shareholders of the Company was held on December 12, 2018 for approving the Composite Scheme of Arrangement as mentioned in point no. 6 of Director’s Report.

### **Postal Ballot:**

During the year under review, there was no resolution passed through postal ballot.

### 8. DISCLOSURES

- i. Disclosure on materially significant related-party transactions that may have potential conflict with the interest of company at large:

The Company has put in place a policy for Related-Party Transactions (RPT Policy), which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All transactions executed by the Company during the financial year with related parties were on arm’s length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable. The Company has not entered into any material contracts or arrangements or transactions under sub-section (1) of Section 188 of the Act.

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company’s website, at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com). You may refer to Note no. 35 to the financial statement, which contains related party disclosures. No materially significant related party transactions have been entered into during FY2018-19, that may have potential conflict of interest.

- ii. Details of non-compliance:

No strictures/penalties were imposed on the Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2018-19.

- iii. Whistle Blower Policy/ Vigil Mechanism:

In Compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure

## CORPORATE GOVERNANCE REPORT (Contd.)

Requirements) Regulations, 2015, the Company has adopted a whistle-blower policy and established the necessary vigil mechanism for employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimisation of the whistle blower who avails of such mechanism and provides for the access to the Chairman of the Audit Committee. None of the whistleblower has been denied access to the Audit Committee.

iv. Compliance with Mandatory and Non-Mandatory Provision

The Company has adhered to all the mandatory requirements of Corporate Governance norms, as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The status on the Compliance with the Non-mandatory recommendation in the SEBI Regulations is as under:

- Submission of Internal Audit Report to the Audit Committee.
- The Company will follow a robust process of communicating with the shareholders which has been explained earlier in the report under "Means of Communication".

v. Web link for policy for determining the material subsidiaries

The policy for determining the material subsidiaries as approved by the Board may be accessed on the Company's website at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

vi. Disclosure of accounting treatment:

There was no deviation in following the treatments prescribed in any of the Indian Accounting Standards (Ind AS) in the preparation of the financial statements of the Company.

vii. The Board has accepted all the recommendations of the committees of the Board.

viii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ In Million)

Particulars	Amount
Audit Fees	4.06
Certification Expenses	0.16
Out Of Pocket Expenses	0.29
Total	4.51

ix. Disclosure in relation to sexual harassment of Women at the Work place (Prevention, Prohibition and Redressal):

- Number of complaints filed during the financial year – 1
- Number of complaints disposed of during the financial year – 1
- Number of complaints pending as on end of the financial year – Nil

x. Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015. Pursuant thereof, the Company has formulated and adopted a code for prevention of Insider Trading, including the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, incorporating the requirements in accordance with the regulations, clarifications and circulars, and the same are updated as and when required. In line with the recent amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has updated its Code for Prevention of Insider Trading, including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, and the same is effective from April 1, 2019.

xi. Confirmation of Independence:

The Board does hereby confirm that in its opinion, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

### 9. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the public at large, is through the Company website: [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com). The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, will be regularly

## CORPORATE GOVERNANCE REPORT (Contd.)

send to Stock Exchanges and uploaded on the Company's website. Quarterly/annual financial results will be regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer and

the Company Secretary of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to Stock Exchanges.

All the disclosures made to the stock exchanges shall be made available on the Company's website at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

The quarterly and annual results of the Company shall be published in the Free Press Journal and Navshakti, which shall be widely circulated.

### 10. GENERAL SHAREHOLDERS' INFORMATION

1.	<b>Annual General Meeting</b>	Monday, September 30, 2019 at Hall of Harmony, Ground Floor, Nehru Centre, Discovery of India, Dr AB Road, Worli, Mumbai-400018 at 02.30 P.M.	
2.	<b>Financial calendar (2019-20)</b>	April 1, 2019 to March 31, 2020 Results for the quarter ended June 30, 2019 – within 45 days from the end of the quarter and the same shall be provided through IIFL Finance Limited Results for the quarter ended September 30, 2019 – within 45 days from the end of the quarter Results for the quarter ended December 31, 2019 – within 45 days from the end of the quarter Results for the quarter and year ended March 31, 2020 – within 60 days from the end of the quarter	
3.	<b>Book closure date</b>	September 24, 2019 to September 30, 2019.	
4.	<b>Dividend</b>	During the year under review, the Company declared and paid an interim dividend of ₹ 15 per share (i.e. 150% of the face value of ₹ 10 per share); this led to an outgo of ₹ 280.77 million, excluding dividend distribution tax. The same is considered as final.	
5.	<b>Listing of equity shares on stock exchanges at</b>	Stock Exchange National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001 The Listing Fees for FY2019-20 has been paid to the aforesaid Stock Exchanges	Code of the Company  The Company has filed the listing application to the Stock Exchanges and the approval is awaited.
7.	<b>Stock market data</b>	– Not Applicable (the Company has filed listing application with the Stock exchanges for In-principle listing approval)	
8.	<b>Demat ISIN numbers in NSDL and CDSL for equity shares</b>	INE489L01022	
9.	<b>Registrar &amp; Transfer Agent</b>	Link Intime India Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	
10.	<b>Share transfer system</b>	The Company's shares will be compulsorily traded in dematerialised form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt. All share transfers and other share related issues are approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required. Since the Company has allotted equity shares pursuant to the Composite Scheme of Arrangement and is proposed to be listed, the equity shares of the Company are not transferable till the Company receives listing and trading approval from the exchanges and SEBI.	

## CORPORATE GOVERNANCE REPORT (Contd.)

11.	<b>Dematerialization of shares</b>	As on August 14, 2019, 99.94% of the paid-up share capital of the Company was in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through CDSL and NSDL, as per notifications issued by the Securities and Exchange Board of India.																
13.	<b>Correspondence for dematerialization, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company</b>	Link Intime Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Contact Person: Sharmila Amin Tel: 022-49186000																
14.	<b>Any query on Annual Report contact at corporate office</b>	Mr. Jayesh Upadhyay, Company Secretary and Compliance Officer IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, Thane Industrial Estate, Wagle Estate, Thane – 400604 Email: secretarial@iifl.com																
15.	<b>Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity</b>	Pursuant to the Composite Scheme of Arrangement, the stock options granted by IIFL Finance Limited (IFL) to its employees or employees of its subsidiaries under the IFL Employee Stock Options Scheme, and upon the Scheme becoming effective, the said employees have been granted one stock option by the Company under the IIFL Securities Employees' Stock Option Scheme - 2018 for every one stock option held in IFL, whether the same are vested or not, on terms and conditions similar to the existing IFL Employees Stock Option Scheme.																
16.	<b>Credit Ratings obtained by the Company</b>	<table border="1"> <thead> <tr> <th>Name of the credit rating agency</th> <th>Credit rating obtained in respect of various securities</th> <th>Amount (₹ million)</th> <th>Issue Date/ Revalidation</th> <th>Validity of Rating</th> <th>If Rating Downgraded (Specify reason)</th> </tr> </thead> <tbody> <tr> <td>ICRA Limited</td> <td>Commercial Paper</td> <td>10,000</td> <td>February 20, 2019</td> <td>Up to February 26, 2020</td> <td>Rating not downgraded</td> </tr> </tbody> </table>					Name of the credit rating agency	Credit rating obtained in respect of various securities	Amount (₹ million)	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)	ICRA Limited	Commercial Paper	10,000	February 20, 2019	Up to February 26, 2020	Rating not downgraded
Name of the credit rating agency	Credit rating obtained in respect of various securities	Amount (₹ million)	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)													
ICRA Limited	Commercial Paper	10,000	February 20, 2019	Up to February 26, 2020	Rating not downgraded													

### 11. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on August 14, 2019:

Category	Number of equity shares held	Percentage of holding
Promoters & Promoters Group (IIFL Finance Limited)	92,661,432	29.03
Indian Public & others	36,337,716	11.38
Mutual Fund, Banks, Financial Institutions	3,882,632	1.22
Corporate Bodies	2,340,812	0.73
Foreign Institutional Investors	0	0
NRI's/OCBs/Foreign Nationals/FC/QFI	18,401,1870	57.64
<b>Grand Total</b>	<b>319,234,462</b>	<b>100</b>



## CORPORATE GOVERNANCE REPORT (Contd.)

### 12. DISTRIBUTION OF SHAREHOLDING AS ON AUGUST 14, 2019

The distribution of shareholders as on August 14, 2019 is as follows:

SR. NO.	Shares Range			Number Of Shareholders	% of total shareholders	total shares for the range	% of issued capital
1	1	to	500	36,337	89.07	3,921,958	1.2286
2	501	to	1,000	2,191	5.3706	1,630,488	0.5107
3	1,001	to	2,000	990	2.4267	1,429,112	0.4477
4	2,001	to	3,000	357	0.8751	896,539	0.2808
5	3,001	to	4,000	167	0.4094	593,068	0.1858
6	4,001	to	5,000	130	0.3187	606,330	0.1899
7	5,001	to	10,000	245	0.6005	1,777,030	0.5567
8	10,001 and more			379	0.929	308,379,937	96.5998
<b>Total</b>				<b>40,796</b>	<b>100</b>	<b>319,234,462</b>	<b>100</b>

### 13. IIFL Securities Limited share price versus the BSE Sensex and the NSE S&P CNX Nifty:

The Company has filed the necessary listing application with the SEBI, NSE and BSE for listing of equity shares. After the receipt of approval of listing, trading on the stock exchanges will commence, therefore this clause is not applicable to the Company.

### 14. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

The Company did not raise money through any public issue, right issue or preferential issue during FY2018-19.

### 15. SUBSIDIARY COMPANIES

During the financial year 2018-19 your Company has incorporated IIFL Securities Services IFSC Limited as Wholly Owned Subsidiary. Pursuant to the Composite Scheme of Arrangement as explained in point no. 6 of the Directors Report, below mentioned companies have become the subsidiaries and IIFL Facilities Services Limited has become the Material Subsidiary of the Company.

Sr. No.	Name of Subsidiaries
1	IIFL Facilities Services Limited
2	IIFL Management Services Limited
3	IIFL Insurance Brokers Limited
4	IIFL Commodities Limited
5	IIFL Wealth (UK) Limited
6	IIFL Capital Inc.
7	IIFL Asset Reconstruction Limited
8	India Infoline Foundation (Section 8 Company)

\*IIFL Facilities Services Limited, a wholly owned subsidiary of company, has acquired 99% stake in Shreyans Foundations

LLP which is holding 50% stake in Meenakshi Tower LLP, a joint venture between wholly owned subsidiaries of the company, IIFL Management Services Limited and Shreyans Foundation LLP. Pursuant to this Meenakshi Towers LLP has become subsidiary of the Company.

Mr. Kranti Sinha, Independent Director on the Board of the Holding Company is also an Independent Director on the Board of IIFL Facilities Services Limited.

The Audit Committee reviews the financial statements including particulars of investments made by all the unlisted subsidiary companies.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of all the unlisted subsidiary companies at the Meeting of Board of Directors of Holding Company.

The policy for determining 'material' subsidiaries as approved by the Board may be accessed on the website of the Company i.e. [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

### 16. CEO/CFO CERTIFICATE

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the CEO and CFO, was submitted to the Board and the same is annexed to this Report.

### 17. CODE OF CONDUCT

Confirmation from the Chief Executive Officer regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com).

## CORPORATE GOVERNANCE REPORT (Contd.)

### 18. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained the certificate from M/s. Nilesh Shah & Associates, Practising Company Secretaries, required under SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

#### For and on behalf of the Board

##### **Venkataraman Rajamani**

Managing Director  
DIN: 00011919

Date: August 14, 2019  
Place: Mumbai

##### **Narendra Jain**

Whole Time Director  
DIN: 01984467

## ANNEXURE

### **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors  
IIFL Securities Limited

We Certify that

- (a) We have reviewed the financial statements and the cash flow statement of IIFL Securities Limited for the year ended March 31, 2019 and, that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, that are fraudulent, illegal or violative of the Company's code of conduct.

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- Significant changes in internal control during the year;
  - that there are no significant changes in accounting policies during the year;
  - that there are no instances of significant fraud of which we have become aware.

**Arindam Chanda**  
Chief Executive Officer

**Bhawani Jhanwar**  
Chief Financial Officer

Date: August 14, 2019  
Place: Mumbai

## DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website: [www.iifl.com](http://www.iifl.com) and [www.indiaonline.com](http://www.indiaonline.com). I confirm that the Company has, in respect of the financial year ended March 31, 2019, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct, as applicable to them.

**For IIFL Securities Limited**

**Venkataraman Rajamani**  
Managing Director  
DIN: 00011919

Date: August 14, 2019  
Place: Mumbai

## INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

**IIFL Securities Limited ("the Company")**

Mumbai

Pursuant to the Composite Scheme of Arrangement, under Sections 230-232 and other applicable provisions of the Companies Act, 2013, among the Company, IIFL Finance Limited (Formerly IIFL Holdings Limited) and India Infoline Media & Research Services Limited and IIFL Wealth Management Limited and India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders as approved by the Mumbai Bench of the National Company Law Tribunal vide its order dated March 07, 2019, the Company is proposed to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). The Company has filed the application for listing of the securities of the Company with Securities and Exchange Board of India ("SEBI"), BSE and NSE and their approval is awaited. In this regards, the management has requested for the issuance of Independent Auditors report on the Corporate Governance report under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

We have examined the compliance of conditions of Corporate Governance by IIFL Securities Limited (Formerly known as "India Infoline Limited") (the "Company") as on August 14, 2019, as per the extant regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of chapter IV of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as on August 14, 2019, to the extent applicable.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
Firm's Registration No. 109208W

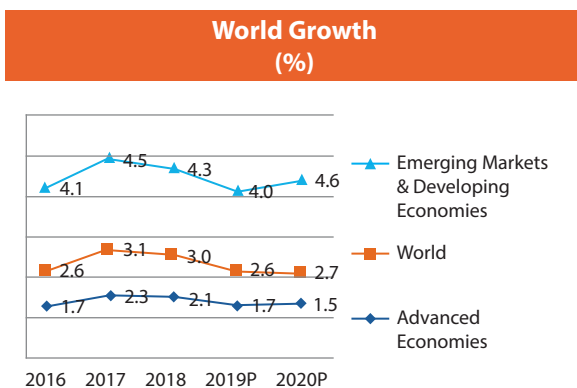
**G Sankar**  
Partner  
Membership No. 046050  
UDIN: 19046050AAAACO8442

Date: August 14, 2019  
Place: Mumbai

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY OVERVIEW

Fears about next recession became evident during the year as both, developed and emerging market economies, started to slow down. A long-running US-China trade war, liquidity tightening in US, rising crude oil prices, political issues in Euro zone and Brexit uncertainty led to deterioration of global trade. Factory activity in US and Europe contracted in the last quarter of 2018 while industrial output growth fell to 17-year low in China. According to World Bank, global growth (Real GDP growth) for 2018 is at 3.0%. The IMF downgraded world GDP growth at 2.6% in 2019 and 2.7% in 2020, below January 2019's projections of 2.9% and 2.8% respectively.



Source: World bank

## INDIAN ECONOMY OVERVIEW

India was one of the fastest growing major economies in the world in FY19 and will remain in FY20 too as per World Bank Estimates. India's real gross domestic product (GDP) grew at 7.1% in FY19. Capacity utilization has picked up in last couple of quarters of FY19 along with increase in real gross fixed capital formation (GFCF). Price levels remained in line within RBI's target and headline inflation was largely at the same levels as in last year. But food prices experienced deflation in the second half of the year. In March 2019, WPI inflation jumped to 3.18 % from 2.93 % in February 2019 and 2.76 % in January 2019. It was 2.74 % in March 2018. Consumer Prices Index (CPI) for March 2019 expanded 2.86% compared to 2.57% in February 2019. GDP growth is expected to accelerate to 7.5% in FY20 as per World Bank Estimates. The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4% during FY12 and FY19 as per the second advance estimates of annual national income published by the Government of India. In FY19, GVA from manufacturing at current prices grew 12.4% year-on-year to ₹ 288.56 trillion (US\$ 395.89 billion). India's manufacturing PMI stood at 52.6 in March 2019, indicating an expansion.

Key macroeconomic risks hovering Indian economy are global slowdown, increase in commodity prices, fiscal slippage and domestic liquidity transmission. Rising commodity prices, especially of crude, could widen current account deficit.

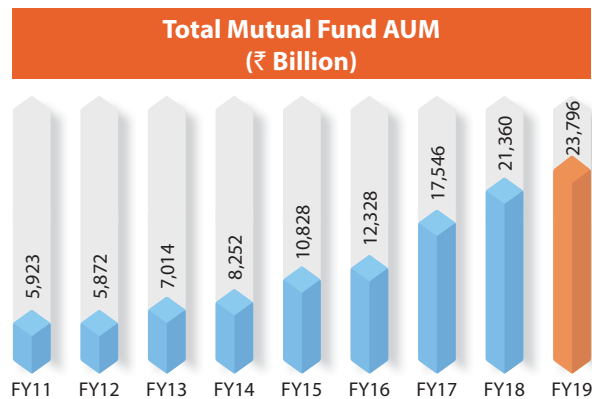
## INDUSTRY OVERVIEW

### Capital Market

FY18 saw a record ₹ 2 trillion capital raising through primary markets. But only ₹ 670 billion of capital was raised in FY19. Funds raised via IPO fell drastically by 82% YoY in FY19. Foreign funds became net sellers of ₹ 445 billion in FY19 as against net buyer of over ₹ 1.4 trillion in FY18. Improved global liquidity and ease of trade tensions between US and China were major reasons for the capital flight. Investment in mutual funds also plunged in FY19.

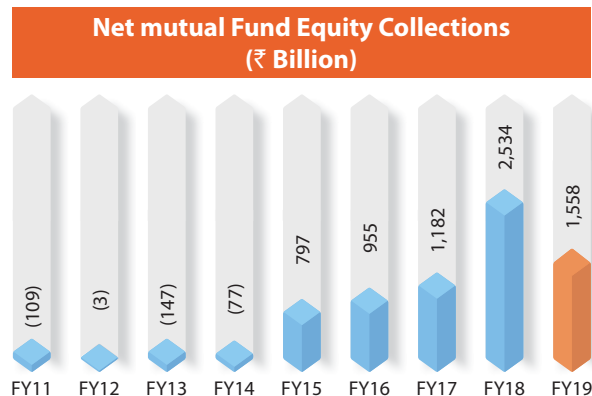
### Mutual Funds

The mutual fund industry in India had seen rapid growth in total Assets Under Management (AUM) for two years from FY16 to FY18. However, in FY19, the total AUM of the industry increased marginally by only 11% y-o-y to clock ₹ 23,796 billion. According to AMFI, investments in equity-oriented mutual fund schemes in FY19 were at ₹ 1.11 trillion, a decline of 35% compared to ₹ 1.71 trillion inflows in FY18.



Source: AMFI, CEIC, IIFL Research

However, from an equity inflow perspective, FY19 was the fifth successive year of net equity inflows. There were substantial corrections in the small and mid cap stocks category as a result of which markets were volatile in FY19. The net inflows were at ₹ 1,558 billion in FY19 (including balanced fund category)



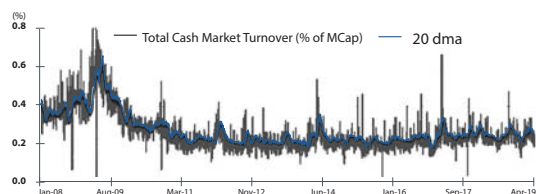
Source: CEIC, IIFL Research



# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Average daily cash trading volumes went up ~4% YoY to ₹ 351 billion/day in FY19 from ₹ 338 billion/day in FY18.

### Total Cash Market Turnover (% of M Cap)



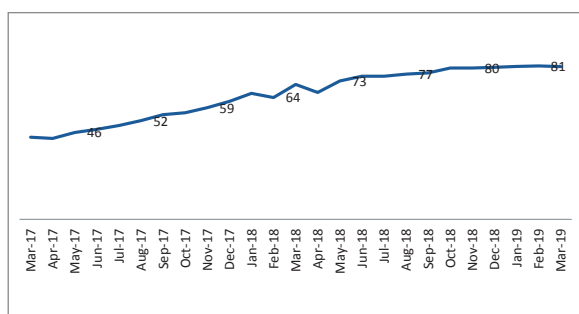
Source: Bloomberg, IIFL Research

Also, the share of institutions (FII + DII) edged up to 33.2% in FY19 from 31.9% in the previous year. Bond markets saw a volatile year due multiple factors. Some of them are:

- i) Potential fiscal slippage due to revenue shortfall
- ii) Risks from rising crude oil prices can increase import bill
- iii) A declining currency and
- iv) Liquidity crunch.

Systematic Investment Plan (SIP) has been gaining popularity among Indian MF investors, as it helps in rupee cost averaging and also in investing in a disciplined manner without worrying about market volatility and timing the market. Indian Mutual Funds have currently about 26.2 million SIP accounts through which investors regularly invest in Indian Mutual Fund schemes. Monthly flow in SIPs has jumped from ₹ 43.35 billion in March, 2017 to ₹ 80.55 billion in March, 2019.

### SIP Contribution (₹ Bn.)



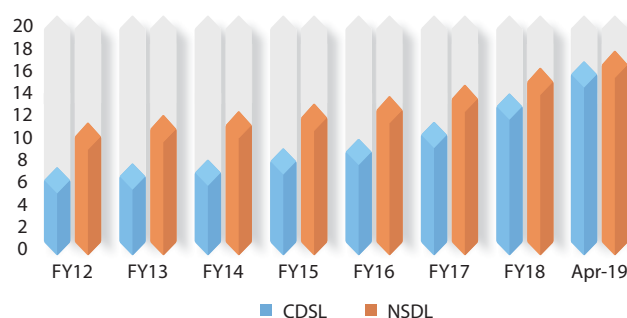
Source: AMFI

### Stock Broking

The brokerage industry is expected to see a growth of 5-10% in FY19. In FY18 industry turnover was at ₹ 180-190 billion and year-on-year (Y-o-Y) growth of over 30%. While, the volatility in the markets is expected to encourage trading turnover, the recent corrections in valuations, coupled with the cautious investor stance, would have a bearing on industry revenues in the current fiscal.

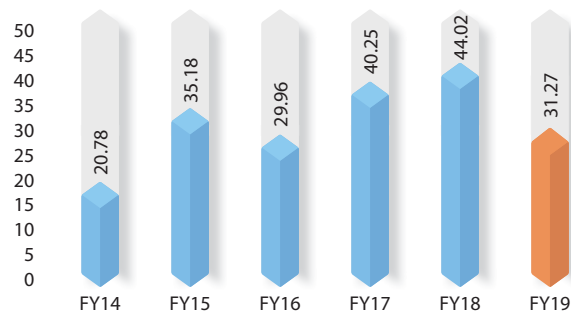
Business of brokers grows in direct proportion to the growth in capital markets. The past 4-5 years have witnessed a steady structural shift of savings from physical assets such as real estate and gold into financial assets. As a result, the number of Demat accounts in India has grown to 36.2 million by April, 2019 from 20 million in 2012. The rising equity participation can also be witnessed by higher Average Daily Turnover (“ADTO”) on BSE. The equity ADTO on BSE increased from ₹ 20.78 billion in FY14 to approximately ₹ 31.27 billion in FY19.

### No. of Demat accounts (Million)



Source: (CDSL, NSDL)

### ADTO - Equity (₹ billion)



Source: BSE, turnover on BSE has been considered)

### Alternative Investment funds

Alternative Investment Fund (“AIF”) means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors. Many full service brokers distribute AIFs also. Full service brokers receive fee which is fixed as a percentage of corpus of the fund distributed through them.

### Portfolio Management services

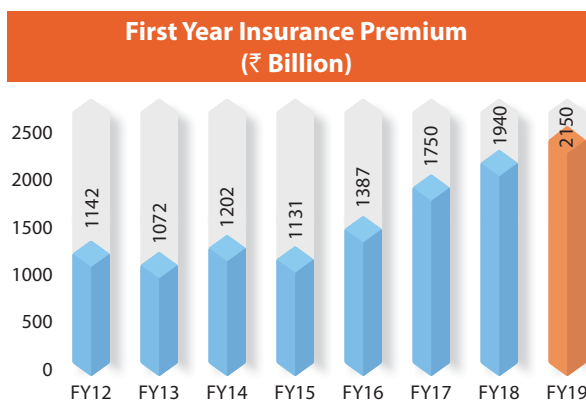
Portfolio Management Services (“PMS”), managed by a professional money manager, who facilitate investors regarding investment options in stocks, fixed income, debt, cash, structured products and other individual securities. These services can

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

potentially be tailored to meet specific investment objectives. Many full services brokers provide such services. Commissions for these products are generally higher than for mutual funds and are paid upfront.

### Insurance Sector

On the Insurance side, which is a major component of the Indian financial service sector, growth in FY19 of first-year premium of life insurers was driven by a 39% increase in group non-single premium. The first-year premium of life insurers increased by 10.7% to ₹ 2,150 billion in FY19 from ₹ 1,940 billion in FY18. There was a traction in first year premium in retail and individual policies.



Source: IRDA

### Depository Services Sector

#### Overview of Depository Services in India

In India, presently there are two depositories namely, National Securities Depository Limited ("NSDL") and Central Depository Services ("CDSL"). Depository is an institution registered with SEBI for holding custody of securities in electronic form and facilitates transfer based on the instructions from the account holders. The presence of depositories support the capital market growth in a variety of ways including substantial reduction in bad deliveries, enhanced liquidity of securities, reduction in transaction cost, eliminates problems relating to change of address of investors, transmission, etc. It also makes faster disbursement of non-cash corporate benefits like rights, bonus, etc. facilitates faster settlement cycle, no stamp duty on transfer of shares, eliminates problems relating to selling securities on behalf of a minor, etc. (Source: CDSL Annual Report 2018)

#### Depository Participants

Depository participants are the ones who act as an interface between investors and depositories. The investor has to open an account through a depository participant to avail the services offered by the depositories.

The Government has undertaken various initiatives to promote growth and ease of operations in the financial sector. In December 2018 Securities and Exchange Board of India (SEBI) proposed direct overseas listing of Indian companies and other

regulatory changes. SEBI has also allowed exchanges in India to operate in equity and commodity segments simultaneously, starting from October 2018. In November 2018 Bombay Stock Exchange (BSE) has enabled offering live status of applications filed by listed companies on its online portal and also introduced weekly futures and options contracts on Sensex 50 index. The Government of India is planning to launch a global exchange traded fund (ETF) in FY20 to raise long term investments from overseas pension funds.

### OPPORTUNITY

#### High growth

By 2025 India is expected to be amongst the top three capital markets in the world, if the current economic growth continues its momentum. India currently has a very robust capital market and is expected to be one of the most sophisticated financial markets in the world, with the best practices and adoption of cutting edge technologies in the near future. The opportunity lies in following the right business model and funding model to capitalise on these opportunities for future growth. India is growing at a rate of more than 7% per annum now and going forward it is expected to maintain the trend. The robust growth in India is facilitated by various sources of funding. India is gradually moving from bank-based funding model to market-based funding model like in developed countries. In fact, in the last two years, markets have played a major role in meeting the funding requirements of corporates and the government. Indian economic growth is expected to fuel growth of capital markets directly.

#### Shift in savings from physical assets to capital markets

The shift to financial instruments from physical assets and bank deposits has been largely on account of high inflation and high interest rate scenario over the period. Tax policy has been used to provide incentives and promote savings in financial assets and encouraging long-term saving. Of late both gold and real estate have been losing attractiveness. The government efforts to increase banking penetration through its Jan Dhan Yojna and the integration of PAN and Aadhar are expected to further increase the share of savings in financial assets. The number of digital transactions in India has already increased manifold over the past two years and the access to investments via digital channels is expected to increase. The strong flows into equity markets, mutual funds and insurance are expected to continue in the long run. Due to positive regulatory work, massive investor outreach to educate about mutual funds and the hard work of financial advisers (IFAs) over the years led to the systematic investment plan (SIP) book touching an all time high of ₹ 80.9 billion in the month of February 2019 and then closing at the year at ₹ 80.5 billion in March 2019. This shows that there is a gradual shift in the mindset of people towards savings in the country, inclining more towards financial savings in the years ahead.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Equity & Debt Funding from Capital Markets

Economies around the world meet their funding needs from three major ways. In the first category, many of the developed countries figure and the main sources of funding in the economy are capital markets. Some countries like India rely on both bank funding and capital markets to meet their fund requirements. In the third category, most of the funds required come from the banking system. Indian capital markets are in a take off stage and in future it is likely that the funds raised from capital markets will exceed the funds raised from banks. This trend is already visible in the Indian market. India is moving towards a higher level of financialisation.

### New Financial Products

The recent trends in digitalisation, demonetisation, financial inclusion, investor awareness, new financial products, introduction of GST, payment systems and fintech revolution has accelerated the process of financial intermediation. Digital transactions via mobile and other means have demonstrated faster adoption of emerging technologies by customers. This will help in introduction of many new financial products. The other trends which will accelerate the growth of capital market include: Opening of bond markets to retail segment, introduction of Real estate investment trusts (REITs) and infrastructure investment trusts (InvITs), securitisation, rising incomes, adoption of financial products in rural areas, cross sale of financial products, increasing popularity of wealth management and development of commodities trading market.

### Mutual Fund Growth

There is a tremendous shift to the financial asset class. In FY18, individual wealth in India grew at the rate of 14% to ₹ 392 trillion (US\$ 6.08 trillion). The Association of Mutual Funds in India (AMFI) is targeting nearly five fold growth in assets under management (AUM) to ₹ 95,000 billion and a more than three times growth in investor accounts to 130 million by 2025. The concept of systematic investment plans (SIPs) and the government outsourcing the management of corpus of the pension and other organisations also will give a fillip to the mutual fund industry.

### Fintech driven innovation

Fintech-driven innovation is influencing significant parts of capital markets' value chain, from sourcing capital to data and analytics services. These can be classified into four buckets. One is pre-trade, or access to capital. In India, crowdfunding platforms and bond issuances are in growth mode. Globally, the Korea Exchange launched the Korea Startup Market in November 2016 with blockchain technology to enable equity shares of startups to be traded in the open market. Another is trade execution. Fintech has led to cost efficiencies and enhanced trading security, thus helping end-customers. The third is post-trade services. Investment in distributed ledger technologies is

increasing both in India and global markets. Changing regulatory and know-your-customer (KYC) services allow participants to access KYC information in real-time. Here too, more automation has meant improved security. Fourth is life cycle management, data and analytics, and value-added services. Investments in data and analytics are helping develop new techniques to mine and interpret data to its full potential.

While fintech trends are disrupting the retail side, entry barriers to capital markets remain high. This opens up avenues for collaboration between capital market players and emerging fintech innovators to create an ecosystem that lowers structural costs, makes meeting regulatory changes easier and improves services for the consumer.

A recent report by the World Federation of Exchanges concluded that fintech activity in capital markets infrastructure has outpaced other areas in financial services.

### THREATS

- Worsening of macro-economic factors and low economic growth can negatively impact the capital markets sector thereby affecting business. Movement in crude oil prices is one of the key determinants of the direction of financial markets. It can be bundled with rising account deficit, inflation, depreciating currency, slowdown in foreign investment flows etc thereby posing threat to the business. Uncertainty in the global markets, owing to slow growth in the advanced economies and increased strain in certain emerging economies can result in volatile capital inflows and currency fluctuations. Increased restrictions on migration and global trade could hurt productivity and incomes and take an immediate toll on market sentiment.
- Technological disruptions- With rapid changes in technology and innovations, companies need to their its attention towards innovation objectives alongside business growth objectives. With increasing performance expectations related to quality, timings and cost, technological upkeep is very important to keep in line with competitors, especially new competitors that are "born digital" and with a low-cost base for their operations. The risk of disruptive innovations enabled by new and emerging technologies is always present.
- Debt market issues- The Indian debt market is going through a tough phase post the IL&FS crisis. The ongoing crisis on the debt market is likely to have a contagion effect on the performance of the equity markets with investors either pulling out of their existing investments or avoiding the market altogether.
- Any stringent regulatory changes or unfavourable policy changes can pose a threat to the company in the short run.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### COMPANY OVERVIEW

IIFL Securities is one of the largest independent full-service retail and institutional broking house along with being a leading investment advisory firm in India providing diversified financial services and products such as financial planning, equity, commodities and currency broking (both cash and derivatives), depository participant services, portfolio advisory, investment banking, distribution of mutual funds, bonds, portfolio management services, alternate investment funds and other investment products to corporates, institutional investors, foreign portfolio investors, mutual funds, insurance companies, alternative investment funds, trusts, high net worth individuals and other retail clients. Since the incorporation of our Company, we have served over 2.4 million customers through a network of about 2,500 points of presence covering our branches and business partners over 500 cities in India.

IIFL Securities is promoted by first generation entrepreneurs, Mr. Nirmal Jain and Mr. Venkataraman Rajamani.

The Board of Directors of IIFL Finance Limited (erstwhile IIFL Holdings Limited) at its meeting held on January 31, 2018 had approved the reorganization of IIFL Group, which will result in three listed entities – IIFL Finance, IIFL Wealth and IIFL Securities and the same has become effective from May 13, 2019.

IIFL Wealth and IIFL Securities have been demerged.

We leverage on the strength of the IIFL group to ensure a comprehensive suite of services and products made available to a large customer base. The wealth management and non-banking financial company divisions help in creating varied investment and lending products that can be offered to our customers for their specific requirements. This helps to improve the longevity of customers with us as many of our competitors are unable to match the overall product and service offerings that we offer. The larger geographic footprint of the non-banking financial company also helps ensure higher recognition of IIFL brand in cities where our Company may not be directly present. This builds confidence in the brand when customers are acquired, serviced and engaged remotely through our digital platforms. Information technology systems are also crucial to the success of our business operations and have helped us improve our overall productivity. Over the years, we have strived to diversify our product and service offerings, which, coupled with our strong brand name and large customer base, position us to be the natural beneficiary of the growth in digitisation and resultant transformational changes in the Indian savings markets.

### Financial Performance and Operations Review

Results for the period ended March 31, 2019:

(all figures in ₹ million)		
Particulars	Fiscal 2019	Fiscal 2018
<b>Revenue from operations</b>		
Interest income	621.38	287.49
Rental income	544.07	554.53
Fees and commission income	7,185.85	7,505.08
<b>Total Revenue from operations</b>	<b>8,351.30</b>	<b>8,347.10</b>
Other Income	404.35	1,124.83
<b>Total Revenue (I)</b>	<b>8,755.65</b>	<b>9,471.93</b>
<b>Expenses</b>		
Finance Cost	1,144.95	1,445.06
Fees and commission expense	881.38	1,067.88
Employee Benefit expenses	2,566.35	2,109.29
Depreciation, amortization and impairment	418.98	365.10
Other expenses	1,127.75	1,691.11
<b>Total Expenses (II)</b>	<b>6,139.41</b>	<b>6,678.44</b>
<b>Profit before share of profit/(loss) of associates and joint ventures(I) – (II) = (III)</b>	<b>2,616.24</b>	<b>2,793.49</b>
Share of profit/(loss) of associates and joint ventures (IV)	(35.43)	(58.18)
<b>Profit Before Tax (V) = (III-IV)</b>	<b>2,580.81</b>	<b>2,735.31</b>
Tax Expenses:		
Current Tax	839.08	1,055.52
Deferred tax expenses	31.36	(141.98)
Short/(excess) provision for income tax	(3.96)	16.01
<b>Total Tax expenses</b>	<b>866.48</b>	<b>929.55</b>
<b>Profit for the period</b>	<b>1,714.33</b>	<b>1,805.76</b>
Other Comprehensive income		
(i) items that will not be reclassified to profit/(loss)	10.40	(12.35)
(i) income tax relating to items that will not be classified to profit/(loss)	(3.72)	4.22
<b>Total Comprehensive Income</b>	<b>6.68</b>	<b>(8.13)</b>
<b>Total Comprehensive Income for the period (Comprising profit/(loss) and other Comprehensive income for the period</b>	<b>1,721.01</b>	<b>1,797.63</b>
Earnings per equity share (Face Value ₹ 2)		
Basic	5.37	5.67
Diluted	5.37	5.67

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## Income

### Revenue from operations

Our revenue from operation mainly includes revenue received from broking commission generating products and services across various asset classes such as equity, commodities and currency, and from other services such as depository services, clearing services, insurance broking, distribution of third-party financial products, facilities and ancillary services including real estate broking and advisory services.

Interest income has increased by 116% YoY, this increase is mainly attributable to interest income received from Margin Trading Facility (MTF) provided to our retail broking customers. We launched this facility in January 2018 and was fully operational since then; effectively it was full-fledged operations during the year for this facility which led to higher income. Also the higher trading volumes had led to higher margin requirements at the exchanges in the form of fixed deposits resulting into increase in interest income from fixed deposits pledged with exchanges

Fee and commission income has reduced mainly due to lower Investment Banking income on account of muted equity markets during the year.

### Other Income

Other income mainly consists of income earned on investments; interest income on inter corporate deposits placed and income tax refunds; gain due to change in fair value of investments. Income for the year was lower as compared to previous year largely due to lower investing / funding activities on account of muted equity markets during the year, this has also resulted into lower borrowing cost as well.

## Expenses

### Finance costs

Finance costs include interest on borrowings and other finance expenses such as bank guarantee commission, franking charges for borrowings through commercial papers, etc. As pointed out above, average borrowings were lower during the year due to lower investing / funding activities on account of muted equity markets during the year and the same had led to lower finance cost as compared to previous year.

### Fees and commission expense

Our fees and commission expense include sub-brokerage charges, cross sell and other related expenses. The fee and commission expenses for FY19 stood at ₹ 881.38 million, lower by 17% YoY basis mainly due to lower pay-outs on account of decline in revenues earned via franchisee / sub-brokers.

### Employee benefits expense

Employee benefit expenses include salaries and wages, contribution to provident and other funds, shared based

payments, staff welfare expenses, leave encashment and gratuity. The employee cost for FY19 stood at ₹ 2,566.35 million, an increase of 22% YoY, mainly due to annual increment and increase in employee count.

### Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses include depreciation of property, plant and equipment, and amortization of intangible assets. Depreciation and amortisation for FY19 remains at ₹ 418.98 million

### Other expenses

Our other expenses primarily include advertisement expense, communication expense, legal and professional charges, marketing and commission expenses, office expenses, rent, electricity rates and taxes, software charges and travelling and conveyance expenses. Other expenses for FY19 remain at ₹ 1,127.75 million Other expenses for the year were lower as compared to previous year largely due to lower expected credit loss provisioning.

### Liquidity and Capital Resources

Historically, we have maintained liquidity for our business operations primarily from the cash generated from operations, bank borrowings and issuance of shareholder equity. As of March 31, 2019, we had cash and bank balances ₹ 10,650.52 million. Based on our current level of operations and expenditures, we believe that our current working capital, together with cash flows from operating activities, will be adequate to meet our anticipated cash requirements for capital expenditure and working capital for the next 12 months.

### Discussion on our assets and liabilities

#### Assets

Our total assets as at the Fiscals ended March 31, 2017, March 31, 2018 and March 31, 2019 was ₹ 24,359.10 million, ₹ 28,618.89 million and ₹ 30,499.52 million, respectively.

#### Assets as at March 31, 2019 and March 31, 2018

Our total assets increased by 6.57% from ₹ 28,618.89 million as at March 31, 2018 to ₹ 30,499.52 million as at March 31, 2019 primarily due to an increase in the financial assets of 5.03%, from ₹ 21,706.56 million as at March 31, 2018 to ₹ 22,798.63 million as at March 31, 2019, and an increase in the non-financial assets of 11.41%, from ₹ 6,912.33 million as at March 31, 2018 to ₹ 7,700.90 million as at March 31, 2019.

Following are the primary increases or decreases in our financial assets as at March 31, 2019 as compared to our financial assets as at March 31, 2018:

- a. Cash and cash equivalents - Our cash and cash equivalents increased by 24.11% from ₹ 3,877.35 million as at March 31, 2018 to ₹ 4,812.23 million as at March 31, 2019.



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- b. Bank balance other than cash and cash equivalents - Our bank balance other than cash and cash equivalents increased by 24.85% from ₹ 4,676.33 million as at March 31, 2018 to ₹ 5,838.29 million as at March 31, 2019.
- c. Receivables - Our trade receivables decreased by 1.73% from ₹ 252.74 million as at March 31, 2018 to ₹ 248.37 million as at March 31, 2019 and our other receivables increased by 25.33% from ₹ 65.05 million as at March 31, 2018 to ₹ 81.53 million as at March 31, 2019.
- d. Loans - Our loans increased by 430.84% from ₹ 816.14 million as at March 31, 2018 to ₹ 4,332.38 million as at March 31, 2019.
- e. Investments - Our investments decreased by 12.44% from ₹ 1,594.59 million as at March 31, 2018 to ₹ 1,396.17 million as at March 31, 2019.
- f. Other financial assets - Our other financial assets decreased by 41.58% from ₹ 10,424.36 million as at March 31, 2018 to ₹ 6,089.65 million as at March 31, 2019.

Following are the primary increases or decreases in our non-financial assets as at March 31, 2018 as compared to our non-financial assets as at March 31, 2019:

- g. Current tax assets - Our current tax asset increased by 28.33% from ₹ 356.68 million as at March 31, 2018 to ₹ 457.72 million as at March 31, 2019.
- h. Deferred tax assets - Our deferred tax asset decreased by 7.92% from ₹ 496.04 million as at March 31, 2018 to ₹ 456.76 million as at March 31, 2019.
- i. Investment property - Our investment property decreased by 6.71% from ₹ 51.86 million as at March 31, 2018 to ₹ 48.38 million as at March 31, 2019.
- j. Property, plant and equipment - Our property, plant and equipment decreased by 23.21% from ₹ 4,999.79 million as at March 31, 2018 to ₹ 3,839.46 million as at March 31, 2019.
- k. Capital work-in-progress - Our capital work-in-progress increased by 2.25% from ₹ 840.11 million as at March 31, 2018 to ₹ 859.01 million as at March 31, 2019.
- l. Other intangible assets - Our other intangible assets decreased by 33.24% from ₹ 63.59 million as at March 31, 2018 to ₹ 42.45 million as at March 31, 2019.
- m. Assets held for sale - Our assets held for sale was ₹ 1,355.46 million as at March 31, 2019.
- n. Other non-financial assets - Our Other non-financial assets increased by 515.44% from ₹ 104.26 million as at March 31, 2018 to ₹ 641.66 million as at March 31, 2019.

### Equity and Liabilities

Our total equity and liabilities as at the Fiscals ended March 31, 2018 and March 31, 2019 was ₹ 28,618.89 million and ₹ 30,499.52 million, respectively.

### Equity and liabilities as at March 31, 2019 and March 31, 2018

Our total equity and liabilities increased by 6.57% from ₹ 28,618.89 million as at March 31, 2018 to ₹ 30,499.52 million as at March 31, 2019 primarily due to an increase in our non-financial liabilities from ₹ 286.13 million as at March 31, 2018 to ₹ 2,351.00 million as at March 31, 2019 and an increase in our equity from ₹ 6,233.89 million as at March 31, 2018 to ₹ 7,309.44 million as at March 31, 2019. However, our financial liabilities decreased from ₹ 22,098.87 million as at March 31, 2018 to ₹ 20,839.08 million as at March 31, 2019.

Following are the primary increases or decreases in our financial liabilities as at March 31, 2019 as compared to our financial liabilities as at March 31, 2018:

- o. Trade payable - Our trade payables constituted total outstanding dues to micro enterprises and small enterprises and our total outstanding dues to creditors other than micro enterprises and small enterprises. Our total outstanding dues to creditors other than micro enterprises and small enterprises decreased by 47.64% from ₹ 46.41 million as at March 31, 2018 to ₹ 24.30 million as at March 31, 2019. Our outstanding dues to micro enterprises and small enterprises as at March 31, 2018 was ₹ 0.03 million and we did not have any outstanding dues to micro enterprises and small enterprises as at March 31, 2019.
- p. Other payable - Our other payables constituted outstanding dues to micro enterprises and small enterprises and our total outstanding dues to creditors other than micro enterprises and small enterprises decreased by 18.67% from ₹ 296.45 million as at March 31, 2018 to ₹ 241.10 million as at March 31, 2019.
- q. Debt securities - Our debt securities decreased by 42.17% from ₹ 841.11 million as at March 31, 2018 to ₹ 486.40 million as at March 31, 2019.
- r. Borrowings (other than debt securities) - Our borrowings (other than debt securities) decreased by 34.79% from ₹ 10,128.61 million as at March 31, 2018 to ₹ 6,605.22 million as at March 31, 2019.
- s. Subordinated liabilities - We did not have any subordinated liabilities as at March 31, 2018; however, we had subordinated liabilities of ₹ 500.38 million as at March 31, 2019.
- t. Other financial liabilities - Our other financial liabilities increased by 20.35% from ₹ 10,786.26 million as at March 31, 2018 to ₹ 12,981.68 million as at March 31, 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Following are the primary increases or decreases in our non-financial liabilities as at March 31, 2018 as compared to our non-financial liabilities as at March 31, 2019:

- u. Current tax liabilities - Our current tax liabilities decreased by 17.64% from ₹ 21.09 million as at March 31, 2018 to ₹ 17.37 million as at March 31, 2019.
- v. Provisions - Our provisions increased by 15.80% from ₹ 23.48 million as at March 31, 2018 to ₹ 27.19 million as at March 31, 2019.
- w. Other non-financial liabilities - Our other non-financial liabilities increased by 854.81% from ₹ 241.56 million as at March 31, 2018 to ₹ 2,306.44 million as at March 31, 2019.

### Segment-wise Performance

Segments	(₹ in millions)			
	For the year ended March 31			
	2019		2018	
	Seg- ment Revenue	Seg- ment Results	Seg- ment Revenue	Seg- ment Results
Stock Market Activity	7,121.28	2,037.24	6,978.25	1,726.77
Investment Banking	334.13	240.77	819.74	743.74
Facilities & Ancillary	1,454.02	219.72	1,729.57	53.72
Others	370.27	173.70	304.79	211.08
Less: Unallocated	(524.05)	(90.62)	(360.42)	-
<b>Total</b>	<b>8,755.65</b>	<b>2,580.81</b>	<b>9,471.93</b>	<b>2,735.31</b>

Revenue from our stock market activity increased from ₹ 6,978.25 million for the year ended March 31, 2018 to ₹ 7,121.28 million for the year ended March 31, 2019, an increase of 2%. Though there was a decrease in brokerage revenue due to volatility in the markets, it was offset by higher cross sell income and other revenue from operations during the year.

Revenue from our Investment Banking segment decreased from ₹ 819.74 million for the year ended March 31, 2018 to ₹ 334.13 million for the year ended March 31, 2019, a decrease of 59%. The decrease was primarily due to muted equity capital markets. However, IIFL Investment Banking completed more than 15 transactions in the year, including 3 IPOs, 4 QIPs and 1 ReIT, despite market volatility. We have also maintained market leadership in equity raising for private sector corporates for the period FY19.

Revenue from our facilities and ancillary segment decreased from ₹ 1,729.57 million for the year ended March 31, 2018 to ₹ 1,454.02 million for the year ended March 31, 2019, decrease of 16% due to lower other income. However, the revenue for this segment have increased from ₹ 53.72 million to ₹ 219.72 million due to cost optimisations, lower losses at joint venture and lower borrowing costs during the year.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore:

Key Ratios	FY18	FY19	Variance
Debt/Equity Ratio	1.76	1.04	-41%
Return on Net Worth	34.80%	25.32%	-27%

### Explanation:

- Debt to Equity Ratio decreased from 1.76 in FY18 to 1.04 in FY19 mainly due to lower borrowing from ₹ 10,969.73 million to ₹ 7,592.01 million and higher shareholder's equity from ₹ 6,233.89 million in FY18 to ₹ 7,309.44 million in FY19 due to retention of profits earned during the year.
- Return on networkth calculated as "PAT / Average networkth of the company" decreased from 34.80% to 25.32% mainly on account of increase in average net worth from ₹ 5,189.47 million in FY 2018 to ₹ 6,771.67 million in FY 2019 due to infusion of additional capital in FY 2018 and retention of profits earned during the period. Further, decline in PAT has attributed to lower return on networkth.

### RISK MANAGEMENT & GOVERNANCE

Risk management is a key element of IIFL Securities business strategy and is integrated seamlessly across all of its business operations. The objective of the company's risk management process is to optimise the risk-return equation and ensure meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities.

IIFL Securities seeks to foster a strong and disciplined risk management culture across all of its business departments and at all levels of employees. The company takes a holistic view of risk management and undertakes an enterprise-wide risk management approach under the Enterprise Risk Management (ERM) Framework. We believe that ERM provides a sound foundation to ensure that the risk-taking activities across the Group are in line with the business strategy, the risk appetite approved by the Board and regulatory requirements.

The company adopts the 'three lines-of-defence' (3 LOD) model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function. All three lines play a distinct role within IIFL's wider governance framework.

The company operates primarily in the financial services space. IIFL Securities is registered and regulated by SEBI for stock broking, depository participant, commodity broking, portfolio management, advisory, research, alternate investment fund businesses and distribution of various financial products including mutual fund, bonds, NPS etc.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The compliance function forms a critical part of the company's operations. IIFL's experienced compliance, audit and risk management teams play a vital role in ensuring that rules and regulations are strictly followed in all processes, not just in letter but also in spirit. The risk management discipline is implemented at across business entity level.

IIFL has adopted digital initiatives in all its key businesses & processes, like broking and distribution, customer service, internal operations and HR. Digitization helps in growing business faster and to achieve critical mass and further grow exponentially using Do-It-Yourself model in a seamless manner with the cutting edge technology with minimum physical infrastructure and manpower. Digitization ensures less human intervention and superior customer service. Moreover, technology vastly eliminates the scope for any fraud, omission, and commission of errors.

The services offered at IIFL Securities are exposed to various risks that are either inherent to the business or exposed to the changes in external environment. In order to maintain financial soundness of the company, it seeks to promote a strong risk culture throughout the organization.

All major risk classes viz Technology & Information Security Risk, Compliance Risk, Operational Risk, Fraud Risk, Human Resource Risk, Market Risk and Reputational Risk are managed via well defined risk management processes.

### HUMAN RESOURCES

IIFL Securities Limited's human resource department has been constantly striving to align with business, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. The Company continued to put in place people-friendly policies and practices in the past year and continues to focus on adopting best practices for its HR policies.

#### Strong Management Team

The Company continues to attract professional and experienced talent from various sectors including, BFSI, Technology, Software and Start-ups. This has created a transparent, meritocratic and performance driven culture. With the right leadership at the helm, we are able to attract and create a professional team driven by a sense of purpose.

#### Technology Enablement

The Company uses Adrenalin as a one stop employee interface for all their human resources related requirements. This system is easily accessible 24X7 through intranet and as a mobile app. We have this year implemented our recruitment solution – Hirecraft and integrated the same with Adrenalin which has facilitated our employees to access all features and activities from from on-boarding to exit through a single system.

Risk	Risk Response Strategies
Client holdings and settlement risk	<ul style="list-style-type: none"> <li>The company has in place risk management policy in accordance with SEBI/ Exchanges' norms and the same are updated for any regulatory changes from time to time and communicated internally as well as to the clients. The same is made available through online portal.</li> <li>In accordance with the requirements the entire risk management system with regard to clients trading, exposure limits, margins, collection of margin/ pay-in of funds/ securities are administered through automated process and it is managed through centralized risk team. The monitoring of client level risk positions is carried out on real time basis and necessary risk actions as and when required are initiated wherever required.</li> <li>Risk alerts are communicated to the clients through online systems as well as through SMS, Branches, RMs etc. to ensure smooth client communication and operations.</li> <li>Periodical settlement of funds/ securities is ensured through automated process in accordance with prescribed regulatory norms.</li> </ul>
Technology & Information Security Risk	<ul style="list-style-type: none"> <li>As part of the operational risk management framework to manage risk to systems, networks and databases from cyber-attacks and threats, company has formulated a comprehensive Cyber Security and Cyber Resilience policy in accordance with the SEBI circular.</li> <li>Management periodically reviews various Technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.</li> <li>Company has put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting.</li> <li>Audit logs are reviewed for any anomalies and pattern deviations on a periodic basis</li> <li>The company implemented tools for mitigating various security risks - privileged identity management, advanced malware detection and protection, end-point encryption, mobile device management and secured internet access.</li> <li>Initiatives are taken to automate the processes to reduce the risk of manual error and frauds.</li> <li>The company successfully completed the ISO 27001:2013 annual re-certification in January 2019.</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risk	Risk Response Strategies
Compliance Risk	<ul style="list-style-type: none"> <li>• The Company has a full-fledged compliance department manned by knowledgeable and well-experienced professionals in compliance, corporate, legal and audit functions. The department guides the businesses/support functions on all regulatory compliances and monitors implementation of extant regulations/circulars, ensuring all the regulatory compliances, governance and reporting of the Group.</li> <li>• The Company has put in place adequate systems and controls to ensure compliance with anti-money laundering standards. Automated alerts systems, analysis and reporting of any suspicious transactions to FIU etc. are instituted. Besides, the Group entities are also registered with US-IRS under the Foreign Account Tax Compliance Act (FATCA), wherever applicable, in compliance with regulatory requirements.</li> <li>• The Company has instituted special purpose audits for multiple functions such as verification/ concurrent audit, broking systems audit, portfolio management audit among others.</li> <li>• The company has in place adequate Insider Trading policy as per extant regulatory guidelines and circulars for administering the same. The same were further enhanced in line with updated regulatory requirements.</li> <li>• The company has implemented business-specific Compliance Manuals, limit monitoring systems and AML/ KYC policies and enhanced risk based supervision systems.</li> <li>• In the year, compliance with corporate acts, including Companies Act, SEBI Act, FEMA, Securities Contracts (Regulation) Act and Rules, Insurance Act, and so on was verified by independent secretarial auditors on the holding company and major subsidiaries, during the year. Their reports and recommendations were considered by the Board and necessary implementations have been initiated.</li> <li>• The compliance requirements across various service points have been communicated comprehensively to all, through compliance manuals and circulars. To ensure complete involvement in the compliance process, heads of all businesses/zones/area offices and departments across businesses/entities submit quarterly compliance reports. The compilations of these reports are reviewed by the Audit Committee/Board and are also submitted to regulatory authorities, periodically. Besides, the internal auditors verify the compliances as part of their audit process.</li> </ul>
Human Resource Risk	<ul style="list-style-type: none"> <li>• The Group has taken several actions to ensure that the talent pipeline for the Company is strong especially when it comes to key management positions. We have been able to attract top notch talent from MNC and Indian corporates wherever required to supplement our existing management capability.</li> <li>• The Group also has a strong focus on ensuring that employees are adequately trained in their job functions and on all compliance related trainings.</li> <li>• The HR function also ensures all statutory compliances with labour laws and other relevant statutes and ensures that strong background screening standards are in place to minimise any risk of fraud from incoming employees.</li> <li>• Training and certification requirements have been laid down for relevant personnel.</li> </ul>
Reputation Risk	<ul style="list-style-type: none"> <li>• Over the years, the Company has fostered a culture that enables operating managers to say 'No' to poor quality business and eschewing from adopting short cuts and stopgap alternatives. In addition, it has in place stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company's policy and processes ensure close monitoring and strict disciplinary actions against those deviating from the same.</li> <li>• The organization pays special attention to issues that may create a Reputational risk. Events that can negatively impact the organization position are handled cautiously ensuring utmost compliance and in line with the values of the organization.</li> </ul>
Risk Culture	<ul style="list-style-type: none"> <li>• Risk management is integral to the Company's strategy. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organisation.</li> <li>• The Company has, over the years, invested in people, processes and technology to mitigate the risks posed by the external environment and by its borrowers. A strong risk management team ensures that risks are properly identified and addressed in a timely manner to ensure minimal impact on the Company's growth and performance. The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.</li> <li>• In the broking business, the company has put in place robust surveillance &amp; risk management systems and has implemented Graded Surveillance Measures implemented by Exchanges. Further, it is also implemented enhanced risk based supervision as stipulated by SEBI.</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risk	Risk Response Strategies
Fraud & Operational Risk	<ul style="list-style-type: none"> <li>Internal Audit teams play a vital role in ensuring that rules and regulations are strictly followed in all processes, not just in letter but also in spirit.</li> <li>The company periodically reviews the processes and controls and also updates its systems to meet the business requirements.</li> <li>In addition to this, employees are provided with continuous trainings and there is effective segregation of duties to reduce risk of fraud.</li> </ul>
Market Risk	<ul style="list-style-type: none"> <li>The company aims to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams, Investment Committees, requirement of investment justifications and regular monitoring of performance.</li> </ul>

### Training & Development

The Company has a dedicated training and development team which caters to areas of providing knowledge, building skills and supporting in areas of functional and technical development. With a strong focus on digital learning, our learning interventions right from Induction to functional training and refresher courses, have been developed and deployed online, supported by technology enablers to enhance the user experience of anytime anywhere learning. The Company is using multiple learning methodologies like e-learning modules, video based modules, simulation learning, mobile based micro learning etc. to support our employees on the quest for professional development.

Sensitivity towards driving a compliant business is ensured through learning aids/ modules covering topics such as mandatory courses on Anti Money Laundering, Information Security, Prevention of Sexual Harassment, Anti Corruption and Bribery are also being assigned to employees through our Learning Management System. A mobile App is being developed to cater to learning requirements of remote employees who are part of the organization.

### Encouraging Performance

Towards achieving employee retention and employee job satisfaction and creating effective retention strategies to decrease turnover, we have individual performance measures ("IPMs"), various feedback mechanisms to guide our employees from time to time. Monthly spot cash incentive schemes ("MSCI"), rewards and recognition programs are also conducted to not only appreciate the exemplary contributors, but also make it aspirational for the others to leverage their potential.

### Management Connect

Considering the importance of management interaction, our Chairman has a periodic live connect session with all employees through Facebook @ Work. During this session the management discusses the company overview, goals and future plans, opportunities and challenges etc. The sessions are also opened to live questions from employees which are answered by the management. These sessions have enabled all employees to be aligned with the Company's vision, get clarification or bring to the management's notice any concerns and helped enhance management connect across hierarchy.

### Employee Engagement

IIFL believes in engaging its work force and grooming them to become leaders of tomorrow. We have been taking employee feedback through our annual 'Pulse' survey, which enables us to continue doing the things going well and improve on the areas where we need to improve. These engagement scores are tracked to monitor improvement.

Special fast track program was formulated for the recognized high potential employees. These include program towards honing their skills and competencies, special learning and development initiatives which will enable them to meet their career aspirations within the organisation.

Monthly, Quarterly and Annual Rewards and Recognition programs are conducted to not only appreciate the exemplary contributions of performing employees, but also to make it aspirational for the others to leverage their potential.

Other engaging events like sports, cultural and festive celebrations, contests, etc are regularly conducted which enable employees to de-stress, improve team bonding and bring about a new spurt of exuberance within the employees.

As on March 31, 2019, our Company had 1,993 employees, including 136 engineers, 363 MBA graduates and 25 chartered accountants.

IIFL Securities is now a 'Great Place to Work' certified as on March 31, 2019.

### INTERNAL CONTROLS

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check on leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations. Moreover, the Company successfully re-audited ISO 27001:2013 certificate during the year and implemented effective information security processes reinforcing our commitment to provide robust and secure technology for all our customers.



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. For internal audit, the Company has in place Mahajan & Aibara Chartered Accountants.

The Company also retains specialised audit firms to carry out specific / concurrent audit of some critical functions, such as half-yearly internal audit of broking mandated by SEBI/ Exchanges, DP processes, Know Your Customer (KYC) verifications, demat transfers, pay-outs verifications, systems audit, branches and sub brokers audits, PMS, mutual fund and alternative investment funds operations audit, verification of related party transactions, among others. The Company has put in place enhanced risk based supervision systems and ensures continuous monitoring. The Company has in place separate internal audit teams dedicated for businesses. The internal team undertakes special situation audits and follows up on implementation of internal auditors' recommendations and action taken reports. In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances, regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of frauds.

### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors

verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

### OUTLOOK

The outlook for Indian economy remains optimistic as there is a sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. It is expected that the government will focus on faster policy implementation and encourage private sector spending to boost investments. While focusing on government spending, India needs to maintain fiscal deficit within the target range. Meeting the revenue collection and disinvestment targets would be crucial to ensure the budgeted reduction in the fiscal-deficit-to-GDP ratio. Continued implementation of structural and financial sector reforms with efforts to reduce public debt is important to ensure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening Goods & Services Tax compliance and further reducing subsidies.

That said, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative crude oil and other prices and hurt current and fiscal account deficit. Trade tensions are also high on account of trade wars between countries. As said above, fiscal expansion is the key to growth. However, the pressure will be on government spending if private investments loose steam.

Our company in past few years has made substantial investments in people, processes and technology and continues to focus on delivering steady performance. We are cognizant of the changes in the financial services sector and well prepared to overcome challenges and sustain performance.

**For IIFL Securities Limited**

**Kranti Sinha**

Chairman

DIN: 00001643

Date: August 14, 2019

Place: Mumbai

# INDEPENDENT AUDITOR'S REPORT

**To The Members of IIFL Securities Limited (formerly known as India Infoline Limited)**

**Report on the Audit of the Standalone Ind AS financial statements**

## **Opinion**

We have audited the standalone Ind AS financial statements of IIFL Securities Limited (formerly known as India Infoline Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

## **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

## INDEPENDENT AUDITOR'S REPORT (Contd.)

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Matter of Emphasis

We draw attention Note No. 1.1 of the Financial Statements which describes the implementation of the Composite Scheme of Arrangement amongst' the Company, IIFL Holdings Limited, India Infoline Media and Research Services Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, IIFL Distribution Services Limited and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"), in Parts, based on the legal opinion obtained by the Company. The Scheme has been approved by the National Company Law Tribunal vide its order dated 07 March 2019 and filed with the Registrar of Companies on 11 April 2019.

Our report is not modified in respect of this matter.

### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us for the year ended 31st March 2018, our report dated 1st May, 2018 and audited by the predecessor auditor for the year ended 31st March, 2017 whose report dated 3rd May, 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us except for the figures relating to Securities Business Undertaking included in these financial statements which have been audited by other auditors whose reports have been furnished to us by the management.

We did not audit the financial statements of Securities Business Undertaking included in the financial statements (consequent to the Composite Scheme of Arrangement as referred to in Note 1.1 of the financial statements), whose financial statements reflect total assets of Rs 1444.73 Millions and net assets of Rs 1414.99 Millions as at 31st March, 2019, total revenues of Rs 406.77 Millions and net cash outflows/(inflows) amounting to Rs 140.75 Millions for the year ended on that date, as considered in the financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by

## INDEPENDENT AUDITOR'S REPORT (Contd.)

the management and our opinion on the, in so far as it relates to the amounts and disclosures included in respect of the said undertaking and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the said undertaking is based solely on the reports of the other auditors.

As required by Ind AS 103 on Business Combinations under Appendix C - Business Combinations of Entities under Common Control, the financial information for the year ended 31st March, 2018 and as on 1st April, 2017 are restated for giving effect of the composite scheme of arrangement referred to in Note 1.1 to the financial statements.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on

record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 29 of the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For V Sankar Aiyar & Co.,**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**G Sankar**  
Partner  
(Membership No. 46050)  
Place: Mumbai  
Date: May 13, 2019

## ANNEXURE A To The Independent Auditor's Report

### Annexure referred to in our report of even date to the members of IIFL Securities Limited (formerly known as India Infoline Limited) on the accounts for the year ended 31st March 2019

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable considering the size of the Company and nature of its fixed assets. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold are held in the name of the Company.
- (ii) The Company is not carrying on any trading or manufacturing activity. Therefore, Paragraph 3(ii) of the Order is not applicable to the Company
- (iii) Company has granted loan to 2 companies covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"), in respect of which:
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies were not, prima facie, prejudicial to the interests of the Company;
- (b) The borrowers have been regular in the payment of the principal and interest as stipulated;
- (c) There are no overdue amounts as at the balance sheet date, in respect of these loans.
- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made as applicable.
- (v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2019 from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of income tax or sales tax or goods and services tax or duty of customs or duty of excise. However, according to the information and explanations given to us, the following dues of service tax has not been deposited by the Company on account of dispute.

Nature of the Statute	Nature of the Disputed Dues	Amount of Tax (Rs in Millions)	Period to which amount relates	Forum where dispute is pending
Service Tax, 1994	Service Tax on Delayed Payment charges	Rs. 233.58 outstanding out of total demand of Rs. 241.32	01.04.2014 to 31.03.2016	CESTAT
Service Tax, 1994	Service Tax on FII Brokerage	Rs. 90.50 outstanding out of total demand of Rs. 94.45	01.04.2014 to 30.09.2014	CESTAT

- (viii) According to the information and explanation given to us, the company has not defaulted in repayment of loans to banks. The Company has not taken any loans or borrowings from Government or financial institutions and did not have any dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. However it has raised monies by way of Commercial Papers and the monies



## ANNEXURE A To The Independent Auditor's Report (Contd.)

raised were utilized for the purpose for which these were raised.

- (x) According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud by the company or on the Company by its officers or employees, having a material misstatement on the financial statements has been noticed or reported during the period under audit.
- (xi) According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have

been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934.

**For V Sankar Aiyar & Co.,**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**G Sankar**  
Partner  
(Membership No. 46050)  
Place: Mumbai  
Date: May 13, 2019

## ANNEXURE B To The Independent Auditor's Report

**Annexure referred to in our report of even date to the members of IIFL Securities Limited (formerly known as India Infoline Limited) on the accounts for the year ended 31st March 2019**

**Report on the Internal Financial Controls 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 Securities Limited (formerly known as India Infoline Limited) ("the Company") as of March 31st, 2019 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 issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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

## **ANNEXURE B** To The Independent Auditor's Report (Contd.)

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V Sankar Aiyar & Co.,**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**G Sankar**  
Partner  
(Membership No. 46050)  
Place: Mumbai  
Date: May 13, 2019

# STANDALONE BALANCE SHEET

As at March 31, 2019

(₹ in Millions)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and cash equivalents	3	4,099.32	2,947.80	1,081.40
(b) Bank Balance other than (a) above	4	5,706.57	4,322.80	2,585.29
(c) Receivables				
(I) Trade receivables	5	84.36	134.01	82.35
(II) Other receivables	5	28.53	13.99	93.85
(d) Loans	6	920.55	782.04	-
(e) Investments	7	1,891.55	1,871.29	2,636.54
(f) Other financial assets	8	6,111.01	10,539.41	10,655.91
<b>Sub-total</b>		<b>18,841.89</b>	<b>20,611.34</b>	<b>17,135.34</b>
<b>(2) Non-Financial Assets</b>				
(a) Current tax assets (net)		88.52	74.73	98.25
(b) Deferred tax assets (net)	9	386.59	391.72	265.10
(c) Property, Plant and Equipment	10	190.50	148.34	95.42
(d) Capital work-in-progress	10	5.18	4.44	18.63
(e) Goodwill	10	-	-	1.14
(f) Other intangible assets	10	35.91	52.71	12.70
(g) Other non-financial assets	11	62.45	64.71	94.07
<b>Sub-total</b>		<b>769.15</b>	<b>736.65</b>	<b>585.31</b>
<b>Total Assets</b>		<b>19,611.04</b>	<b>21,347.99</b>	<b>17,720.65</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(1) Financial Liabilities</b>				
(a) Payables				
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	9.54	25.62	12.57
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	177.60	243.58	342.30
(b) Debt securities	13	-	-	626.55
(c) Borrowings (other than debt securities)	14	1,005.37	5,375.92	-
(d) Other financial liabilities	15	11,729.79	9,817.92	12,778.77
<b>Sub-total</b>		<b>12,922.30</b>	<b>15,463.04</b>	<b>13,760.19</b>
<b>(2) Non-Financial Liabilities</b>				
(a) Current tax liabilities (net)		-	-	53.43
(b) Provisions	16	24.46	21.08	17.86
(c) Other non-financial liabilities	17	217.51	211.48	92.65
<b>Sub-total</b>		<b>241.97</b>	<b>232.56</b>	<b>163.94</b>
<b>(3) EQUITY</b>				
(a) Equity share capital	18	638.41	637.96	635.82
(b) Other equity	19	5,808.36	5,014.43	3,160.70
<b>Sub-total</b>		<b>6,446.77</b>	<b>5,652.39</b>	<b>3,796.52</b>
<b>Total Liabilities and Equity</b>		<b>19,611.04</b>	<b>21,347.99</b>	<b>17,720.65</b>

See accompanying notes forming part of standalone financial statements

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As per our attached report of even date  
For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

For and on behalf of Board of Directors

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019

## STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
(a) Interest income	20	522.17	268.91
(b) Fees and commission income	21	6,384.55	6,815.31
<b>Total revenue from operations</b>		<b>6,906.72</b>	<b>7,084.22</b>
(a) Other income	22	151.33	342.35
<b>Total income (I)</b>		<b>7,058.05</b>	<b>7,426.57</b>
<b>Expenses</b>			
(a) Finance costs	23	508.61	371.78
(b) Fees and commission expense	23(a)	1,092.44	1,188.95
(c) Employee benefits expenses	24	2,134.43	1,811.13
(d) Depreciation, amortization and impairment	25	116.32	107.28
(e) Other expenses	26	1,043.52	1,534.68
<b>Total expenses (II)</b>		<b>4,895.32</b>	<b>5,013.82</b>
<b>Profit/(loss) before exceptional items and tax (I) - (II) = (III)</b>		<b>2,162.73</b>	<b>2,412.75</b>
Exceptional items (IV)		-	-
<b>Profit/(loss) before tax (III)+(IV)=(V)</b>		<b>2,162.73</b>	<b>2,412.75</b>
Tax expense:			
(a) Current Tax	27	713.01	930.62
(b) Deferred Tax	27	0.87	(122.74)
(c) Short/(excess)	27	(0.54)	29.79
<b>Total tax expenses (VI)</b>		<b>713.34</b>	<b>837.67</b>
<b>Profit/(loss) for the period from continuing operations (V) - (VI) = (VII)</b>		<b>1,449.39</b>	<b>1,575.08</b>
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations (after tax) (VIII)</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period (VII) + (VIII) = (IX)</b>		<b>1,449.39</b>	<b>1,575.08</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or (loss)		12.19	(11.11)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		(4.26)	3.88
<b>Other Comprehensive Income (X)</b>		<b>7.93</b>	<b>(7.23)</b>
<b>Total Comprehensive Income for the period (IX) + (X) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>1,457.32</b>	<b>1,567.85</b>
<b>Earnings per share (for continuing operations)</b>			
Basic (in ₹)	28	4.54	4.95
Diluted (in ₹)	28	4.54	4.95

See accompanying notes forming part of standalone financial statements

1 - 39

**As per our attached report of even date  
For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

**For and on behalf of Board of Directors**

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019



# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

## A. Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
At the beginning of the year	-	-	16,900,100	169.00	16,900,100	169.00
Add: Shares issued during the year	-	-	1,818,181	18.18	-	-
Closing at the end of year	-	-	18,718,281	187.18	16,900,100	169.00
Less : Shares to be cancelled under Composite Scheme of Arrangement (Refer note 1.1)	-	-	(18,718,281)	(187.18)	(16,900,100)	(169.00)
Add: Shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	318,979,026	637.96	317,908,193	635.82	317,908,193	635.82
Add: Further additional shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	224,066	0.45	1,070,833	2.14	-	-
<b>Share suspense account</b>	<b>319,203,092</b>	<b>638.41</b>	<b>318,979,026</b>	<b>637.96</b>	<b>317,908,193</b>	<b>635.82</b>

## B. Other equity

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings	Share options outstanding account *		
<b>Balance as at April 01, 2017</b>	-	<b>749.00</b>	<b>1,493.46</b>	-	-	<b>2,242.46</b>
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	1,188.92	-	-	-	-	1,188.92
Adjustments on account of transition to IND AS	-	-	(270.68)	-	-	(270.68)
<b>Opening restated balance as on April 01, 2017</b>	<b>1,188.92</b>	<b>749.00</b>	<b>1,222.78</b>	-	-	<b>3,160.70</b>
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(677.77)	-	-	-	-	(677.77)
Securities premium received on issue of shares during the year	-	1,481.82	-	-	-	1,481.82
Total comprehensive income for the year	-	-	1,575.08	-	(7.23)	1,567.85
Transfer to Capital Reserve (Refer note 1.1)	506.55	-	(507.75)	-	1.20	-
Appropriation towards dividend paid (including corporate dividend tax)	-	-	(518.17)	-	-	(518.17)
<b>Balance as at March 31, 2018</b>	<b>1,017.70</b>	<b>2,230.82</b>	<b>1,771.94</b>	-	<b>(6.03)</b>	<b>5014.43</b>
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(256.11)	-	-	21.83	-	(234.28)
Addition due to slump sale (Refer note 19)	(90.62)	-	-	-	-	(90.62)
Total comprehensive income for the year	-	-	1,449.39	-	7.93	1,457.32
Appropriation towards dividend paid (including corporate dividend tax)	-	-	(338.49)	-	-	(338.49)
<b>Balance as at March 31, 2019</b>	<b>670.97</b>	<b>2,230.82</b>	<b>2,882.84</b>	<b>21.83</b>	<b>1.90</b>	<b>5808.36</b>

\* Shares stock options account represents ESOP reserve transferred by IIFL Holdings Limited as part of "Securities Undertaking" against the options to be granted by the Company on effective date for outstanding options under various grants by IIFL Holdings Limited as per the Composite Scheme of Arrangement (refer note no. 1.1)

See accompanying notes forming part of standalone financial statements (1 -39)

### As per our attached report of even date

#### For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

Place : Mumbai  
Dated : May 13, 2019

### For and on behalf of Board of Directors

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

## STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2019

Particulars	(₹ in Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Net profit/(loss) before taxation, and extraordinary item	2,162.73	2,412.75
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	116.32	107.28
Interest expenses	508.61	371.78
Dividend income	(4.44)	(6.03)
Interest income	(60.90)	(62.53)
Net loss/(gain) on fair value of investments	(32.06)	(138.25)
Net loss/(gain) on sale of fixed assets	(0.46)	0.18
<b>Operating Profit/(Loss) Before working capital changes</b>	<b>2,689.80</b>	<b>2,685.18</b>
(Increase)/Decrease in loan	(138.51)	(782.04)
(Increase)/Decrease in trade and other receivables	35.13	28.18
(Increase)/Decrease in other financial assets	4,912.22	116.50
(Increase)/Decrease in other non-financial assets	2.26	29.36
Increase/(Decrease) in trade and other payable	(82.06)	(85.67)
(Increase)/Decrease in other financial liabilities	1,426.53	(2,971.94)
Increase/(Decrease) in provisions	3.37	3.22
Adjustment due to Composite Scheme of Arrangement (Refer note 1.1)	(93.08)	(810.48)
Increase/(Decrease) in other non-financial liabilities	6.03	118.83
<b>Cash generated from operations</b>	<b>8,761.69</b>	<b>(1,668.86)</b>
Current tax expense	(726.26)	(990.34)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>8,035.43</b>	<b>(2,659.20)</b>
<b>Cash flows From investing activities</b>		
(Purchase)/Sale of Fixed Assets (net)	(141.97)	(185.06)
(Investment)/Redemption of fixed deposit	(1,383.77)	(1,737.51)
Purchase consideration under slump sale (Refer note no.- 19)	(76.90)	-
Interest income	60.90	62.53
Dividend income	4.44	6.03
Purchase/Sale of Investments (including subsidiaries)	11.79	903.51
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,525.51)</b>	<b>(950.50)</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of share capital	-	1,500.00
Dividend paid(including dividend distribution tax)	(338.49)	(518.17)
Increase/(decrease) in borrowings	(4,370.55)	4,749.37
Interest expenses	(508.61)	(371.78)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(5,217.65)</b>	<b>5,359.42</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,292.27</b>	<b>1,749.72</b>
Cash and cash equivalents at beginning of year	2,947.80	1,081.40
Cash and cash equivalents at end of year	4,099.32	2,947.80
Cash and cash equivalents transferred through Composite Scheme of Arrangement (Refer note 1.1)	140.75	(116.68)
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>1,292.27</b>	<b>1,749.72</b>

See accompanying notes forming part of the standalone financial statements (1 to 39)

**As per our attached report of even date  
For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

**For and on behalf of Board of Directors**

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019

## 1. Corporate Information:

IIFL Securities Limited (Formerly India Infoline Limited) the Company was incorporated on March 21, 1996. The Company is in the financial services spaces offering capital financial services such as equity/ currency broking in NSE/BSE, online and offline commodity broking in MCX and NCDEX, depository participant services, merchant banking and distribution of financial product besides holding investments in subsidiaries.

### 1.1 Composite Scheme of Arrangement between IIFL Holdings Limited and IIFL Securities Limited.

"The Board of Directors of the Company and IIFL Holdings Limited ("IIFL Holdings") as at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Company, IIFL Holdings, India Infoline Finance Limited ("IIFL Finance"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Holdings;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into the Company;
- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e. IIFL Distribution; and
- v. amalgamation of IIFL Finance with the IIFL Holdings, on a going-concern basis.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other demergers/transfers/amalgamation, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the respective Companies have approved the Scheme. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Holdings, the Board of Directors of the respective companies at its meeting held on

May 13, 2019 have decided to give effect to the Scheme in the following manner:

- a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date i.e. April 01, 2017;
- b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date i.e. April 01, 2018; and
- c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.
- d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

- a) additional 1 fully paid up equity share of ₹ 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;
- b) additional 1 fully paid up equity share of ₹ 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of ₹ 2 each in IIFL Holdings for every 100 shares held in IIFL Finance. In accordance with the said Composite Scheme of Arrangement:

- a. The whole of the undertaking including all assets and liabilities of the Securities Business Undertaking will be transferred to and vested from IIFL Holdings to the Company at respective book values with effect from April 01, 2018, the appointed date.
- b. The equity share capital of the Company comprising of 18,718,281 equity share of ₹ 10 each held by IIFL Holdings will be cancelled and in lieu of the same Company will be issuing 1 equity shares of ₹ 2 each for 1 equity share held by the shareholders of IIFL Holdings, whose names as are appearing in the Register of Members of IIFL Holdings on the Record Date.
- c. The excess of net assets value of Securities Business Undertaking transferred to the Company over the value of equity shares to be issued as referred below, as reduced by the value of the equity share capital of the Company to be cancelled, referred in (b) above, has been recorded as "Capital Reserve".
- d. In accordance with the scheme, the investments made by IIFL Holdings Limited in the followings companies have been transferred to the Company.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

- i) IIFL Commodities Limited (Formerly India Infoline Commodities Limited)
- ii) IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
- iii) IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
- iv) IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
- (v) IIFL Wealth UK Limited
- (vi) IIFL Assets Reconstruction Limited
- (vii) IIFL Capital Inc

The Company has become the holding company of the above companies and above have become subsidiaries and of the Company by virtue of the said composite scheme and hence financial statements has been prepared by the Company for first time.

Accordingly these financial result of the Company has been drawn up after giving effect to the Scheme of demerger of the Securities Undertaking Business (as defined in the Scheme) of IIFL Holdings into the Company

The demerger has been accounted under the "pooling of interest" method in accordance with Appendix C of IND AS 103 "Business Combination" and comparative have been vested from the beginning of the earliest previous years presented in these financial statement viz April 01, 2017.

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Net assets value of Securities Business Undertaking (a)	1,415.00	1,470.16	1,655.74
Profit for the year transfer under the scheme (b)	178.67	-	-
ESOP reserve (c)	21.83	-	-
Equity share capital to be cancelled (d)	187.18	187.18	169.00
New equity share capital to be issued (e)	638.41	637.96	635.82
Impact of differential tax rate - deferred tax (f)	1.68	1.68	-
<b>Capital reserve created out of above (a-b-c+d-e-f)</b>	<b>761.59</b>	<b>1,017.70</b>	<b>1,188.92</b>

### 1.2 Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent

assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## 2. Significant Accounting Policies and Key Accounting Estimates and Judgements

### 2.1 Significant Accounting Policies:

#### a) Basis of Preparation of Standalone Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

The comparative financial information of the Company for the year ended March 31, 2018 and the opening balance sheet as at April 01, 2017 included in these Ind-AS financial statements are based on the financial accounts prepared by the management after making adjustments for converting the audited standalone financials into Ind AS and giving effect to the Composite Scheme of Arrangement, as required by Appendix C of Ind AS 103 on Business Combination and detailed in Note 1.1 of the financial statements, as if the business combination was in effect from the first day of preceding previous year viz., April 01, 2017. In giving effect to the Composite scheme of arrangement in these financial statements, the figures in respect of the Securities Business Undertaking for the current financial year and the previous periods included in these financial statements have been compiled from the carved out financial statements of IIFL Holdings Limited which have been approved by the Board of Directors of IIFL Holdings Limited on May 13, 2019. All the accounting policies adopted by the Company have been consistently applied in all the financial years presented in these financial statements.

These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees ("INR") and all values are rounded to nearest Millions upto two decimal places, except otherwise indicated.

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## b) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the "pooling of interests" method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

On transition to Ind AS, the Company has elected not to apply Ind AS 103 retrospectively to past business combinations that occurred before the transition date of April 01, 2017.

## c) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for

impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, Allocated to each of the Company Cash Generating Units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

## d) Property, Plant and Equipment:

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

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value for all Property, Plant & Equipment as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

### Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the Management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease.

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

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

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

### Capital work in progress and Capital advances:

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

### e) Intangible Assets:

#### Measurement at recognition:

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

On transition to Ind AS, the Company has elected to continue with the carrying value for all intangible assets as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

#### Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3

#### Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

## f) Investment Property

### Measurement at recognition:

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model.

On transition to Ind AS, the Company has elected to continue with the carrying value for all investment property as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

### Depreciation:

Depreciation on each item of investment property is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the Management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

### Derecognition:

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

## g) Impairment:

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually or whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant

or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

## h) Financial Instruments:

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

### Financial assets

#### Initial recognition and measurement:

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

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

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

### Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

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

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

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

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

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

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the

business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

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

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

### ii. Financial assets measured at FVTOCI:

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

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

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

### iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the Statement of Profit and Loss when the Company right to receive dividends is established. As at each of the reporting dates, there are no equity instruments measured at FVOCI.

#### iv. Investments in equity instruments of subsidiaries & associates

Investments in equity instruments of subsidiaries & associates are accounted at cost.

#### v. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and associate, Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit and Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

#### Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

#### Derecognition:

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

occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

#### Impairment of financial assets:

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls) discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are the portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

### Financial liabilities and equity:

#### Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises

due to a change in factor that market participants take into account when pricing the financial liability.

#### Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

#### i) Fair Value:

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



# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

## j) Foreign Currency Translation:

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

### i. Functional and presentation currencies:

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Company.

### ii. Transactions & balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses

resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

### iii) Foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

### k) Income Taxes:

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

#### Current tax:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

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

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

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

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

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

### Presentation of current and deferred tax:

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

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

### l) Provisions and Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ actions if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

### m) Cash and Cash Equivalents :

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

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## n) Revenue Recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from April 01, 2018.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by Company; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

The Company recognised revenue from various activities as follows:

### i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual terms of the financial instrument in estimating the cash flow.

### ii. Fees & Commission

Fees and commission income is recognized based on the step model set out in IND AS 115.

- a. Brokerage income earned on secondary market operations is accounted on trade date basis.
- b. Income related with advisory activities, Investment banking, Merchant banking and income in respect of other heads is accounted on accrual basis.
- c. Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of

investments are determined after consideration of cost on weighted average basis.

- d. Other operational revenue: Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### iii. Dividend income

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably.

## o) Employee Benefits

### Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

### Short Term Employee Benefits:

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

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Post-Employment Benefits:

#### I. Defined contribution plans:

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

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

#### II. Defined benefit plans:

- ii) Gratuity scheme: The Company, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

Recognition and measurement of defined benefit plans:

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

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit

liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

#### p) Lease accounting :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### Finance lease as lessee:

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

##### Finance lease as lessor:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company net investment outstanding in respect of the leases.

##### Operating lease as lessor:

In respect of assets given on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## Operating lease as lessee:

In respect of assets taken on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments by lessee are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

## q) Borrowing Cost:

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

## r) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been

included under "unallocated revenue / expenses / assets/ liabilities".

## 2.2 key accounting estimates and judgements

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

## Critical accounting estimates and assumptions

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

### a. Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### b. Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

### c. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

The costs are assessed on the basis of assumptions selected by the Management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Notes - 'Employee benefits'.



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

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

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

**e. Impairment of financial assets**

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

**f. Provision for litigations:**

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 3. Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.23	0.18	0.16
Cheques in hand	18.62	11.10	178.16
<b>Balance with banks :</b>			
- in current accounts	671.24	404.64	183.21
- in client accounts	3,409.23	2,531.88	719.87
<b>Total Cash and cash equivalents</b>	<b>4,099.32</b>	<b>2,947.80</b>	<b>1,081.40</b>

### 4. Bank balances other than above

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In deposits accounts with original maturity more than 3 months			
- Lien marked *	5,704.08	4,321.80	2,584.29
- Other deposit	2.49	1.00	1.00
<b>Total</b>	<b>5,706.57</b>	<b>4,322.80</b>	<b>2,585.29</b>

\* Company has pledged fixed deposits with the banks for bank guarantee/overdraft facilities and with the stock exchange for margin/arbitration purpose and with other authorities.

### 5. Receivables

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(i) Trade receivables</b>			
- Receivables considered good - unsecured	59.86	101.87	71.95
- Receivables which have significant increase in Credit Risk	30.79	35.91	13.98
- Receivables - credit impaired	10.68	15.07	4.42
<b>Total (i) Gross</b>	<b>101.33</b>	<b>152.85</b>	<b>90.35</b>
- Less : Impairment loss allowance	(16.97)	(18.84)	(8.00)
<b>Total (i) Net</b>	<b>84.36</b>	<b>134.01</b>	<b>82.35</b>
<b>(ii) Other receivables</b>			
- Receivables considered good - unsecured	28.53	13.99	93.85
<b>Total (ii) Net</b>	<b>28.53</b>	<b>13.99</b>	<b>93.85</b>

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2019, March 31, 2018 and April 01, 2017.

b) No trade receivables and other receivables are interest bearing.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 6. Loans

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Loan repayable on demand</b>			
Margin trading facility balances *	780.55	782.04	-
Loan to related parties (Refer note 35) #	140.00	-	-
<b>Total</b>	<b>920.55</b>	<b>782.04</b>	<b>-</b>

\* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds

# Transferred pursuant to the Composite Scheme of Arrangement

### 7. Investments

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>A) At cost</b>			
<b>Investment in equity shares of subsidiaries (Refer note 1.1)</b>			
- IIFL Facilities Services Limited	321.40	321.40	321.40
- IIFL Commodities Limited	20.00	20.00	20.00
- India Infoline Insurance Brokers Limited	33.41	33.41	33.41
- IIFL Management Services Limited	10.00	10.00	10.00
- IIFL Wealth (UK) Limited	11.20	11.20	11.20
- IIFL Capital Inc	40.29	40.29	40.29
- IIFL Asset Reconstruction Limited	44.13	44.13	-
- IIFL Securities IFSC Limited (100% subsidiary w.e.f 06.08.2018)	5.00	-	-
<b>Investment in equity share of associate</b>			
- IIFL Asset Reconstruction Limited	-	-	20.50
<b>Investment in preference shares of subsidiaries</b>			
- IIFL Management Services Limited (0.1 % Redeemable Non Convertible Non Cumulative)	283.78	283.78	283.78
<b>Investment in Non Convertible Debentures</b>			
- Arch Agro Industries Private Limited (Non Convertible Debentures)	36.34	36.34	36.34
<b>B) At fair value through profit or (loss)</b>			
<b>Mutual fund</b>			
- HDFC Charity Fund for Cancer Cure	20.06	20.06	20.05
- Kotak Liquid Direct Plan Growth	-	-	780.22
<b>Investment in AIF</b>			
- India Alternative Private Equity Fund - Category II - AIF Class S	613.69	545.41	388.46
- IIFL Income Opportunities Fund Series - Special Situation Category II- AIF	60.05	98.73	131.59
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	374.32	393.74	508.82
- IIFL Income Opportunity Fund Category II AIF - Class	-	-	3.28
<b>Investment in preference shares</b>			
- Compulsory convertible preference share of Giskard Datatech Private Limited	14.51	-	-
<b>Investment in equity shares</b>			
- Bombay Stock Exchange Limited	39.71	49.14	63.54
- Giskard Datatech Private Limited @	0.00	-	-
<b>Total -Gross (A)</b>	<b>1,927.89</b>	<b>1,907.63</b>	<b>2,672.88</b>
- Less: Allowance for impairment loss (B)	(36.34)	(36.34)	(36.34)
<b>Total -Net ( C) = (A) - (B)</b>	<b>1,891.55</b>	<b>1,871.29</b>	<b>2,636.54</b>
- Investment outside India	51.49	51.49	51.49
- Investment in India	1,840.06	1,819.80	2,585.05
<b>Total Net ( C)</b>	<b>1,891.55</b>	<b>1,871.29</b>	<b>2,636.54</b>

@ Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 8. Other financial assets

(₹ in Millions)

Particulars	As at		
	March 31, 2019	March 31, 2018	April 01, 2017
Clients and Exchanges receivables (net of provision) #	5,571.65	9,019.18	8,610.16
Interest accrued on deposits and investments	59.54	45.18	14.39
Deposit with exchanges	63.75	70.05	56.95
Margin with exchanges	133.62	772.12	1,337.12
Security deposit with landlords and others*	216.10	602.38	598.01
Receivable from related parties (Refer note 35)	34.79	1.54	8.42
Other financial assets	31.56	28.96	30.86
<b>Total</b>	<b>6,111.01</b>	<b>10,539.41</b>	<b>10,655.91</b>

# Includes receivable from directors & key managerial personnel of ₹ Nil (As at March 31, 2018 ₹ 0.00 Million and As at April 01, 2017 ₹ Nil)

\* Includes deposit with related party of ₹ 132.97 Millions (As at March 31, 2018 ₹ 500.00 Millions and As at April 01, 2017 ₹ 500.00 Millions) refer note no.- 35

### 9. Deferred tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2019			
	Opening balance As at April 01, 2018	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>				
Depreciation on property, plant and equipment	36.96	29.27	-	66.23
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	424.39	(29.80)	-	394.59
Compensated absences and retirement benefits	11.08	4.75	(4.26)	11.57
<b>Total deferred tax assets (a)</b>	<b>472.43</b>	<b>4.22</b>	<b>(4.26)</b>	<b>472.39</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments	(80.71)	(5.09)	-	(85.80)
<b>Total deferred tax liabilities (b)</b>	<b>(80.71)</b>	<b>(5.09)</b>	<b>-</b>	<b>(85.80)</b>
<b>Deferred tax assets (net) (a) + (b)</b>	<b>391.72</b>	<b>(0.87)</b>	<b>(4.26)</b>	<b>386.59</b>

(₹ in Millions)

Particulars	As at March 31, 2018			
	Opening balance As at April 01, 2017	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>				
Depreciation on property, plant and equipment	28.79	8.17	-	36.96
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	249.22	175.17	-	424.39
Compensated absences and retirement benefits	3.87	3.33	3.88	11.08
Others	29.29	(29.29)	-	-
<b>Total deferred tax assets (a)</b>	<b>311.17</b>	<b>157.38</b>	<b>3.88</b>	<b>472.43</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments	(46.07)	(34.64)	-	(80.71)
<b>Total deferred tax liabilities (b)</b>	<b>(46.07)</b>	<b>(34.64)</b>	<b>-</b>	<b>(80.71)</b>
<b>Deferred tax assets (net) (a) + (b)</b>	<b>265.10</b>	<b>122.74</b>	<b>3.88</b>	<b>391.72</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 10. Property, Plant and Equipment

#### Tangible Assets:

(₹ in Millions)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicle	Total
<b>Cost:</b>							
<b>As at April 01, 2017 #</b>	-	37.81	13.89	13.73	21.52	1.17	88.12
Additions due to Composite Scheme of Arrangement (refer note 1.1)	7.22	-	-	-	0.08	-	7.30
Other additions	-	88.32	14.61	27.27	6.39	-	136.59
Deductions/Adjustments	-	(0.14)	(1.18)	(2.90)	(0.24)	(0.80)	(5.26)
<b>As at March 31, 2018</b>	<b>7.22</b>	<b>125.99</b>	<b>27.32</b>	<b>38.10</b>	<b>27.75</b>	<b>0.37</b>	<b>226.75</b>
Additions due to Composite Scheme of Arrangement (refer note 1.1)	-	0.43	1.97	2.06	3.87	-	8.33
Additions of slump sale	-	1.37	0.08	-	-	-	1.45
Other additions	-	90.24	7.80	15.56	5.72	-	119.32
Disposals/Adjustments	-	(1.97)	(1.03)	(1.05)	(0.20)	-	(4.25)
<b>As at March 31, 2019</b>	<b>7.22</b>	<b>216.06</b>	<b>36.14</b>	<b>54.67</b>	<b>37.14</b>	<b>0.37</b>	<b>351.60</b>
<b>Accumulated Depreciation:</b>							
<b>As at April 01, 2017</b>	-	-	-	-	-	-	-
Depreciation charge for the year	0.70	36.93	13.18	14.59	13.60	0.51	79.51
Deductions/Adjustments	-	(0.02)	(0.26)	(0.56)	(0.12)	(0.14)	(1.10)
<b>As at March 31, 2018</b>	<b>0.70</b>	<b>36.91</b>	<b>12.92</b>	<b>14.03</b>	<b>13.48</b>	<b>0.37</b>	<b>78.41</b>
Depreciation charge for the year	0.70	59.35	6.07	11.62	8.64	-	86.38
Deductions/Adjustments	-	(1.95)	(0.66)	(0.90)	(0.18)	-	(3.69)
<b>As at March 31, 2019</b>	<b>1.40</b>	<b>94.31</b>	<b>18.33</b>	<b>24.75</b>	<b>21.94</b>	<b>0.37</b>	<b>161.10</b>

#### Net Book Value:

(₹ in Millions)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicle	Total
As at April 01, 2017 # *	7.22	37.81	13.89	13.73	21.60	1.17	95.42
As at March 31, 2018	6.52	89.08	14.40	24.07	14.27	-	148.34
<b>As at March 31, 2019</b>	<b>5.82</b>	<b>121.75</b>	<b>17.81</b>	<b>29.92</b>	<b>15.20</b>	<b>-</b>	<b>190.50</b>

**Note :-** Capital work in progress ₹ 5.18 Millions (As at March 31, 2018 ₹ 4.44 Millions and As at April 01, 2017 ₹ 18.63 Millions) pertains to assets not yet capitalised (Refer note 1.1).

# Cost as at April 01, 2017 is at deemed cost.

\* Net book value as at April 01, 2017 includes assets acquired under the Composite Scheme of Arrangement for ₹ 7.30 Millions (Refer note 1.1).



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Other intangible assets (other than internally generated):

(₹ in Millions)

Particulars	Software	Goodwill	Total
<b>Cost:</b>			
<b>As at April 01, 2017 #</b>	<b>7.40</b>	<b>1.14</b>	<b>8.54</b>
Additions due to Composite Scheme of Arrangement (refer note 1.1)	5.30	-	5.30
Other additions	66.64	-	66.64
Deductions/Adjustments	-	-	-
<b>As at March 31, 2018</b>	<b>79.34</b>	<b>1.14</b>	<b>80.48</b>
Additions of slump sale	0.82	-	0.82
Other additions	12.32	-	12.32
Deductions/Adjustments	-	-	-
<b>As at March 31, 2019</b>	<b>92.48</b>	<b>1.14</b>	<b>93.62</b>
<b>Accumulated Depreciation:</b>			
<b>As at April 01, 2017</b>	-	-	-
Depreciation charge for the year	26.63	1.14	27.77
Deductions/Adjustments	-	-	-
<b>As at March 31, 2018</b>	<b>26.63</b>	<b>1.14</b>	<b>27.77</b>
Depreciation charge for the year	29.94	-	29.94
Deductions/Adjustments	-	-	-
<b>As at March 31, 2019</b>	<b>56.57</b>	<b>1.14</b>	<b>57.71</b>

### Net Book Value:

(₹ in Millions)

Particulars	Software	Goodwill	Total
As at April 01, 2017 # *	12.70	1.14	13.84
As at March 31, 2018	52.71	-	52.71
<b>As at March 31, 2019</b>	<b>35.91</b>	<b>-</b>	<b>35.91</b>

# Cost as at April 01, 2017 is at deemed cost.

\* Net book value as at April 01, 2017 includes assets acquired under the Composite Scheme of Arrangement for ₹ 5.30 Millions (Refer note 1.1).

### 11. Other non-financial assets

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	40.72	25.72	27.04
Capital advances	7.26	8.33	28.37
Other advances	14.47	30.66	38.66
<b>Total</b>	<b>62.45</b>	<b>64.71</b>	<b>94.07</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 12. Payables

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(I) Trade Payable</b>			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.54	25.62	12.57
<b>Total (a)</b>	<b>9.54</b>	<b>25.62</b>	<b>12.57</b>
<b>(II) Other Payable</b>			
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises			
(a) Provision for expenses	158.81	235.50	324.32
(b) Accrued salaries & benefits	16.17	5.05	4.02
(c) Others	2.62	3.03	13.96
<b>Total (b)</b>	<b>177.60</b>	<b>243.58</b>	<b>342.30</b>
<b>Total (a)+(b)</b>	<b>187.14</b>	<b>269.20</b>	<b>354.87</b>

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

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-	-

### 13. Debt Securities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Zero Coupon Secured Redeemable Non Convertible debenture of face value ₹ 1 Million each redeemable on March 20, 2018 at premium (Maturity value ₹ 676.88 Millions)	-	-	626.55
<b>Total</b>	<b>-</b>	<b>-</b>	<b>626.55</b>
Debt securities in India	-	-	626.55
Debt securities outside India	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>626.55</b>

The Zero Coupon Secured Non convertible debentures are secured by way of pari passu charges over identified current assets and fixed assets of the Company. The Security cover as required under the terms of the issue of the said debenture is maintained. Please refer to note 32 for detail of assets pledged.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 14. Borrowings (other than Debt Securities)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
<b>(a) Loans repayable on demand (from banks)</b>			
- Working capital demand loan	1,000.00	-	-
- Bank Overdraft	5.37	437.47	-
<b>(b) Other loans</b>			
- Commercial Papers	-	4,938.45	-
<b>Total (c) = (a)+ (b)</b>	<b>1,005.37</b>	<b>5,375.92</b>	-
Borrowings in India	1,005.37	5,375.92	-
Borrowings outside India	-	-	-
<b>Total</b>	<b>1,005.37</b>	<b>5,375.92</b>	-

14.1 (a) Working Capital Demand Loan (WCDL) and bank overdraft are secured by way of first pari-passu charge on all receivable to the tune of 1.25 times of the outstanding facility amount. Please refer to note 32 for details of asset pledged.

(b) Tenor of repayment :

(i) For WCDL it varies from 7 days to 365 days of each tranche, principal amount of each tranche is to be paid as bullet payment on maturity date.

(ii) For bank overdraft 30 days or upto validity of facility i.e October 29, 2019 for each tranche.

(c) Interest Rate :

(i) For WCDL The rate of interest is fixed @ 10% p.a (Lending banks MCLR rate 8.70% + Spread 1.30%), Interest is payable monthly basis on the last date of each month.

(ii) For Bank Overdraft interest rate is bank MCLR 6 months + Spread of 1.25%."

14.2 Commercial papers as stated above are net of unexpired discount of ₹ Nil (March 31, 2018 ₹ 61.55 Millions and April 01, 2017 ₹ Nil) towards discount accrued but not due.

### 15. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Clients and Exchanges payables #	11,353.92	9,473.35	12,035.52
Book overdraft	105.98	87.52	483.17
Deposits received from franchisee and others *	202.14	242.43	237.24
Payable to related parties (Refer note 35)	35.34	0.85	11.85
Provision for gratuity (funded) (Refer note 24)	8.63	10.45	7.75
Other payable	23.78	3.32	3.24
<b>Total</b>	<b>11,729.79</b>	<b>9,817.92</b>	<b>12,778.77</b>

# Include payable to directors and key managerial personnel of ₹ 1.12 Millions (As at March 31, 2018 ₹ 0.03 Millions and As at April 01, 2017 ₹ 66.83 Millions)

\* Include deposit by related party of ₹ 2.50 Millions (As at March 31, 2018 ₹ Nil and As at April 01, 2017 ₹ Nil) refer note no.- 35

### 16. Provisions

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for leave encashment	24.46	21.08	17.86
<b>Total</b>	<b>24.46</b>	<b>21.08</b>	<b>17.86</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 17. Other non-financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Income received in advance	3.53	1.25	0.72
Statutory dues (net of input credit)	213.92	210.00	86.28
Other payable	0.06	0.23	5.65
<b>Total</b>	<b>217.51</b>	<b>211.48</b>	<b>92.65</b>

### 18. Equity share capital

#### a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Authorized Share Capital</b>			
At the beginning of the year	200.00	170.00	170.00
Add: Increase in authorised share capital	-	30.00	-
Closing at the end of year	200.00	200.00	170.00
Less : Authorised share capital to be cancelled under Composite Scheme of Arrangement (Refer note 1.1)	(200.00)	(200.00)	(170.00)
500,000,500 Equity Shares of ₹ 2 each fully paid up (As at March 31,2018 : 500,000,500 Equity Shares and as at April 01, 2017 : 485,000,500 Equity Shares of ₹ 2 each fully paid up) pursuant to Composite Scheme of Arrangement (Refer note 1.1)	1,000.00	1,000.00	970.00
<b>Issued, Subscribed and Paid-up Share Capital</b>			
18,718,281 Equity Shares of ₹ 10 each fully paid up (As at March,2018 :18,718,281 Equity Shares and at April 01,2017 : 16,900,100 Equity Shares of ₹ 10 each fully paid up) to be cancelled pursuant to Composite Scheme of Arrangement (Refer note 1.1)	-	-	-
<b>Share Suspense Account</b>			
319,203,092 Equity Shares of ₹ 2 each fully paid up (As at March 31,2018 : 318,979,026 Equity Shares and as at April 01, 2017 : 317,908,193 Equity Shares of ₹ 2 each fully paid up) to be issued to the shareholders of IIFL Holdings Limited pursuant to Composite Scheme of Arrangement (Refer note 1.1)	638.41	637.96	635.82

#### b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
<b>Equity Shares</b>						
At the beginning of the year	-	-	16,900,100	169.00	16,900,100	169.00
Add: Shares issued during the year	-	-	1,818,181	18.18	-	-
Closing at the end of year	-	-	18,718,281	187.18	16,900,100	169.00
Less : Shares to be cancelled under Composite Scheme of Arrangement (Refer note 1.1)	-	-	(18,718,281)	(187.18)	(16,900,100)	(169.00)
Add: Shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	318,979,026	637.96	317,908,193	635.82	317,908,193	635.82
Add: Further Additional Shares to be issued pursuant to composite scheme of arrangement (Refer note 1.1)	224,066	0.45	1,070,833	2.14	-	-
<b>Share suspense account</b>	<b>319,203,092</b>	<b>638.41</b>	<b>318,979,026</b>	<b>637.96</b>	<b>317,908,193</b>	<b>635.82</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### c. Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

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

### d. Details of shareholders holding more than 5% shares in the Company

The List of the shareholders to whom the shares to be issued under the Composite Scheme of Arrangement & having more than 5% shareholdings are as under:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Equity share of ₹ 2 each fully paid up						
FIH Mauritius Investments Ltd.	84,641,445	26.52	84,641,445	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	46,402,000	14.54	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A shares	28,362,530	8.89	28,362,530	8.89	27,910,000	8.78
Venkataraman Rajamani *	10,984,432	3.44	10,909,432	3.42	19,909,432	6.26
Madhu N Jain *	12,075,000	3.78	13,700,000	4.29	17,000,000	5.35

\* Position as on March 31, 2019 and March 31, 2018 is given as they were shareholders with more than 5% shareholding as on April 01, 2017.

- e. During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.
- f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 19 other equity for details of shares reserved for issue under Employee Stock Option Plan of the Company.

### 19. Other equity

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Share options outstanding account		
<b>Balance as at April 01, 2017</b>	-	<b>749.00</b>	<b>1,493.46</b>	-	-	<b>2,242.46</b>
Addition due to composite scheme of arrangement (Refer note 1.1)	1,188.92	-	-	-	-	1,188.92
Adjustments on account of transition to Ind AS	-	-	(270.68)	-	-	(270.68)
<b>Opening restated balance as on April 01, 2017</b>	<b>1,188.92</b>	<b>749.00</b>	<b>1,222.78</b>	-	-	<b>3,160.70</b>
Addition due to composite scheme of arrangement (Refer note 1.1)	(677.77)	-	-	-	-	(677.77)
Securities premium received on issue of shares during the year	-	1,481.82	-	-	-	1,481.82
Total comprehensive income for the year	-	-	1,575.08	-	(7.23)	1,567.85
Transfer to Capital Reserve (Refer note 1.1)	506.55	-	(507.75)	-	1.20	-
Appropriation towards dividend paid (including corporate dividend tax)	-	-	(518.17)	-	-	(518.17)



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Share options outstanding account		
<b>Balance as at March 31, 2018</b>	<b>1,017.70</b>	<b>2,230.82</b>	<b>1,771.94</b>	-	<b>(6.03)</b>	<b>5,014.43</b>
Addition due to composite scheme of arrangement (Refer note 1.1)	(256.11)	-	-	21.83	-	(234.28)
Addition due to slump sale #	(90.62)	-	-	-	-	(90.62)
Total comprehensive income for the year	-	-	1,449.39	-	7.93	1,457.32
Appropriation towards dividend paid (including corporate dividend tax)	-	-	(338.49)	-	-	(338.49)
<b>Balance as at March 31, 2019</b>	<b>670.97</b>	<b>2,230.82</b>	<b>2,882.84</b>	<b>21.83</b>	<b>1.90</b>	<b>5,808.36</b>

# During the year, the Company has acquired all the assets and liabilities pertaining to undertaking for commodities business carried out on the exchange platform of MCX & NCDEX from a subsidiary IIFL Commodities Limited under slump sale for a consideration of ₹ 76.90 Millions. The same has resulted into a negative Capital Reserve (i.e Goodwill) as detailed out below:

Slump sale transaction	(₹ in Millions)
Total assets acquired	483.82
Total liabilities acquired	497.54
Net liability	(13.72)
Less : Purchase consideration	(76.90)
<b>Capital Reserve (i.e Goodwill)</b>	<b>(90.62)</b>

### Footnotes: Nature and purpose reserves

- Capital reserves :** Capital reserve is created due to slump sale transaction and (Refer note above) as per the Composite Scheme of Arrangement (Refer note 1.1)
- Securities premium :** Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- Retained earnings :** The balance in retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.
- Share options outstanding account :** Share stock options account represents ESOP reserve transferred by IIFL Holdings Limited as part of "Securities Undertaking" against the options to be granted by the Company on effective date for outstanding options under various grants by IIFL Holdings Limited as per the Composite Scheme of Arrangement (Refer note no. 1.1)

### 20. Interest income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on deposits with banks *	394.23	251.48
Interest on loan (Margin Funding Facilities)	126.22	15.87
Other interest income	1.72	1.56
<b>Total</b>	<b>522.17</b>	<b>268.91</b>

\* interest received on fixed deposit with bank which are pledged with exchanges for margin money requirement.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 21. Fees and commission income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Brokerage & related income	4,971.14	5,049.18
Investment Banking income	334.13	819.74
Commission & other advisory fees (incl. cross sell)	1,079.28	946.39
<b>Total</b>	<b>6,384.55</b>	<b>6,815.31</b>

In the following table, Income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated income with the Company reportable segments.

#### Current year

(₹ in Millions)

Particulars	Stock Market Activity	Investment Banking	Total
Brokerage and related income	4,971.14	-	4,971.14
Investment Banking income	-	334.13	334.13
Commission & other advisory fees (incl. cross sell)	1,079.28	-	1,079.28
<b>Total Fee and commission income</b>	<b>6,050.42</b>	<b>334.13</b>	<b>6,384.55</b>

#### Previous year

(₹ in Millions)

Particulars	Stock Market Activity	Investment Banking	Total
Brokerage and related income	5,049.18	-	5,049.18
Investment Banking income	-	819.74	819.74
Commission & other advisory fees (incl. cross sell)	946.39	-	946.39
<b>Total Fee and commission income</b>	<b>5,995.57</b>	<b>819.74</b>	<b>6,815.31</b>

### 22. Other income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Capital gain on investments	22.80	63.91
Gain on financial assets measured at fair value through Profit and Loss account	32.06	138.25
Interest income on		
- Income tax refund	10.28	-
- Inter corporate deposit *	16.99	15.52
- Fixed deposit	0.17	0.12
- Investment	43.74	46.88
Dividend income	4.44	6.03
Gain on derecognition of property, plant and equipment	0.46	-
Other income	20.39	71.64
<b>Total</b>	<b>151.33</b>	<b>342.35</b>

\* Income of Securities Business Undertaking division pursuant to the Composite Scheme of Arrangement (Refer note 1.1)

### 23. Finance cost measured at amortised cost

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on borrowings	447.23	274.60
Interest on debt securities	-	49.83
Other borrowing cost	61.38	47.35
<b>Total</b>	<b>508.61</b>	<b>371.78</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 23(a) Fees and commission expense

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Sub brokerage charges	610.63	734.87
Commission & other advisory fees (incl. cross sell)	204.58	231.11
Others	277.23	222.97
<b>Total</b>	<b>1,092.44</b>	<b>1,188.95</b>

### 24. Employee benefits expenses

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Salaries and wages	2,029.98	1,721.79
Contribution to provident and other funds	55.31	44.21
Share based payments (Refer note 19)	8.40	13.84
Staff welfare expenses	17.46	17.94
Gratuity	13.35	5.00
Leave encashment	9.93	8.35
<b>Total</b>	<b>2,134.43</b>	<b>1,811.13</b>

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### A Defined Benefit Plans

##### (i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Defined Benefit Obligation at beginning of the year	119.30	112.76
Interest cost	9.17	7.98
Current service cost	12.54	12.68
Past services cost	-	(8.22)
Liability transferred In/ acquisitions	1.00	3.41
(Liability transferred out/ divestments)	1.54	(4.30)
(Benefit paid directly by the Employer)	-	(0.02)
(Benefit paid from the fund)	(12.94)	(14.63)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.48	(9.22)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(17.68)	11.11
Actuarial (gains)/losses on obligations - due to experience	5.90	7.75
<b>Defined Benefit Obligation at year end</b>	<b>119.31</b>	<b>119.30</b>

##### (ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Change in the fair value of plan assets		
Fair value of plan assets at beginning of the year	108.85	105.01
Interest income	8.36	7.44
Contributions by the employer	2.50	12.50
Expected return on plan assets (excluding interest)	0.89	(1.47)
Assets transferred in/acquisitions	3.02	-
(Benefit paid from the fund)	(12.94)	(14.63)
<b>Fair value of Plan Assets at the end of the year</b>	<b>110.68</b>	<b>108.85</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### (iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>(Present Value of Benefit Obligation at the end of the year)</b>	<b>(119.31)</b>	<b>(119.30)</b>
Fair value of Plan Assets at the end of the year	110.68	108.85
Net (liability)/Asset recognized in the balance sheet (surplus/deficit)	(8.63)	(10.45)

### (iv) Expenses recognised during the year

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
In Income statement		
Current service cost	12.54	12.68
Net interest cost	0.81	0.54
Past service cost	-	(8.22)
<b>Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses</b>	<b>13.35</b>	<b>5.00</b>
In other comprehensive income		
Actuarial (gains)/Losses on obligation for the period	(11.30)	9.64
Return on plan assets, excluding interest income	(0.89)	1.47
Change in asset ceiling	-	-
<b>Net (income)/expense for the year recognized in OCI</b>	<b>(12.19)</b>	<b>11.11</b>

### (v) Balance sheet reconciliation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Opening net liability</b>	<b>10.45</b>	<b>7.75</b>
Expenses Recognized in Statement of Profit or Loss	13.35	5.00
Expenses Recognized in OCI	(12.19)	11.11
Net Liability/(Asset) Transfer In	1.00	3.41
Net (Liability)/Asset Transfer Out	(1.48)	(4.30)
(Benefit Paid Directly by the Employer)	-	(0.02)
(Employer's Contribution)	(2.50)	(12.50)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>8.63</b>	<b>10.45</b>

### (vi) Investment Details

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Category of assets		
Insurance fund	110.68	108.85
<b>Total</b>	<b>110.68</b>	<b>108.85</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### (vii) Actuarial assumptions

Particulars	FY 2018-19	FY 2017-18
Expected return on plan assets	7.64%	7.53%
Rate of discounting	7.64%	7.53%
Rate of salary increase	5.00%	7.00%
Rate of employee turnover	For service 4 years and below 31% p.a. & thereafter 6% p.a.	For service 4 years and below 31% p.a. & thereafter 6% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

### (viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Projected Benefit Obligation on Current Assumptions	<b>119.31</b>	<b>119.30</b>
Delta Effect of +1% Change in Rate of Discounting	(9.00)	(10.12)
Delta Effect of -1% Change in Rate of Discounting	10.44	11.84
Delta Effect of +1% Change in Rate of Salary Increase	8.56	9.53
Delta Effect of -1% Change in Rate of Salary Increase	(7.86)	(8.58)
Delta Effect of +1% Change in Rate of Employee Turnover	2.81	1.26
Delta Effect of -1% Change in Rate of Employee Turnover	(3.18)	(1.45)
Weighted Average Duration of the Projected Benefit Obligation	10	11

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :-** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk :-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

**Longevity risk :-** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :-** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### (ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
1st Following Year	14.14	11.36
2nd Following Year	8.78	7.69
3rd Following Year	8.83	7.86
4th Following Year	8.75	8.00
5th Following Year	10.05	8.01
Sum of Years 6 To 10	45.25	44.23
Sum of Years 11 and above	171.12	210.39

### B. Defined Contribution Plans:

The Company have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Contribution to provident fund	28.99	21.19
Contribution to ESIC	4.78	5.07
Contribution to labour welfare fund	0.06	0.05
Contribution to EPS	20.16	17.17
Contribution to NPS	1.32	0.73
<b>Total</b>	<b>55.31</b>	<b>44.21</b>

### 25. Depreciation, amortization and impairment

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Depreciation on property, plant and equipment	86.38	79.51
Amortization of intangible assets	29.94	27.77
<b>Total</b>	<b>116.32</b>	<b>107.28</b>

### 26. Other expenses

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Advertisement expense	112.00	45.51
Books and Periodicals charges	0.48	0.44
Bank charges	2.15	3.00
Communication expense	54.60	42.54
Custodian charges	19.92	21.97
Corporate social responsibility expenses (Refer note 31)	25.62	19.46
Directors sitting fees	0.76	0.68
Donation	0.49	3.48
Electricity charges	49.47	45.23
Exchange and statutory charges	3.82	10.18
Expected credit loss (including provision for doubtful and bad debts)	0.20	498.89
Franking charges	6.06	7.23
Insurance	1.59	1.77
Legal and professional charges	113.17	105.38
Loss on sale of assets	-	0.18
Marketing and commission expenses	109.55	128.06
Meeting seminar and subscription	3.32	1.61

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Office expenses	85.34	71.61
Postage and courier	15.08	14.54
Printing and stationery	14.49	11.75
Rent expense	197.96	202.76
Rates and taxes	6.61	2.87
Repairs and maintenance		
- Computer	2.53	5.64
- Others	12.05	20.82
Remuneration to Auditors :		
- As auditors - Statutory Audit	1.70	2.30
- Certification work and other matters	0.83	-
- Out of pocket expenses	0.19	-
Software charges	120.74	173.82
Travelling and conveyance	78.27	86.61
Miscellaneous expenses	4.53	6.35
<b>Total</b>	<b>1,043.52</b>	<b>1,534.68</b>

### 27. Income Tax

#### Amount Recognised in profit or (loss)

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Current tax expenses</b>		
Current Year	713.01	930.62
Changes in estimates related to prior years	(0.54)	29.79
<b>Deferred tax expenses</b>		
Origination and reversal of temporary differences	0.87	(122.74)
<b>Total</b>	<b>713.34</b>	<b>837.67</b>

#### Reconciliation of effective tax rates :

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Profit before tax	2,162.73	2,412.75
Tax using domestic tax rates	34.944%	34.608%
Tax amount	755.74	835.00
<b>Tax effect of :</b>		
Non-deductible expenses	5.54	9.68
Tax-exempt income	(5.02)	(5.03)
Change in tax rate	-	(4.39)
Fair value on investment	(6.11)	(13.32)
Tax impact due to Composite Scheme of Arrangement (Refer note 1.1)	-	(2.92)
Adjustment in respect of current income tax of prior years	(0.54)	29.79
Fair value of assets acquired under the slump sale	(75.77)	-
Recognition of previously unrecognised deductible temporary differences	39.50	(11.14)
<b>Total Income Tax Expense</b>	<b>713.34</b>	<b>837.67</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 28. Earnings per share

Particulars		FY 2018-19	FY 2017-18
Face value of equity shares in ₹ fully paid up		2	2
<b>BASIC</b>			
Profit after tax as per statement of profit and loss (₹ in Millions)	A	1,449.39	1,575.08
Weighted average number of equity shares outstanding	B	319,061,399	318,293,090
Basic EPS (In ₹)	A/B	4.54	4.95
<b>DILUTED</b>			
Weighted average number of equity shares for computation of basic EPS		319,061,399	318,293,090
Add: Potential equity shares on account conversion of Employees Stock Options		383,975	-
Weighted average number of equity shares for computation of diluted EPS	C	319,445,374	318,293,090
<b>Diluted EPS (In ₹)</b>	<b>A/C</b>	<b>4.54</b>	<b>4.95</b>

### 29. Capital, Other commitments and contingent liabilities at Balance Sheet date:

#### Capital and Other Commitment

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Capital Commitment	45.33	18.13	55.53
(ii) Other Commitment	60.18	51.31	60.98

#### Contingent Liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) In respect of Income Tax Demands (see note 1)	7.20	7.20	-
(ii) In respect of Service Tax Demands (see note 2)	335.77	-	-
(iii) Bank Guarantees	6,050.00	5,331.00	4,931.00
(iv) In respect of Legal Case/Penalties	61.93	60.36	62.06
<b>Total</b>	<b>6,454.90</b>	<b>5,398.56</b>	<b>4,993.06</b>

Notes : 1) Amount paid under protest with respect to income tax demand ₹ 7.20 Millions (As at March 31, 2018 ₹ 7.20 Millions, As at April 01, 2017 ₹ Nil)

2) Amount paid under protest with respect to service tax demand ₹ 11.69 Millions (As at March 31, 2018 ₹ Nil, As at April 01, 2017 ₹ Nil)

3) The Company is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 30. Minimum lease rentals outstanding on assets taken on operating lease

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days.

(₹ in Millions)

Minimum Lease Rentals	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Due for			
Up to One year	35.66	30.00	31.81
One to Five years	16.26	6.54	17.93
<b>Total</b>	<b>51.92</b>	<b>36.54</b>	<b>49.74</b>

### 31. Corporate Social Responsibility

During the period ended March 31, 2019 the Company has spent ₹ 25.62 Millions (Previous year ₹ 19.46 Millions) out of the total amount of ₹ 25.62 Millions (Previous year ₹ 19.46 Millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation.

### 32. Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Financial assets</b>			
<b>First charge</b>			
Cash and bank balances	-	-	71.57
Trade and other receivables	-	-	17.91
Investments	-	-	1,423.92
Other financial assets	6,669.10	9,476.55	-
<b>Non financial assets</b>			
<b>First charge</b>			
Freehold buildings	-	-	14.07
<b>Total assets pledged as security</b>	<b>6,669.10</b>	<b>9,476.55</b>	<b>1,527.47</b>

### 33. Financial Risk Management

#### A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial assets.

#### Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2019			
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	59.86	30.79	10.68	101.33
Less : Impairment loss allowance	-	(6.29)	(10.68)	(16.97)
<b>Carrying amount</b>	<b>59.86</b>	<b>24.50</b>	<b>-</b>	<b>84.36</b>
Other financial assets	4,590.47	2,244.88	387.92	7,223.27
Less : Impairment loss allowance	-	(724.34)	(387.92)	(1,112.26)
<b>Carrying amount</b>	<b>4,590.47</b>	<b>1,520.54</b>	<b>-</b>	<b>6,111.01</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018			
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	101.87	35.91	15.07	152.85
Less : Impairment loss allowance	-	(3.76)	(15.07)	(18.83)
<b>Carrying amount</b>	<b>101.87</b>	<b>32.15</b>	<b>-</b>	<b>134.02</b>
Other financial assets	7,252.56	4,208.84	269.94	11,731.34
Less : Impairment loss allowance	-	(921.99)	(269.94)	(1,191.93)
<b>Carrying amount</b>	<b>7,252.56</b>	<b>3,286.85</b>	<b>-</b>	<b>10,539.41</b>

(₹ in Millions)

Particulars	As at April 01, 2017			
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	71.95	13.98	4.42	90.35
Less : Impairment loss allowance	-	(3.58)	(4.42)	(8.00)
<b>Carrying amount</b>	<b>71.95</b>	<b>10.40</b>	<b>-</b>	<b>82.35</b>
Other financial assets	7,867.17	3,455.42	44.66	11,367.25
Less : Impairment loss allowance	-	(666.68)	(44.66)	(711.34)
<b>Carrying amount</b>	<b>7,867.17</b>	<b>2,788.74</b>	<b>-</b>	<b>10,655.91</b>

### Movement of ECL (Trade receivable and other financial assets)

(₹ in Millions)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
April 01, 2017	670.26	49.08	719.34
Increase/(decrease) net	255.49	235.93	491.42
March 31, 2018	925.75	285.01	1,210.76
Increase/(decrease) net	(195.12)	113.59	(81.53)
March 31, 2019	730.63	398.60	1,129.23

#### A.2. Collateral held

The Company holds collateral of securities and other credit enhancements against its credit exposures.

#### A.3. Measurement of Expected Credit Loss

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 33. B. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The table below analyse the Company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

(₹ in Millions)

Particulars	Carrying amount up to 1 year			Carrying amount from 1 year to 5 year		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade payables & other payable	187.14	269.20	354.87	-	-	-
Debt securities	-	-	626.55	-	-	-
Commercial paper	-	4,938.45	-	-	-	-
Working capital demand Loan	1,000.00	-	-	-	-	-
Bank overdraft	5.37	437.47	-	-	-	-
Other financial liabilities	11,522.43	9,568.03	12,537.64	207.36	249.89	241.13
<b>Total</b>	<b>12,714.94</b>	<b>15,213.15</b>	<b>13,519.06</b>	<b>207.36</b>	<b>249.89</b>	<b>241.13</b>

### 33. C. Market risk

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

#### C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Bank overdraft	5.37	437.47	-
Working capital demand loan	1,000.00	-	-
Weighted average rate	9.83%	9.25%	-
Annualised interest cost	98.78	40.47	-

Sensitivity analysis for impact on interest cost

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Increase in 1% change in ROI	10.05	4.37	-
Decrease in 1% change in ROI	(10.05)	(4.37)	-

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## C.2. Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed-rate financial liabilities (commercial paper) are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss, since neither the carrying amount nor the future cash flows will fluctuate.

## C.3. Exposure to currency risks

The Company is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign assets and liabilities.

(in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Foreign currency	Amount in INR	Foreign currency	Amount in INR	Foreign currency	Amount in INR
<b>Foreign Currency Assets</b>						
USD	0.09	6.30	0.07	4.46	-	-
GBP	0.03	2.84	-	-	-	-
<b>Foreign Currency Liabilities</b>						
USD	0.50	34.64	0.02	1.38	0.09	6.03
GBP	-	-	-	-	0.02	1.22
AED	-	-	-	-	0.25	4.39
HKD	-	-	0.01	0.05	-	-
<b>Net Gap</b>						
USD	(0.41)	(28.34)	0.05	3.08	(0.09)	(6.03)
GBP	0.03	2.84	-	-	(0.02)	(1.22)
AED	-	-	-	-	(0.25)	(4.39)
HKD	-	-	(0.01)	(0.05)	-	-

The effect of upward movement of 5% in the exchange rate reduce the profit/reserve by ₹ 1.28 Millions and downward movement of 5% will increase profit/reserve by ₹ 1.28 Millions for FY 2019-20

## C.4. Exposure to Price Risk

The Company exposure to price risk arising from investment held by the Company and is classified in the balance sheet through fair value through profit & loss account. Company has majorly invested in Alternate Investment Funds under various schemes and its exposure.

(₹ in Millions)

Particulars	Equity Shares (Other than Subsidiary)	Mutual Funds	Alternate Investment Funds	Preference Shares	Total
Market Value as on March 31, 2019	39.71	20.06	1,048.06	14.51	1,122.34
Market Value as on March 31, 2018	49.14	20.06	1,037.88	-	1,107.08
Market Value as on April 01, 2017	63.54	800.27	1,032.15	-	1,895.96

The effect of upward movement of 5% in the price affects the projected net income by ₹ 56.12 Millions and for forward downward movement of 5% the projected net loss will be ₹ 56.12 Millions for FY 2019-20.

## 33D. Capital Management

The Company's objective when managing capital are to

- safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

The Company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

Particulars	(₹ in Millions)	
	As at March 31, 2019	As at March 31, 2018
Total debt	1,005.37	5,375.92
Cash & cash equivalent (excluding client bank balance)	(690.09)	(415.92)
<b>Net debt</b>	<b>315.28</b>	<b>4,960.00</b>
Total equity	6,446.77	5,652.39
<b>Net debt to equity</b>	<b>0.05</b>	<b>0.88</b>

### 33E. Fair values of financial instruments

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

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

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

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

Financial instruments measured at fair value	(₹ in Millions)			
	Recurring fair value measurements as at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	20.06	-	-	20.06
Equity instruments*	39.71	-	0.00	39.71
Preference Shares	-	-	14.51	14.51
Alternate Investment Funds	-	-	1,048.06	1,048.06
<b>Total Assets</b>	<b>59.77</b>	<b>-</b>	<b>1,062.57</b>	<b>1,122.34</b>

\* Amount is less than ₹ 0.01, hence shown ₹ 0.00 Millions, wherever applicable.

Financial instruments measured at fair value	(₹ in Millions)			
	Recurring fair value measurements as at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds	20.06	-	-	20.06
Equity instruments	49.14	-	-	49.14
Preference Shares	-	-	-	-
Alternate Investment Funds	-	-	1,037.88	1,037.88
<b>Total Assets</b>	<b>69.20</b>	<b>-</b>	<b>1,037.88</b>	<b>1,107.08</b>

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at April 01, 2017			
	Level 1	Level 2	Level 3	Total
Mutual funds	800.27	-	-	800.27
Equity instruments	63.54	-	-	63.54
Preference Shares	-	-	-	-
Alternate Investment Funds	-	-	1,032.15	1,032.15
<b>Total Assets</b>	<b>863.81</b>	<b>-</b>	<b>1,032.15</b>	<b>1,895.96</b>

## E.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

(₹ in Millions)

Particulars	As at March 31, 2019				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in Equity Share of Subsidiaries (at cost)	-	-	-	-	485.43
Investment in Preference Share of Subsidiaries (at cost)	-	-	-	-	283.78
Cash and cash equivalents	-	-	-	-	4,099.32
Bank balance	-	-	-	-	5,706.57
Trade and other receivable	-	-	-	-	112.89
Loans	-	-	-	-	920.55
Security deposit with Landlord	-	-	141.19	141.19	185.94
Security deposit others	-	-	-	-	30.16
Other financial asset (net of impairment)	-	-	-	-	5,894.91
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>141.19</b>	<b>141.19</b>	<b>17,719.55</b>
<b>Liabilities</b>					
Borrowings	-	-	-	-	1,005.37
Trade and other payables	-	-	-	-	187.14
Security deposit with Landlord	-	-	2.05	2.05	2.50
Security deposit others	-	-	-	-	199.64
Other financial liabilities	-	-	-	-	11,527.65
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2.05</b>	<b>2.05</b>	<b>12,922.30</b>

(₹ in Millions)

Particulars	As at March 31, 2018				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in Equity Share of Subsidiaries (at cost)	-	-	-	-	480.43
Investment in Preference Share of Subsidiaries (at cost)	-	-	-	-	283.78
Cash and cash equivalents	-	-	-	-	2,947.80
Bank balance	-	-	-	-	4,322.80
Trade and other receivable	-	-	-	-	148.00
Loans	-	-	-	-	782.04
Security deposit with Landlord	-	-	513.85	513.85	554.30
Security deposit others	-	-	-	-	48.03
Other financial asset (net of impairment)	-	-	-	-	9,937.03
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>513.85</b>	<b>513.85</b>	<b>19,504.26</b>
<b>Liabilities</b>					
Borrowings	-	-	-	-	5,375.92
Trade and other payables	-	-	-	-	269.20
Security deposit others	-	-	-	-	242.43
Other financial liabilities	-	-	-	-	9,575.49
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,463.04</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at April 01, 2017				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in Equity Share of Subsidiaries (at cost)	-	-	-	-	456.80
Investment in Preference Share of Subsidiaries (at cost)	-	-	-	-	283.78
Cash and cash equivalents	-	-	-	-	1,081.40
Bank balance	-	-	-	-	2,585.29
Trade and other receivable	-	-	-	-	176.20
Security Deposit with Landlord	-	-	487.11	487.11	597.01
Security Deposit others	-	-	-	-	1.00
Other financial assets (net of impairment)	-	-	-	-	10,057.90
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>487.11</b>	<b>487.11</b>	<b>15,239.38</b>
<b>Liabilities</b>					
Trade and other payables	-	-	-	-	354.87
Debt securities	-	-	-	-	626.55
Security Deposit others	-	-	-	-	237.24
Other financial liabilities	-	-	-	-	12,541.53
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,760.19</b>

The carrying amount of financial assets and financial liabilities whose fair value are not disclosed above and that are not measured at fair value are approximation of fair value.

### E.3. Measurement of fair value

The fair values of investments in equity share and bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
				Change in discount rate by 500 basis points would increase/ (decrease) as below
<b>Financial Assets:</b>				
Investment in Alternate Investment Funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
Investment in Preference shares/ Equity share	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is value using input based on information / other data that are available.	Not Applicable	Not Applicable	Not Applicable
<b>Financial Liabilities:</b>				
Deposit	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Discount Rate	6.25% - 6.85% based on SBI Deposit rate	Not Applicable



# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## 34. List of Related Parties

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Nature of relationship	Name of party
<b>Director or their relatives</b>	Mr. Kranti Sinha
	Mr. Venkataraman Rajamani (Director upto November 17, 2016)
	Mr. Mohan Radhakrishnan
	Mr. Narendra Jain
	Ms. Geetha Mathur (upto May 8, 2019)
	Mr. Aniruddha Dange
	Mr. Arindam Chanda (from January 24, 2017 to March 26, 2018)
<b>Key Management Personnel</b>	Arindam Chanda-CEO (from March 27, 2018)
<b>Subsidiaries Company (Refer note 1.1)</b>	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Ltd)
	IIFL Securities Services IFSC Limited
	IIFL Commodities Limited (Formerly India Infoline Commodities Limited)
	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
	IIFL Wealth UK Limited
	IIFL Capital Inc
	India Infoline Foundation
	IIFL Assets Reconstruction Limited (from May 9, 2017)
<b>Joint Venture / Associates</b>	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary, IIFL Management Services Limited)
	IIFL Asset Reconstruction Limited (from April 11, 2016 to May 8, 2017)
<b>Other Related Parties (Fellow subsidiaries upto April 01, 2018) #</b>	India Infoline Finance Limited
	IIFL Home Finance Limited
	Samasta Microfinance Limited
	Ayusha Dairy Private Limited
	IIFL Wealth Management Limited
	IIFL Distribution Services Limited
	IIFL Asset Management Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Asset Management (Mauritius) Ltd. (Formerly IIFL Private Wealth (Mauritius) Ltd)
	IIFL Private Wealth (Suisse) SA *
	IIFL Private Wealth Hong Kong Limited **
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc
	IIFL Capital (Canada) Limited
	IIFL (Asia) Pte Limited
	IIFL Securities Pte Limited
	IIFL Capital Pte Limited
	Clara Developers Private Limited
	IIFL Wealth Finance Limited

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

Nature of relationship	Name of party
	IIFL Wealth Securities IFSC Limited
	IIFL Altiore Advisors Private Limited (Formerly Altiore Advisors Private Limited)
	IIFL Wealth Advisors(India) Limited (Formerly Wealth Advisors (India) Private Limited)
<b>Other Related Parties (Holding Company upto April 01, 2018) #</b>	IIFL Holdings Limited
<b>Other Related Parties</b>	FIH Mauritius Investments Limited
	Giskard Datatech Private Limited
	5Paisa Capital Limited
	5Paisa P2P Limited
	5paisa Insurance Brokers Limited
	Mr. Nirmal Jain - Promoter
	Mr. Venkataraman Rajamani - Promoter (appointed as Director from May 13, 2019)
	Orpheous Trading Private Limited
	Sunder Bhanwar Holiday Home Private Limited (up to March 04, 2018)
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Kalki Family Private Trust
	Nirmal Madhu Family Private Trust
	India Infoline Employee Trust
	Ardent Impex Private Limited

\* IIFL Wealth Management Limited has dis-invested with effect from IIFL Private Wealth (Suisse) SA and accordingly does not hold any stake in IIFL Private Wealth (Suisse) SA. (Effective date of disinvestment: February 27, 2019)

\* \*IIFL Private Wealth (Hongkong) Limited' has ceased to carry its business operations and is in process of winding up.

# Date of Demerger – April 01, 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## 35. Related Party Transaction

(A) As per Ind AS 24, the disclosures of transactions with related parties are given below

(₹ in Millions)

Nature of transaction	FY 2018-19	FY 2017-18
<b>Purchase of Investment in Equity &amp; Preference shares:-</b>		
<b>a) Subsidiaries</b>		
IIFL Securities IFSC Limited	5.00	-
<b>b) Other Related Parties</b>		
Giskard Datatech Private Ltd.	14.51	-
<b>Brokerage Income/Delayed Paying Charges Income/Depository Participate Income/Upfront Income etc. :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	-	0.22
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	4.49	-
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	5.04	0.73
IIFL Wealth Management Limited	0.20	0.01
IIFL Asset Management Limited (Formerly Known as India Infoline Asset Management Company Limited)	0.03	-
IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)	0.02	0.03
Mr. Nirmal Jain	0.71	1.04
Mr. Venkataraman Rajamani	0.11	0.39
Ardent Impex Private Limited	0.02	0.04
Orpheous Trading Private Limited	-	0.03
<b>c) Directors , Key Managerial Persons &amp; their relatives</b>		
Mr. Arindam Chanda	0.00	0.01
Mr. Mohan Radhakrishnan	0.05	0.17
Mr. Aniruddha Dange	0.10	0.46
Mr. Narendra Jain	0.00	-
<b>Interest Income - Inter Corporate Deposit/Others :-</b>		
<b>a) Subsidiaries</b>		
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	-	0.00
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	1.23	0.66
<b>b) Other Related Parties</b>		
India Infoline Employee Trust	-	0.01
India Infoline Finance Limited	-	1.15
IIFL Wealth Management Limited	-	0.29
5Paisa Capital Limited	15.76	4.13
<b>NCD Taken and Repaid</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	-	676.38
<b>Deposit</b>		
<b>a) Subsidiaries (Given-Received Back)</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	500.00	-
<b>b) Other Related Parties (Received)</b>		
5Paisa Capital Limited	2.50	-
<b>Deposit (Given) :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	132.97	-

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of transaction	FY 2018-19	FY 2017-18
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	0.10	0.20
5Paisa Capital Limited	-	0.20
<b>Investment Banking Income :-</b>		
<b>a) Other Related Parties</b>		
India Infoline Finance Limited	1.00	-
IIFL Wealth Management Limited	65.16	-
<b>Advance Given :-</b>		
<b>a) Subsidiaries</b>		
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	-	0.20
<b>Advance Given (Received Back) :-</b>		
<b>a) Subsidiaries</b>		
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	-	0.20
<b>Commission Income/Arranger fees/Advisory Fees Income/Research Income/Referral Income/Marketing :-</b>		
<b>a) Other Related Parties</b>		
IIFL Wealth Management Limited	-	22.50
India Infoline Finance Limited	221.35	-
IIFL Asset Management Limited (Formerly Known as India Infoline Asset Management Company Limited)	54.31	30.97
IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)	26.79	11.27
<b>Remuneration :-</b>		
Directors #	35.30	46.22
Key Managerial Personnel	15.14	-
<b>Sitting Fees</b>		
Ms. Geeta Mathur	0.32	0.30
Mr. Kranti Sinha	0.35	0.38
<b>Rent Income :-</b>		
<b>a) Other Related Parties</b>		
5Paisa Capital Limited	4.82	-
<b>Interest Expenses Inter Corporate Deposit :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	23.28	0.91
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	28.04	10.01
<b>Corporate Social Responsibility Expenses :-</b>		
<b>a) Subsidiary</b>		
India Infoline Foundation	25.62	19.46
<b>Purchase Consideration :-</b>		
<b>a) Subsidiaries</b>		
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	76.90	-
<b>Rent Expenses :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	225.29	159.00
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	-	1.04

# Directors' Salary of ₹ 22.76 Millions in FY17-18 was paid from IIFL Holdings Limited

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of transaction	FY 2018-19	FY 2017-18
<b>Rent Income :-</b>		
<b>a) Other Related Parties</b>		
5paisa Capital Limited	4.82	-
<b>Referral Fees Expenses/Authorised Person/marketing Expenses/Arranger Fees expenses/Support fees/Commission &amp; Brokerage expenses :-</b>		
<b>a) Subsidiaries</b>		
IIFL Capital Inc	210.61	141.16
IIFL Wealth U.K Limited	19.78	17.45
<b>b) Other Related Parties</b>		
IIFL Wealth Management Limited	-	109.62
5Paisa Capital Limited	4.56	4.83
<b>Inter Corporate Deposit Taken :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	9,435.00	-
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	26,280.00	14,050.00
5Paisa Capital Limited	-	140.00
<b>Inter Corporate Deposit Taken and Repaid :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	9,435.00	-
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	26,280.00	14,050.00
5Paisa Capital Limited	-	140.00
<b>Inter Corporate Deposit Given :-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	260.00	183.00
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	-	1,500.00
IIFL Wealth Management Limited	-	165.00
5Paisa Capital Limited	1,010.00	510.00
India Infoline Employee Trust	-	35.00
<b>Inter Corporate Deposit Given Received Back :-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	250.00	183.00
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	-	1,500.00
IIFL Wealth Management Limited	-	165.00
5Paisa Capital Limited	880.00	510.00
India Infoline Employee Trust	-	35.00
<b>b) Other Related Parties</b>		
IIFL Asset Management Limited (Formerly Known as India Infoline Asset Management Company Limited)	0.00	0.04
IIFL Wealth Management Limited	13.99	48.58
India Infoline Finance Limited	604.35	109.65
IIFL Wealth Management Limited	0.07	-
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	45.69	25.48
5paisa Capital Limited	41.02	27.76



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of transaction	FY 2018-19	FY 2017-18
<b>Others Paid :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	0.39	2.48
IIFL Commodities Limited (Formerly Known as India Infoline Commodities Limited)	0.77	0.68
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	0.09	0.08
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	0.02	0.14
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	3.14	4.62
Spaisa Capital Limited	0.42	0.11
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	0.05	0.39
IIFL Wealth Management Limited	0.12	0.74
IIFL Distribution Services Limited	-	0.11
<b>Others Received :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	0.47	3.92
IIFL Commodities Limited (Formerly Known as India Infoline Commodities Limited)	0.82	0.62
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited)	0.45	0.07
India Infoline Foundation	0.70	0.11
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	2.75	0.58
<b>b) Other Related Parties</b>		
India Infoline Finance Limited	8.49	3.32
Spaisa Capital Limited	0.14	2.29
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	1.31	0.99
IIFL Asset Management Limited (Formerly Known as India Infoline Asset Management Company Limited)	0.00	0.01
IIFL Investment Advisors & Trustee Services Limited	0.47	-
IIFL Wealth Management Limited	0.06	0.18
IIFL Distribution Services Limited	0.02	0.08
IIFL Wealth Finance Limited	-	0.01

**Note:**

- i) As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial persons is not included above.
- ii) Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

## (B) Closing Balance

(₹ in Millions)

Nature of transaction	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Sundry Payable :-</b>			
<b>a) Subsidiaries</b>			
IIFL Capital Inc	34.63	0.46	6.02
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Ltd)	0.26	-	-
<b>b) Other Related Parties</b>			
IIFL Wealth Finance Ltd	-	-	0.02
IIFL Wealth Management Ltd	0.45	0.39	0.13
IIFL Private Wealth Management (Dubai) Ltd	-	-	4.39
IIFL Wealth U.K. Ltd.	-	-	1.29
Nirmal Jain	-	13.88	0.10
<b>c) Director</b>			
Mr. Mohan Radhakrishnan	0.00	0.03	0.00
Mr. Aniruddha Dange	1.12	-	65.86
Mr. Narendra Jain	0.00	-	-
<b>d) Key Managerial Persons</b>			
Mr. Arindam Chanda	0.00	0.00	0.97
<b>Security Deposit</b>			
<b>Other Related Parties</b>			
Spaisa Capital Limited	2.50	-	-
<b>Sundry Receivable :-</b>			
<b>a) Subsidiaries</b>			
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate limited)	0.11	-	-
IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Ltd)	-	0.23	0.22
IIFL Securities Services IFSC Limited	0.12	-	-
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	0.08	1.31	0.77
<b>b) Other Related Parties</b>			
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	0.94	-	-
India Infoline Finance Limited	23.74	-	-
IIFL Wealth Management Ltd	-	-	7.43
IIFL Asset Management Ltd (Formerly Known as India Infoline Asset Management Company Ltd)	9.16	-	-
Spaisa Capital Limited	0.64	-	-
Orpheus Trading Private Limited	-	0.00	0.00
<b>c) Director</b>			
Mr. Venkataraman Rajamani	-	0.00	-
Mr. Aniruddha Dange	-	0.00	-
<b>Inter Corporate Deposit</b>			
<b>a) Subsidiaries</b>			
IIFL Management Services Limited	10.00	-	-
<b>b) Other Related Parties</b>			
Spaisa Capital Limited	130.00	-	-
<b>Security Deposit Receivable</b>			
<b>a) Subsidiaries</b>			
IIFL Facilities Services Limited (Formerly Known as IIFL Real Estate Limited)	132.97	500.00	500.00

Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 36. Disclosure as per Ind AS - 108 "Segment Reporting":

The Company has reported segment information as per Indian Accounting Standard (Ind AS) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on Management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Company has identified two reportable segments namely i) Stock market activity ii) Investment banking.

Business Segment	Principal activities
i) Stock market activity	Broking and other related activities including distribution of financial services spaces offering capital market services such as equity/ currency broking/ commodity broking, depository participant services and third party financial product distribution services.
ii) Investment banking	Merchant banking business.

(₹ in Millions)

Particulars	As at March 31, 2019		
	Stock Market Activity	Investment Banking	Total
<b>I) Segment revenue</b>			
a) External	6,723.92	334.13	7,058.05
Inter segment revenue			-
<b>Total Revenue</b>			<b>7,058.05</b>
<b>II) Results</b>			
a) Segment results	1,921.96	240.77	2,162.73
Less :- Unallocated			-
<b>Profit before tax</b>			<b>2,162.73</b>
b) Interest income	511.89	-	511.89
Add :- Unallocated			10.28
<b>Net interest income</b>			<b>522.17</b>
c) Interest expense	508.61	-	508.61
Add :- Unallocated			-
<b>Net interest expense</b>			<b>508.61</b>
d) Current tax			713.34
e) Net profit after tax			1,449.39
<b>III) Segment assets</b>	19,096.69	39.23	19,135.92
Add :- Unallocated			475.12
<b>Net assets</b>			<b>19,611.04</b>
<b>IV) Segment liabilities</b>	13,154.54	9.73	13,164.27
Add :- Unallocated			-
<b>Net liabilities</b>			<b>13,164.27</b>
<b>V) Capital Expenditure</b>	26.10		26.10
<b>VI) Depreciation</b>	116.32		116.32

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018		
	Stock Market Activity	Investment Banking	Total
I) Segment revenue			
a) External	6,606.83	819.74	7,426.57
Inter segment revenue			-
<b>Total Revenue</b>			<b>7,426.57</b>
II) Results			
a) Segment results	1,669.00	743.75	2,412.75
Less : - Unallocated			-
<b>Profit before tax</b>			<b>2,412.75</b>
b) Interest income	268.91	-	268.91
Less : - Unallocated			-
<b>Net interest income</b>			<b>268.91</b>
c) Interest expense	371.78		371.78
Less : - Unallocated			
<b>Net interest expense</b>			<b>371.78</b>
d) Current tax			837.67
e) Net profit after tax			1,575.08
III) Segment assets	20,842.31	39.23	20,881.54
Add : - Unallocated			466.45
<b>Net assets</b>			<b>21,347.99</b>
IV) Segment liabilities	15,669.02	26.58	15,695.60
Less : - Unallocated			-
<b>Net liabilities</b>			<b>15,695.60</b>
V) Capital Expenditure	77.60		77.60
VI) Depreciation	107.28		107.28

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

37. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be received or settled.

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>									
<b>(1) Financial Assets</b>									
(a) Cash and cash equivalents	4,099.32	-	4,099.32	2,947.80	-	2,947.80	1,081.40	-	1,081.40
(b) Bank Balance other than (a) above	5,695.81	10.76	5,706.57	4,310.78	12.02	4,322.80	2,562.14	23.15	2,585.29
(c) Receivables									
(i) Trade receivables	84.36	-	84.36	134.01	-	134.01	82.35	-	82.35
(ii) Other receivables	28.53	-	28.53	13.99	-	13.99	93.85	-	93.85
(d) Loans	920.55	-	920.55	782.04	-	782.04	-	-	-
(e) Investments	60.04	1,831.51	1,891.55	98.74	1,772.55	1,871.29	783.51	1,853.03	2,636.54
(f) Other financial assets	5,831.16	279.85	6,111.01	10,366.98	172.43	10,539.41	10,000.95	654.96	10,655.91
<b>Sub-total</b>	<b>16,719.77</b>	<b>2,122.12</b>	<b>18,841.89</b>	<b>18,654.34</b>	<b>1,957.00</b>	<b>20,611.34</b>	<b>14,604.20</b>	<b>2,531.14</b>	<b>17,135.34</b>
<b>(2) Non-Financial Assets</b>									
(a) Current tax assets (net)	-	88.52	88.52	-	74.73	74.73	-	98.25	98.25
(b) Deferred tax assets (net)	-	386.59	386.59	-	391.72	391.72	-	265.10	265.10
(c) Property, Plant and Equipment	-	190.50	190.50	-	148.34	148.34	-	95.42	95.42
(d) Capital work-in-progress	-	5.18	5.18	-	4.44	4.44	-	18.63	18.63
(e) Goodwill	-	-	-	-	-	-	-	1.14	1.14
(f) Other intangible assets	-	35.91	35.91	-	52.71	52.71	-	12.70	12.70
(g) Other non-financial assets	60.25	2.20	62.45	63.27	1.44	64.71	92.54	1.53	94.07
<b>Sub-total</b>	<b>60.25</b>	<b>708.90</b>	<b>769.15</b>	<b>63.27</b>	<b>673.38</b>	<b>736.65</b>	<b>92.54</b>	<b>492.77</b>	<b>585.31</b>
<b>Total Assets</b>	<b>16,780.02</b>	<b>2,831.02</b>	<b>19,611.04</b>	<b>18,717.61</b>	<b>2,630.38</b>	<b>21,347.99</b>	<b>14,696.74</b>	<b>3,023.91</b>	<b>17,720.65</b>
<b>LIABILITIES</b>									
<b>(1) Financial Liabilities</b>									
(a) Payables									
(i) Trade payables									
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.54	-	9.54	25.62	-	25.62	12.57	-	12.57
(II) Other payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	177.60	-	177.60	243.58	-	243.58	342.30	-	342.30
(b) Debt securities	-	-	-	-	-	-	626.55	-	626.55
(c) Borrowings (Other than debt securities)	1,005.37	-	1,005.37	5,375.92	-	5,375.92	-	-	-
(e) Deposits	-	-	-	-	-	-	-	-	-
(f) Subordinated Liabilities	-	-	-	-	-	-	-	-	-
(d) Other financial liabilities	11,522.43	207.36	11,729.79	9,568.03	249.89	9,817.92	12,537.64	241.13	12,778.77
<b>Sub-total</b>	<b>12,714.94</b>	<b>207.36</b>	<b>12,922.30</b>	<b>15,213.15</b>	<b>249.89</b>	<b>15,463.04</b>	<b>13,519.06</b>	<b>241.13</b>	<b>13,760.19</b>
<b>(2) Non-Financial Liabilities</b>									
(a) Current tax liabilities (Net)	-	-	-	-	-	-	-	53.43	53.43
(b) Provisions	5.45	19.01	24.46	4.01	17.07	21.08	3.70	14.16	17.86
(c) Other non-financial liabilities	217.51	-	217.51	211.48	-	211.48	92.65	-	92.65
<b>Sub-total</b>	<b>222.96</b>	<b>19.01</b>	<b>241.97</b>	<b>215.49</b>	<b>17.07</b>	<b>232.56</b>	<b>96.35</b>	<b>67.59</b>	<b>163.94</b>
<b>Total Liabilities</b>	<b>12,937.90</b>	<b>226.37</b>	<b>13,164.27</b>	<b>15,428.64</b>	<b>266.96</b>	<b>15,695.60</b>	<b>13,615.41</b>	<b>308.72</b>	<b>13,924.13</b>
<b>Net</b>	<b>3,842.12</b>	<b>2,604.65</b>	<b>6,446.77</b>	<b>3,288.97</b>	<b>2,363.42</b>	<b>5,652.39</b>	<b>1,081.33</b>	<b>2,715.19</b>	<b>3,796.52</b>



## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### 38. First time adoption of Indian Accounting Standards

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2017, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

#### Exemptions applied

##### 1. Mandatory Exemptions:-

###### a) Estimates

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

###### b) De-recognition of financial assets and financial liability

The Company has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

###### c) Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS

###### d) Fair Value of Financial Assets and Liabilities

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

##### 2. Optional exemptions

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

###### a) Deemed cost-Previous GAAP carrying amount

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

###### b) Arrangements containing a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

###### c) Designate of previously recognised financial instrument

The Company has elected this exemption and opted to

- Designate an investment in equity shares as FVPTL, as per Ind AS 109, based on facts and circumstances exist on transition date.

###### d) Past Business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 01, 2017. Consequently,

- a) the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements
- b) the Company has not recorded assets and liabilities that were not recognised in the previous GAAP; and the Company has not excluded from its Opening Balance Sheet those items recognized in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS.

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2018 and April 01, 2017

(₹ in Millions)

Particulars	Note No.	As at March 31, 2018				As at April 01, 2017			
		Indian GAAP	Merger of Securities under-taking	Adjustment	As per Ind AS	Indian GAAP	Merger of Securities under-taking	Adjustment	As per Ind AS
<b>ASSETS</b>									
<b>(1) Financial Assets</b>									
(a) Cash and cash equivalents		2,760.55	187.25	-	2,947.80	1,010.83	70.57	-	1,081.40
(b) Bank Balance other than (a) above		4,320.31	2.49	-	4,322.80	2,584.29	1.00	-	2,585.29
(c) Receivables									
(I) Trade receivables	(i)	121.82	23.04	(10.85)	134.01	79.42	10.93	(8.00)	82.35
(II) Other receivables		12.45	1.54	-	13.99	86.86	6.99	-	93.85
(d) Loans		782.04	-	-	782.04	-	-	-	-
(e) Investments	(ii)	258.05	1,256.68	356.56	1,871.29	247.38	2,164.49	224.67	2,636.54
(f) Other financial assets	(i & v)	11,657.21	35.75	(1,153.55)	10,539.41	11,299.40	20.13	(663.62)	10,655.91
<b>Sub-total</b>		<b>19,912.43</b>	<b>1,506.75</b>	<b>(807.84)</b>	<b>20,611.34</b>	<b>15,308.18</b>	<b>2,274.11</b>	<b>(446.95)</b>	<b>17,135.34</b>
<b>(2) Non-Financial Assets</b>									
(a) Current tax assets (Net)		74.73	-	-	74.73	98.25	-	-	98.25
(b) Deferred tax assets (Net)	(iii)	63.46	(10.09)	338.35	391.72	49.64	19.24	196.22	265.10
(c) Property, Plant and Equipment		141.77	6.57	-	148.34	88.12	7.30	-	95.42
(d) Capital work-in-progress		4.44	-	-	4.44	18.63	-	-	18.63
(e) Goodwill		-	-	-	-	1.14	-	-	1.14
(f) Other intangible assets		49.09	3.62	-	52.71	7.40	5.30	-	12.70
(g) Other non-financial assets		57.30	7.41	-	64.71	92.66	1.41	-	94.07
<b>Sub-total</b>		<b>390.79</b>	<b>7.51</b>	<b>338.35</b>	<b>736.65</b>	<b>355.84</b>	<b>33.25</b>	<b>196.22</b>	<b>585.31</b>
<b>Total</b>		<b>20,303.22</b>	<b>1,514.26</b>	<b>(469.49)</b>	<b>21,347.99</b>	<b>15,664.02</b>	<b>2,307.36</b>	<b>(250.73)</b>	<b>17,720.65</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Note No.	As at March 31, 2018				As at April 01, 2017			
		Indian GAAP	Merger of Securities undertaking	Adjustment	As per Ind AS	Indian GAAP	Merger of Securities undertaking	Adjustment	As per Ind AS
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
<b>(1) Financial Liabilities</b>									
(a) Payables		-	-	-	-	-	-	-	-
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		25.62	-	-	25.62	13.93	(1.36)	-	12.57
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		221.09	22.49	-	243.58	314.62	27.68	-	342.30
(b) Debt securities		-	-	-	-	-	626.55	-	626.55
(c) Borrowings (Other than debt securities)		5,375.92	-	-	5,375.92	-	-	-	-
(d) Other financial liabilities	(iv)	9,776.59	7.54	33.79	9,817.92	12,767.49	(8.67)	19.95	12,778.77
<b>Sub-total</b>		<b>15,399.22</b>	<b>30.03</b>	<b>33.79</b>	<b>15,463.04</b>	<b>13,096.04</b>	<b>644.20</b>	<b>19.95</b>	<b>13,760.19</b>
<b>(2) Non-financial liabilities</b>									
(a) Current tax liabilities (Net)		-	-	-	-	53.43	-	-	53.43
(b) Provisions		19.26	1.82	-	21.08	16.60	1.26	-	17.86
(c) Other non-current liabilities		197.55	13.93	-	211.48	86.49	6.16	-	92.65
<b>Sub-total</b>		<b>216.81</b>	<b>15.75</b>	<b>-</b>	<b>232.56</b>	<b>156.52</b>	<b>7.42</b>	<b>-</b>	<b>163.94</b>
<b>(3) EQUITY</b>									
(a) Equity share capital		187.18	450.78	-	637.96	169.00	466.82	-	635.82
(b) Other equity	(i to vi)	4,500.01	1,017.70	(503.28)	5,014.43	2,242.46	1,188.92	(270.68)	3,160.70
<b>Sub-total</b>		<b>4,687.19</b>	<b>1,468.48</b>	<b>(503.28)</b>	<b>5,652.39</b>	<b>2,411.46</b>	<b>1,655.74</b>	<b>(270.68)</b>	<b>3,796.52</b>
<b>Total</b>		<b>20,303.22</b>	<b>1,514.26</b>	<b>(469.49)</b>	<b>21,347.99</b>	<b>15,664.02</b>	<b>2,307.36</b>	<b>(250.73)</b>	<b>17,720.65</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note No.	Indian GAAP	Merger of Securities undertaking	Adjustments	As per Ind AS
<b>Revenue from operations</b>					
(a) Interest income		268.91	-	-	268.91
(b) Fees and commission income		5,995.56	819.75	-	6,815.31
<b>Total revenue from operations</b>		<b>6,264.47</b>	<b>819.75</b>	<b>-</b>	<b>7,084.22</b>
(a) Other income	(ii)	81.91	128.55	131.89	342.35
<b>Total income (I)</b>		<b>6,346.38</b>	<b>948.30</b>	<b>131.89</b>	<b>7,426.57</b>
<b>Expenses</b>					
(a) Finance costs		321.58	50.20	-	371.78
(b) Fees and commission expense		1,188.95	-	-	1,188.95
(c) Employee benefits expenses	(iv & v)	1,737.44	69.12	4.57	1,811.13
(d) Depreciation, amortization and impairment		104.04	3.24		107.28
(e) Others expenses	(i)	1,010.35	31.54	492.79	1,534.68
<b>Total expenses (II)</b>		<b>4,362.36</b>	<b>154.10</b>	<b>497.36</b>	<b>5,013.82</b>
Profit/(loss) before exceptional items and tax (I) - (II) = (III)		1,984.02	794.20	(365.47)	2,412.75
Exceptional items (IV)		-	-	-	-
<b>Profit/(loss) before tax (III) + (IV) = (V)</b>		<b>1,984.02</b>	<b>794.20</b>	<b>(365.47)</b>	<b>2,412.75</b>
Tax Expense:					
(a) Current tax		693.40	237.22	-	930.62
(b) Deferred tax	(iii)	(13.82)	29.98	(138.90)	(122.74)
(b) Short/(excess)		10.55	19.24	-	29.79
<b>Total tax expenses (VI)</b>		<b>690.13</b>	<b>286.44</b>	<b>(138.90)</b>	<b>837.67</b>
<b>Profit/(loss) for the period from continuing operations (V-VI) = VII</b>		<b>1,293.89</b>	<b>507.76</b>	<b>(226.57)</b>	<b>1,575.08</b>
Profit/(loss) from discontinued operations		-	-	-	-
Tax Expense of discontinued operations		-	-	-	-
Profit/(loss) from discontinued operations (After tax) (VIII)		-	-	-	-
<b>Profit/(loss) for the period (VII - VIII) = IX</b>		<b>1,293.89</b>	<b>507.76</b>	<b>(226.57)</b>	<b>1,575.08</b>
<b>Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss (A)		-	(1.84)	(9.27)	(11.11)
(ii) Income tax relating to items that will not be reclassified to profit or loss (B)		-	0.64	3.24	3.88
<b>Other Comprehensive Income (A + B) (X)</b>		<b>-</b>	<b>(1.20)</b>	<b>(6.03)</b>	<b>(7.23)</b>
<b>(Xi) Total Comprehensive Income for the period (iX+X)</b>		<b>1,293.89</b>	<b>506.56</b>	<b>(232.60)</b>	<b>1,567.85</b>

## Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

### Explanatory Notes to Reconciliation of Total Equity and Total Comprehensive Income

#### (i) Expected Credit Loss

As per the previous GAAP, the Company was providing for financial assets based on incurred loss model. As per Ind AS 109, provision for impairment of financial assets is required to be made based on forward looking expected credit loss model. This has resulted in recognition of additional provision for expected credit loss as on transition date of April 01, 2017 and during the year ended March 31, 2018.

#### (ii) Fair Valuation of Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP.

#### (iii) Deferred Tax:

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI).

#### (iv) Share Based Payments

Under previous GAAP, the cost of employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised in the statement of profit and loss for the year ended March 31, 2018 based on the fair value of the options as on the grant date with consequent increase in the amount payable to the holding company.

#### (v) Defined Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in OCI.

#### (vi) Financial Assets Classified at Fair Value Through Profit and Loss Account

Under Indian GAAP, the Company has recorded long term investments in quoted equity shares as investment and measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised through the Profit and Loss Account. Similarly, for the year ended March 31, 2018, fair value gain or loss recognised in Profit and Loss Account.

### 39. Standard Issued but not effective

**Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

# Notes forming part of Standalone Financial Statement

For the year ended March 31, 2019 (Contd.)

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

**Amendment to Ind AS 12 – Income Taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – Plan Amendment, Curtailment or Settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company does not have any impact on account of this amendment.

## As per our attached report of even date

### For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

### G. Sankar

Partner  
Membership No.: 046050

Place : Mumbai  
Dated : May 13, 2019

## For and on behalf of Board of Directors

### Venkataraman Rajamani

Director  
(DIN: 00011919)

### Arindam Chanda

Chief Executive Officer

### Jayesh Upadhyay

Company Secretary

### Narendra Jain

Director  
(DIN: 01984467)

### Bhawani Jhanwar

Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

**To the Members of IIFL Securities Limited (formerly known as India Infoline Limited)**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of IIFL Securities Limited (formerly known as India Infoline Limited) (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the consolidated Balance Sheet as at 31st March 2019, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Cash Flows statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit, of consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report and other information included in the Annual

Report but does not include the standalone and consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Other Matters

We did not audit the financial statements of Securities Business Undertaking included in the financial statements of Holding Company (consequent to the Composite Scheme of Arrangement as referred to in Note 1.1 of the financial statements), whose financial statements reflect total assets of Rs 1444.73 Millions and net assets of Rs 1414.99 Millions as at 31st March, 2019, total revenues of Rs 406.77 Millions and net cash outflows/(inflows) amounting to Rs 140.75 Millions for the year ended on that date, as considered in the financial statements along with comparative financial information of the said undertaking for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these financial statements, as adjusted for the differences in accounting principles adopted on

## INDEPENDENT AUDITOR'S REPORT (Contd.)

transition to the Ind AS. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the, in so far as it relates to the amounts and disclosures included in respect of the said undertaking and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the said undertaking is based solely on the reports of the other auditors.

We did not audit the financial statements of two wholly owned subsidiaries outside India included in the consolidated financial statements, whose financial statements reflect total assets of Rs 151.57 Millions, net assets of Rs 108.34 Millions as at 31st March, 2019, total revenues of Rs 359.15 Millions and net cash outflows amounting to Rs 18.63 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. The said subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

The comparative financial information of the company for the year ended 31st March 2018 and the opening balance sheet as at 1st April 2017 included in these consolidated Ind-AS financial statements, are based on the consolidated financial accounts prepared by the management considering the audited standalone financial statements of all subsidiaries and associate for the financial years ended March 31, 2018 and March 31, 2017 after making adjustments for converting the audited standalone financials into Ind AS and giving effect to the Composite Scheme of Arrangement as required by Appendix C of Ind AS 103 on Business Combination and detailed in Note 1.1 of the consolidated financial statements, as if the business combination

was in effect from the first day of preceding previous year viz., April 01, 2017.

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

### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company and its subsidiaries

## INDEPENDENT AUDITOR'S REPORT (Contd.)

incorporated in India to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements.
  - ii. The Holding Company and its subsidiaries incorporated in India did not have any long-term

contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For V Sankar Aiyar & Co.,**

Chartered Accountants  
(Firm's Registration No. 109208W)

**G Sankar**

Partner  
(Membership No. 46050)

Place: Mumbai

Date: May 13, 2019

## ANNEXURE To The Independent Auditor's Report

**Annexure referred to in our report of even date to the members of IIFL Securities Limited (formerly known as India Infoline Limited) on the consolidated accounts for the year ended 31st March 2019**

**Report on the Internal Financial Controls 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 Securities Limited (formerly known as India Infoline Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries incorporated in India as of March 31st, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding Company and its subsidiaries incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 of the Company and its subsidiaries which are companies incorporated in India.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

## ANNEXURE To The Independent Auditor's Report (Contd.)

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, the Holding Company and its subsidiaries which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based

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

**For V Sankar Aiyar & Co.,**

Chartered Accountants  
(Firm's Registration No. 109208W)

**G Sankar**

Partner  
(Membership No. 46050)

Place: Mumbai

Date: May 13, 2019



## CONSOLIDATED BALANCE SHEET

As at March 31, 2019

(₹ in Millions)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>1. Financial Assets</b>				
(a) Cash and cash equivalents	3	4,812.23	3,877.35	1,533.68
(b) Bank balance other than (a) above	4	5,838.29	4,676.33	2,889.90
(c) Receivables				
(I) Trade receivables	5	248.37	252.74	209.06
(II) Other receivables	5	81.53	65.05	93.85
(d) Loans	6	4,332.38	816.14	-
(e) Investments	7	1,396.17	1,594.59	2,252.19
(f) Other financial assets	8	6,089.65	10,424.36	10,473.03
<b>Sub-total</b>		<b>22,798.62</b>	<b>21,706.56</b>	<b>17,451.71</b>
<b>2. Non-Financial Assets</b>				
(a) Current tax assets (net)		457.72	356.68	353.64
(b) Deferred tax assets (net)	9	456.76	496.04	374.26
(c) Investment property	10	48.38	51.86	55.63
(d) Property, Plant and Equipment	11	3,839.46	4,999.79	4,632.67
(e) Capital work-in-progress	11	859.01	840.11	639.04
(f) Goodwill	12	-	-	1.14
(g) Other intangible assets	12	42.45	63.59	12.87
(h) Assets held for sale	13	1,355.46	-	-
(i) Other non-financial assets	14	641.66	104.26	838.14
<b>Sub-total</b>		<b>7,700.90</b>	<b>6,912.33</b>	<b>6,907.39</b>
<b>Total Assets</b>		<b>30,499.52</b>	<b>28,618.89</b>	<b>24,359.10</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1. Financial Liabilities</b>				
(a) Payables				
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	15	-	0.03	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	24.30	46.41	30.28
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises	15	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	241.10	296.45	416.26
(b) Debt securities	16	486.40	841.11	1,386.14
(c) Borrowings (other than debt securities)	17	6,605.22	10,128.61	4,086.68
(d) Subordinated liabilities	18	500.38	-	408.73
(e) Other financial liabilities	19	12,981.68	10,786.26	13,677.03
<b>Sub-total</b>		<b>20,839.08</b>	<b>22,098.87</b>	<b>20,005.12</b>
<b>2. Non-Financial Liabilities</b>				
(a) Current tax liabilities (net)		17.37	21.09	60.25
(b) Provisions	20	27.19	23.48	19.97
(c) Other non-financial liabilities	21	2,306.44	241.56	128.71
<b>Sub-total</b>		<b>2,351.00</b>	<b>286.13</b>	<b>208.93</b>
<b>3. Equity</b>				
(a) Equity share capital	22	638.41	637.96	635.82
(b) Other equity	23	6,671.03	5,595.93	3,509.23
(c) Non controlling interest		-	-	-
<b>Sub-total</b>		<b>7,309.44</b>	<b>6,233.89</b>	<b>4,145.05</b>
<b>Total Liabilities and Equity</b>		<b>30,499.52</b>	<b>28,618.89</b>	<b>24,359.10</b>

See accompanying notes forming part of the consolidated financial statements 1-44

As per our attached report of even date  
For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

For and on behalf of Board of Directors

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
(a) Interest income	24	621.38	287.49
(b) Rental income		544.07	554.53
(c) Fees and commission income	25	7,185.85	7,505.08
<b>Total revenue from operations</b>		<b>8,351.30</b>	<b>8,347.10</b>
(a) Other income	26	404.35	1,124.83
<b>Total income (I)</b>		<b>8,755.65</b>	<b>9,471.93</b>
<b>Expenses</b>			
(a) Finance costs	27	1,144.95	1,445.06
(b) Fees and commission expense	28	881.38	1,067.88
(c) Employee benefits expenses	29	2,566.35	2,109.29
(d) Depreciation, amortisation and impairment	30	418.98	365.10
(e) Others expenses	31	1,127.75	1,691.11
<b>Total expenses (II)</b>		<b>6,139.41</b>	<b>6,678.44</b>
<b>Profit before share of profit/(loss) of associates and joint ventures and exceptional items (I) - (II) = (III)</b>		<b>2,616.24</b>	<b>2,793.49</b>
Share of profit/(loss) of associates and joint ventures (IV)		(35.43)	(58.18)
<b>Profit before exceptional items and tax (III) + (IV) = (V)</b>		<b>2,580.81</b>	<b>2,735.31</b>
Exceptional items (VI)		-	-
<b>Profit before tax (V) - (VI) = (VII)</b>		<b>2,580.81</b>	<b>2,735.31</b>
Tax expense:			
(a) Current tax	32	839.08	1,055.52
(b) Deferred tax	32	31.36	(141.98)
(c) Short/excess	32	(3.96)	16.01
Total tax expense (VIII)		866.48	929.55
<b>Profit/(loss) for the period from continuing operations (VII) - (VIII) = (IX)</b>		<b>1,714.33</b>	<b>1,805.76</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(after tax) (X)		-	-
<b>Profit/(loss) for the period (IX) + (X) = (XI)</b>		<b>1,714.33</b>	<b>1,805.76</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss statement		10.40	(12.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss statement		(3.72)	4.22
<b>Other Comprehensive Income (XII)</b>		<b>6.68</b>	<b>(8.13)</b>
<b>Total Comprehensive Income for the period (XI) + (XII)</b>		<b>1,721.01</b>	<b>1,797.63</b>
Attributable to:			
(a) Owners of the Company		1,721.01	1,797.63
(b) Non controlling interest		-	-
<b>Earnings per equity share</b>			
Basic (₹)	33	5.37	5.67
Diluted (₹)	33	5.37	5.67

See accompanying notes forming part of the consolidated financial statements 1-44

## As per our attached report of even date

### For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

Place : Mumbai  
Dated : May 13, 2019

## For and on behalf of Board of Directors

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

### A. Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
At the beginning of the year	-	-	16,900,100	169.00	16,900,100	169.00
Add: Shares issued during the year	-	-	1,818,181	18.18	-	-
Closing at the end of year	-	-	18,718,281	187.18	16,900,100	169.00
Less: Shares to be cancelled under Composite Scheme of Arrangement (Refer note 1.1)	-	-	(18,718,281)	(187.18)	(16,900,100)	(169.00)
Add: Shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	318,979,026	637.96	317,908,193	635.82	317,908,193	635.82
Add: Further additional shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	224,066	0.45	1,070,833	2.14	-	-
<b>Share suspense account</b>	<b>319,203,092</b>	<b>638.41</b>	<b>318,979,026</b>	<b>637.96</b>	<b>317,908,193</b>	<b>635.82</b>

### B. Other equity

Particulars	Reserves and Surplus				Share options outstanding account #	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
	Capital reserve	Securities premium	Debt redemption reserve	General reserve				
<b>Balance as at April 01, 2017</b>	<b>1,188.91</b>	<b>749.00</b>	<b>60.01</b>	<b>399.19</b>	<b>1,109.12</b>	<b>3.00</b>	<b>-</b>	<b>3,509.23</b>
Total comprehensive income for the year	-	-	-	-	1,805.76	-	(8.13)	1,797.63
Appropriation towards dividend paid (including corporate dividend tax)	-	-	-	-	(518.16)	-	-	(518.16)
Additions during the year	-	1,481.82	-	-	-	-	-	1,481.82
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(677.77)	-	-	-	-	-	-	(677.77)
Transfer of capital reserve	506.55	-	-	-	(507.75)	-	1.20	-
Other additions	-	-	(14.72)	14.72	-	3.18	-	3.18
Total as at March 31, 2018	<b>1,017.69</b>	<b>2,230.82</b>	<b>45.29</b>	<b>413.91</b>	<b>1,888.97</b>	<b>6.18</b>	<b>(6.93)</b>	<b>5,595.93</b>

(₹ in Millions)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

(₹ in Millions)

Particulars	Reserves and Surplus				Share options outstanding account #	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
	Capital reserve	Securities premium	Debt redemption reserve	General reserve				
Total comprehensive income for the year	-	-	-	-	-	-	6.68	1,721.01
Appropriation towards dividend paid (including corporate dividend tax)	-	-	-	-	-	-	-	(413.77)
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(256.11)	-	-	-	-	-	-	(256.11)
Other additions	-	-	-	-	21.83	2.14	-	23.97
<b>Balance as at March 31, 2019</b>	<b>761.58</b>	<b>2,230.82</b>	<b>45.29</b>	<b>413.91</b>	<b>21.83</b>	<b>8.32</b>	<b>(0.25)</b>	<b>6,671.03</b>

# Share stock options accounts represents ESOP reserve transferred by IFL Holdings Limited as part of "Securities Undertaking" against the options to be granted by the Company on effective date for outstanding options under various grants by IFL Holdings Limited as per the Composite Scheme of Arrangement (refer note no. 1.1)

See accompanying notes forming part of the consolidated financial statements (1 - 44)

## As per our attached report of even date For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No. 109208W

**G. Sankar**  
Partner  
Membership No.: 046050

## For and on behalf of Board of Directors

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2019

(₹ in Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Net profit/(loss) before taxation, and extraordinary item	2,580.81	2,735.31
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	418.98	365.10
Interest expenses	1,144.95	1,445.06
Dividend income	(4.60)	(6.03)
Share of (profit)/loss of associates and joint ventures	35.43	58.18
Interest income	(182.17)	(661.39)
Net loss/(gain) on fair value of investments	(32.12)	(140.89)
Net loss/(gain) on sale of fixed assets	(7.16)	(6.53)
<b>Operating profit/(loss) before working capital changes</b>	<b>3,954.12</b>	<b>3,788.81</b>
(Increase)/Decrease in loans	(3,516.24)	(816.14)
(Increase)/Decrease in trade and other receivables	(12.10)	(14.88)
(Increase)/Decrease in other financial assets	4,334.70	48.67
(Increase)/Decrease in other non-financial assets	(535.26)	737.06
Increase/(Decrease) in trade and other payable	(112.91)	(161.83)
Increase/(Decrease) in other financial liabilities	2,205.82	(2,903.12)
Increase/(Decrease) in provisions	3.71	3.50
Increase/(Decrease) in non-financial liabilities	2,064.87	112.85
Adjustment due to Composite Scheme of Arrangement (Refer note 1.1)	(93.08)	(810.48)
<b>Cash generated from operations</b>	<b>8,293.63</b>	<b>(15.56)</b>
Current tax expense	(935.69)	(1,089.30)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>7,357.94</b>	<b>(1,104.86)</b>
<b>Cash flows from investing activities</b>		
(Purchase)/Sale of fixed assets (net)	(601.23)	(972.57)
(Investment)/Redemption of fixed deposit	(1,161.95)	(1,786.43)
Interest income	182.17	661.39
Dividend income	4.60	6.03
(Purchase)/Sale of investments	230.54	798.48
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,345.87)</b>	<b>(1,293.10)</b>
<b>Cash flows from financing activities</b>		
Dividend paid (including dividend distribution tax)	(413.77)	(518.16)
Increase/(Decrease) in borrowings	(3,377.72)	5,088.17
Proceed from issuance of share capital	-	1,500.00
Interest expenses	(1,144.95)	(1,445.06)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(4,936.44)</b>	<b>4,624.95</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,075.63</b>	<b>2,226.99</b>
Cash and cash equivalents at beginning of year	3,877.35	1,533.68
Cash and cash equivalents at end of year	4,812.23	3,877.35
Cash and cash equivalents transferred through Composite Scheme of Arrangement (Refer note 1.1)	140.75	(116.68)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,075.63</b>	<b>2,226.99</b>

See accompanying notes forming part of the consolidated financial statements (1 - 44)

**As per our attached report of even date**

**For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**

Partner  
Membership No.: 046050

**For and on behalf of Board of Directors**

**Venkataraman Rajamani**

Director  
(DIN: 00011919)

**Arindam Chanda**

Chief Executive Officer

**Jayesh Upadhyay**

Company Secretary

**Narendra Jain**

Director  
(DIN: 01984467)

**Bhawani Jhanwar**

Chief Financial Officer

Place : Mumbai  
Dated : May 13, 2019

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019

## Note 1. Corporate Information:

The financial statements comprise financial statements of IIFL Securities Limited ("the Holding Company") and its subsidiaries (collectively, the group) for the year ended March 31, 2019.

IIFL Securities Limited (Formerly India Infoline Limited) ("the Company") was incorporated on March 21, 1996. The Company is in financial services spaces offering capital market services such as equity/ currency broking in NSE/BSE, online and offline commodity broking in MCX and NCDEX, depository participant services, merchant banking and distribution of financial products besides holding investments in subsidiaries. The group business also consist of financial services, facilities and ancillary services including real estate broking/ advisory services and insurance broking services which are carried out by separate subsidiaries of the Company.

Information on other related party relationships of the group is provided in note 42.

### Note: 1.1 Composite Scheme of Arrangement between IIFL Holdings Limited and IIFL Securities Limited.

"The Board of Directors of the Company and IIFL Holdings Limited ("IIFL Holdings") as at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Company, IIFL Holdings, India Infoline Finance Limited ("IIFL Finance"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Holdings;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into the Company;
- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution; and
- v. amalgamation of IIFL Finance with the IIFL Holdings, on a going-concern basis

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other demergers/transfer/amalgamation, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the respective Companies have approved the Scheme. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of

India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Holdings, the Board of Directors of the respective companies at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

- a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date i.e. April 01, 2017;
- b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date i.e. April 01, 2018; and
- c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.
- d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

- a) additional 1 fully paid up equity share of ₹ 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;
- b) additional 1 fully paid up equity share of ₹ 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of ₹ 2 each in IIFL Holdings for every 100 shares held in IIFL Finance.

In accordance with the said Composite Scheme of Arrangement:

- a. The whole of the undertaking including all assets and liabilities of the undertaking will be transferred to and vested from IIFL Holdings to the Company at respective book values with effect from April 01, 2018, the appointed date.
- b. The equity share capital of the Company comprising of 18,718,281 equity share of ₹ 10 each held by IIFL Holdings will be cancelled and in lieu of the same Company will be issuing 1 equity shares of ₹ 2 each for 1 equity share held by the shareholders of IIFL Holdings, whose names as are appearing in the Register of Members of IIFL Holdings on the Record Date.
- c. The excess of net assets value of Securities Business Undertaking transferred to the Company over the value of equity shares to be issued as reduced by the face value of the equity share capital of the Company to be cancelled, referred in (b) above, has been recorded as "Capital Reserve".
- d. In accordance with the scheme, the investments made by IIFL Holdings Limited in the followings companies have been transferred to the Company.
  - i) IIFL Commodities Limited (Formerly India Infoline Commodities Limited)



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

- ii) IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
- iii) IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
- (iv) IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
- (v) IIFL Wealth UK Limited
- (vi) IIFL Assets Reconstruction Limited
- (vii) IIFL Capital Inc

The Company has become the holding company of the above companies and the above have become subsidiaries of the Company by virtue of the said composite scheme and hence consolidated financial statements have been prepared by the Company for first time.

Accordingly these financial results of the group has been drawn up after giving effect to the Scheme for demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into the Company. The demerger has been accounted under the pooling of interests method in accordance with Appendix C of Ind AS 103 Business Combinations and comparatives have been restated from the beginning of the earliest previous year presented in these financial statements viz April 01, 2017 as if the business combination had occurred from that date. Accordingly the capital reserve as at each of the reporting periods arrived at as below;

(₹ in Millions)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Net assets value of Securities Business Undertaking (A)	1,414.99	1,470.15	1,655.73
Profit for the year transfer under the scheme (B)	178.67	-	-
ESOP reserve (C)	21.83	-	-
Equity share capital to be cancelled (D)	187.18	187.18	169.00
New equity share capital to be issued (E)	638.41	637.96	635.82
Impact of differential tax rate - deferred tax (F)	1.68	1.68	-
<b>Capital reserve created out of above (A-B-C+D-E-F)</b>	<b>761.58</b>	<b>1,017.69</b>	<b>1,188.91</b>

### Note: 1.2 Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

### Note 2. Significant Accounting Policies and Key Accounting Estimates and Judgements

#### 2.1 Significant Accounting Policies:

##### a) Basis of preparation of financial statements:

The Company has prepared consolidated financial statements for the first time for the financial year 2018-19 since it has become holding company of certain subsidiaries with effect from April 01, 2018 (Refer Note 1.1).

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

The comparative financial information of the Company for the year ended March 31, 2018 and the opening balance sheet as at April 01, 2017 included in these consolidated Ind-AS financial statements, are based on the consolidated financial accounts prepared by the management considering the audited standalone financial statements of all subsidiaries and associates for the financial years ended March 31, 2018 and March 31, 2017 after making adjustments for converting the audited standalone financials into Ind AS and giving effect to the Composite Scheme of Arrangement, as required by Appendix C of Ind AS 103 on Business Combination and detailed in Note 1.1 of the consolidated financial statements, as if the business combination was in effect from the first day of preceding previous year viz., April 01, 2017.

In giving effect to the Composite Scheme of Arrangement in these Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2019 and in providing the comparative figures for the year ended March 31, 2018 and as at April 01, 2017, the figures in respect of the Securities Business Undertaking included in the respective financials have been compiled from the audited carved out financial statements of IIFL Holdings Limited which have been approved by the Board of Directors of IIFL Holdings Limited on May 13, 2019.

These consolidated financial statements all the accounting policies adopted by the Group have been consistently applied in all the financial years presented in these consolidated financial statements.

These Consolidated Financial Statements of the Group are presented as per Schedule III (Division III) of the Companies

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

These Consolidated Financial Statements of the Group are presented in Indian Rupees (INR), which is the functional currency of the Group and all values are rounded off to the nearest Million upto two decimal places, except otherwise indicated.

## b) Basis of consolidation

### i) Subsidiaries:

Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and subsidiaries as disclosed in Note 43. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

### ii) Associates and joint ventures

An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group's investments in its associate and joint venture are accounted for under the equity method. Under the equity method the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's

net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognize the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### c) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

On transition to Ind AS, the Group has elected not to apply Ind AS 103 retrospectively to past business combinations that occurred before the transition date of April 01, 2017.

### d) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

### e) Property, Plant & Equipment (PPE)

#### Recognition and initial measurement:

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

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

On transition to Ind AS, the group has elected to continue with the carrying value for all properties, plant & equipment as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

#### Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of lease.

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

**Derecognition:** The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

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

#### Capital work in progress and Capital advances:

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

#### f) Intangible assets:

##### Recognition and initial measurement:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any. On transition to Ind AS, the Group has elected to continue with the carrying value for all intangible assets as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

##### Amortisation:

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3

##### Derecognition:

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

#### g) Investment Property

##### Recognition and initial measurement:

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has experience in the category of the investment property being valued.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 01 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment properties.

##### Derecognition:

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

asset is recognised in the statement of profit and loss in the period of de-recognition.

### h) Impairment:

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expenses.

Impairment losses are reversed in the consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### i) Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets held for sale and disposal groups are measured at the lower of their carrying amount or the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.

### j) Financial Instruments:

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

## Financial assets

### Initial recognition and measurement:

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

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

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

### Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- i) The Group business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

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

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

### i. Financial assets measured at amortised cost:

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

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



# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

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

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset.

The amortised cost of a financial asset is also adjusted for loss allowance, if any.

## ii. Financial assets measured at FVTOCI:

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

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

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the

group recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated Statement of Profit and Loss.

## iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the statement of profit and loss when the Group's right to receive dividends is established. As at reporting date, there are no equity instruments measured at FVOCI.

## iv. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries associate and joint venture, Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss. Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in Statement of Profit & Loss. The Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

## Reclassifications:

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

### Impairment of financial assets:

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortised cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

### Financial Liabilities and equity:

#### Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability

#### Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

#### k) Fair Value:

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

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

#### l) Foreign Currency Translation:

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

##### i. Functional and presentation currencies:

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in INR which is the functional and presentation currency for Company.

##### ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognised in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### iii) Group's foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

### m) Income Taxes:

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

#### Current tax:

- i) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.
- ii) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
- iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
- iv) Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit in the countries where the group operates and generates taxable income.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transition, affects neither the accounting profit or loss;

- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

#### Presentation of current and deferred tax:

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

## n) Provisions and Contingencies:

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

## o) Cash and Cash Equivalents :

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

## p) Revenue Recognition

### Revenue from contracts with customers

The group has adopted Ind AS 115 with effect from April 01, 2018.

The Company is in the business of providing financial services space offering capital market services such as equity/ currency broking in NSE/BSE , online and offline commodity broking in MCX and NCDEX, depository participant services, merchant banking and distribution of financial products besides holding investments in subsidiaries.

The group also earns revenue from other business which comprises of financial services, facilities and ancillary

services, real estate broking/ advisory services and insurance broking services which are carried out by separate subsidiaries of the Company.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts such as taxes collected on behalf of third parties.

The group assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The group has generally concluded that it is acting as a principal in all of its revenue arrangements.

The group recognised revenue from various activities as follows:

### i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual term of the financial instruments in estimating the cash flow.

### ii. Fees & Commission

Fees and commission income is recognised based on five step model set out in Ind AS 115.

- a. Brokerage income earned on secondary market operations is accounted on trade date basis.
- b. Income related with advisory activities, Investment banking, Merchant banking and Income in respect of other heads is accounted on accrual basis.
- c. Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of investments are determined after consideration of cost on weighted average basis.
- d. Other operational revenue: Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### iii. Dividend income

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. Amounts retained by the customers until the

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

satisfactory completion of the contracts are recognised as receivables.

### q) Employee Benefits

#### Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

#### Short Term Employee Benefits:

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

#### Post-Employment Benefits:

##### I. Defined contribution plans:

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

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

##### II. Defined benefit plans:

- ii) Gratuity scheme: The Group, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

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

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

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

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

##### r) Lease accounting :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

## Finance lease as lessee:

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

## Finance lease as lessor:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

## Operating lease as lessor:

In respect of assets given on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rentals are recognised in accordance with the contractual terms.

## Operating lease as lessee:

In respect of assets taken on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments by lessee are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rentals are recognised in accordance with the contractual terms.

## s) Borrowing Cost:

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

## t) Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/ liabilities".

## u) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.2 Key accounting estimates and judgements

the preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods affected

### Critical accounting estimates and assumptions

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

#### a. Income taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

**b. Property, Plant and Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**c. Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

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

rate of return on assets and mortality rates. The same is disclosed in Notes - 'Employee benefits'.

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

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

**e. Impairment of financial assets**

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Group own experience & forward looking estimation.

**f. Provision for litigation**

In estimating the final outcome of litigation, the Group applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Group requires an accrual or disclosure in the financial statements.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019

### 3. Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.23	0.18	0.16
Cheques in hand	18.62	15.10	205.49
<b>Balance with banks</b>			
- In current accounts	1,381.52	624.25	376.70
- In client accounts	3,411.86	2,697.82	951.33
- In deposit account with original maturity less than 3 months	-	540.00	-
<b>Cash and cash equivalents</b>	<b>4,812.23</b>	<b>3,877.35</b>	<b>1,533.68</b>

### 4. Bank balance other than above

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>In deposit account with original maturity more than 3 months</b>			
- Lien Marked*	5,708.08	4,617.43	2,876.77
- Other deposit	130.21	58.90	13.13
<b>Total</b>	<b>5,838.29</b>	<b>4,676.33</b>	<b>2,889.90</b>

\* Group has pledged fixed deposits with the banks for bank guarantee/overdraft facilities, with the stock exchange for margin/arbitration purpose and with other tax/regulatory authorities.

### 5. Receivables

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(I) Trade receivables</b>			
- Receivables considered good - unsecured	179.41	141.46	133.87
- Receivables which have significant increase in credit risk	85.18	131.34	103.07
- Receivables - credit impaired	84.05	80.67	20.06
<b>Total (I)- Gross</b>	<b>348.64</b>	<b>353.47</b>	<b>257.00</b>
- Less: Allowance for credit loss	(100.27)	(100.73)	(47.94)
<b>Total (I)- Net</b>	<b>248.37</b>	<b>252.74</b>	<b>209.06</b>
<b>(II) Other receivables</b>			
- Receivables considered good - unsecured	81.53	65.05	93.85
<b>Total (II)- Gross</b>	<b>81.53</b>	<b>65.05</b>	<b>93.85</b>
- Less: Allowance for credit loss	-	-	-
<b>Total (II)- Net</b>	<b>81.53</b>	<b>65.05</b>	<b>93.85</b>
<b>Total (I+II)</b>	<b>329.90</b>	<b>317.79</b>	<b>302.91</b>

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as March 31, 2019, March 31, 2018, April 01, 2017.

b) No trade receivables and other receivables are interest bearing.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 6. Loans

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Loans repayable on demand</b>			
- Inter corporate deposits (Refer note 42)	290.00	-	-
- Loans to others *	3,232.15	-	-
- Margin trading facility balances *	780.55	782.04	-
<b>Leasing (please refer disclosure below)</b>			
- Asset given under finance lease	29.68	34.10	-
<b>Total - Gross</b>	<b>4,332.38</b>	<b>816.14</b>	-
- Less: Impairment loss allowance	-	-	-
<b>Total - Net</b>	<b>4,332.38</b>	<b>816.14</b>	-

\* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds

#### Disclosure for assets given under finance lease:-

(₹ in Millions)

a) Minimum lease payment receivable for asset given on finance lease	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
- Not later than one year	6.75	5.91	-
- Later than one year and not later than five years	22.92	26.23	-
- Later than five year	-	1.96	-
<b>Total</b>	<b>29.68</b>	<b>34.10</b>	-
<b>b) Unearned finance income</b>	1.10	3.88	-

c) The Group have given approx 30,000 sq. ft. of its commercial space on operating lease with a lock in period of 6 years along with FITOUT consist of furniture, fitting, electric work and other beautification work on finance lease and the same will be transferred to the lessee on completion of lock in period at the nominal amount of ₹ 1.

### 7. Investments

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>At amortised cost (i) + (ii) + (iii) = (I)</b>	<b>240.37</b>	<b>444.01</b>	<b>392.56</b>
<b>Non convertible debentures - India Infoline Finance Limited (i)</b>	<b>204.03</b>	<b>407.67</b>	<b>334.73</b>
- 11.25% unsecured redeemable non convertible debentures. Date of maturity September 05, 2020 (Face Value ₹ 10,00,000 each)	204.03	206.83	209.64
- 12.75% unsecured redeemable non convertible debentures. Option I. Date of maturity September 20, 2018 (Face Value ₹ 1,000 each)	-	158.19	110.78
- 12.75% Unsecured redeemable Non Convertible Debentures. Option II. Date of Maturity September 17, 2018 (Face Value ₹ 1,000 each)	-	10.29	6.79
- Zero coupon unsecured redeemable non convertible debentures. Option III. Date of Maturity September 17, 2018 (Face Value ₹ 1,000 each)	-	32.36	7.52

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Non convertible debentures - others (ii)</b>	<b>36.34</b>	<b>36.34</b>	<b>36.34</b>
- Arch Agro Industries Private Limited	36.34	36.34	36.34
<b>Investment in equity share of associates (iii)</b>	<b>-</b>	<b>-</b>	<b>21.49</b>
- IIFL Asset Reconstruction Limited	-	-	21.49
<b>At fair value through profit and loss (i) + (ii) + (iii) + (iv) + (v) = (II)</b>	<b>1,192.14</b>	<b>1,186.92</b>	<b>1,895.97</b>
<b>Mutual Funds (i)</b>	<b>48.29</b>	<b>99.89</b>	<b>800.27</b>
- HDFC Charity Fund for Cancer Cure	20.06	20.06	20.05
- L & T Money Market Fund Direct Plan - Growth	-	79.83	-
- L & T Liquid Fund Direct Plan - Growth	28.23	-	-
- Kotak Liquid Direct Plan Growth	-	-	780.22
<b>Alternate Investment Funds (ii)</b>	<b>1,078.02</b>	<b>1,037.88</b>	<b>1,032.15</b>
- IIFL Special Opportunities Fund Category II AIF Scheme - Class A1	10.35	-	-
- IIFL Special Opportunities Fund - Series 7 Category II AIF Scheme - Class A1	10.33	-	-
- IIFL Special Opportunities Fund - Series 4 Category II AIF Scheme - Class A1	9.28	-	-
- IIFL Income Opportunity Fund Category II AIF - Class S	-	-	3.28
- India Alternative Private Equity Fund - Category II - AIF Class S	613.69	545.41	388.46
- IIFL Income Opportunities Fund Series - Special Situation Category II- AIF	60.05	98.73	131.59
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	374.32	393.74	508.82
<b>Equity shares (iii)</b>	<b>39.72</b>	<b>49.15</b>	<b>63.55</b>
- BSE Limited	39.72	49.15	63.55
- Giskard Datatech Private Limited *	0.00	-	-
<b>Preference shares (iv)</b>	<b>14.51</b>	<b>-</b>	<b>-</b>
- Compulsory convertible preference share of Giskard Datatech Private Limited	14.51	-	-
<b>Debt fund (v)</b>	<b>11.60</b>	<b>-</b>	<b>-</b>
- Piramal - India REIT Fund Scheme V	11.60	-	-
<b>Total - Gross (I) + (II)</b>	<b>1,432.51</b>	<b>1,630.93</b>	<b>2,288.53</b>
- Less: Impairment loss allowance	(36.34)	(36.34)	(36.34)
<b>Total - Net</b>	<b>1,396.17</b>	<b>1,594.59</b>	<b>2,252.19</b>
- Investments outside India	-	-	-
- Investments in India	1,396.17	1,594.59	2,252.19
<b>Total - Net</b>	<b>1,396.17</b>	<b>1,594.59</b>	<b>2,252.19</b>

\*Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million wherever applicable.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 8. Other financial assets

(₹ in Millions)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Receivable from related parties (Refer note 42)	54.43	-	9.87
Interest accrued on deposits/loans and investments	76.20	94.84	42.27
Deposit with exchange	84.75	92.05	145.06
Margin with exchange	148.62	1,031.88	1,337.12
Security deposit with landlords and others (net of provisions)	122.23	125.71	143.13
Clients and exchanges receivables (net of provisions)	5,571.68	9,048.91	8,761.50
Other financial assets	31.74	30.97	34.08
<b>Total</b>	<b>6,089.65</b>	<b>10,424.36</b>	<b>10,473.03</b>

### 9. Deferred tax (As at March 31, 2019)

(₹ in Millions)

Particulars	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	77.67	1.69	-	-	79.36
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	460.60	(32.86)	-	-	427.74
Compensated absences and retirement benefits	12.73	4.14	-	(3.72)	13.15
Minimum alternate tax carry-forward	27.82	6.91	(11.11)	-	23.62
<b>Total deferred tax assets (a)</b>	<b>578.82</b>	<b>(20.12)</b>	<b>(11.11)</b>	<b>(3.72)</b>	<b>543.87</b>
<b>Deferred tax liabilities:</b>					
Depreciation on property, plant and equipment	(0.51)	(0.01)	-	-	(0.52)
Unrealised profit on investments	(82.15)	(4.40)	-	-	(86.55)
Others	(0.12)	0.08	-	-	(0.04)
<b>Total deferred tax liabilities (b)</b>	<b>(82.78)</b>	<b>(4.33)</b>	<b>-</b>	<b>-</b>	<b>(87.11)</b>
<b>Deferred tax assets (a) + (b)</b>	<b>496.04</b>	<b>(24.45)</b>	<b>(11.11)</b>	<b>(3.72)</b>	<b>456.76</b>

### Deferred tax (As at March 31, 2018)

(₹ in Millions)

Particulars	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	66.34	11.33	-	-	77.67
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	266.57	194.03	-	-	460.60
Compensated absences and retirement benefits	5.46	3.05	-	4.22	12.73
Minimum alternate tax carry-forward	52.23	5.88	(30.29)	-	27.82
Others	29.29	(29.29)	-	-	-
<b>Total deferred tax assets (a)</b>	<b>419.89</b>	<b>185.00</b>	<b>(30.29)</b>	<b>4.22</b>	<b>578.82</b>
<b>Deferred tax liabilities:</b>					
Depreciation on property, plant and equipment	-	(0.51)	-	-	(0.51)
Unrealised profit on investments	(46.07)	(36.08)	-	-	(82.15)
Others	0.44	(0.56)	-	-	(0.12)
<b>Total deferred tax liabilities (b)</b>	<b>(45.63)</b>	<b>(37.15)</b>	<b>-</b>	<b>-</b>	<b>(82.78)</b>
<b>Deferred tax assets (a) + (b)</b>	<b>374.26</b>	<b>147.85</b>	<b>(30.29)</b>	<b>4.22</b>	<b>496.04</b>

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

## 10. Investment Property

(₹ in Millions)

Particulars	Land	
	As at March 31, 2019	As at March 31, 2018
<b>Opening block *</b>	<b>51.86</b>	<b>55.63</b>
(Deductions)/Adjustments during the year	(3.48)	(3.77)
Closing block	48.38	51.86
Less : Amortisation	-	-
<b>Net block</b>	<b>48.38</b>	<b>51.86</b>

\* Opening block as at April 01, 2017 is at deemed cost.

### (i) Amounts recognised in profit or loss for investment properties

(₹ in Millions)

Particulars	FY 2018 - 19	FY 2017 - 18
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit from investment properties	-	-

### (ii) Fair value

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment properties	222.57	205.15	187.73

#### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties, where such information is not available, the group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- ready reckoner value / guideline rate as obtained from registrar department ; or
- independent valuer report



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 11. Property, Plant and Equipment (As at March 31, 2019)

(₹ in Millions)

Particulars	Land/ Lease- hold Land	Buildings (including land)	Furni- ture & Fixture	Office Equip- ment	Electrical Equipment	Air Con- ditioner	Com- puters	Vehicles	Total
<b>Cost as at April 01, 2018</b>	<b>1,766.36</b>	<b>3,080.95</b>	<b>207.48</b>	<b>43.04</b>	<b>90.02</b>	<b>6.75</b>	<b>131.21</b>	<b>0.51</b>	<b>5,326.32</b>
Additions	-	301.10	111.49	10.61	32.07	19.92	107.97	-	583.16
Effect of change in foreign currency*	-	-	(0.03)	(0.00)	-	-	(0.01)	-	(0.04)
Deductions/ adjustments**	(1,075.85)	(355.14)	(1.97)	(0.37)	(4.48)	(1.12)	(4.61)	-	(1,443.54)
<b>As at March 31, 2019</b>	<b>690.51</b>	<b>3,026.91</b>	<b>316.97</b>	<b>53.28</b>	<b>117.61</b>	<b>25.55</b>	<b>234.56</b>	<b>0.51</b>	<b>4,465.90</b>
<b>Depreciation</b>									
<b>As at April 01, 2018</b>	<b>2.79</b>	<b>171.82</b>	<b>63.05</b>	<b>17.86</b>	<b>30.59</b>	<b>1.61</b>	<b>38.30</b>	<b>0.51</b>	<b>326.53</b>
Depreciation for the year	1.42	190.22	81.41	13.34	28.84	5.01	65.23	-	385.47
Effect of change in foreign currency	-	-	(0.01)	(0.01)	-	-	(0.01)	-	(0.03)
Deductions/ adjustments**	(3.25)	(72.28)	(1.61)	(0.33)	(2.80)	(0.68)	(4.58)	-	(85.53)
<b>Upto March 31, 2019</b>	<b>0.96</b>	<b>289.76</b>	<b>142.84</b>	<b>30.86</b>	<b>56.63</b>	<b>5.94</b>	<b>98.94</b>	<b>0.51</b>	<b>626.44</b>
<b>As at March 31, 2019</b>	<b>689.55</b>	<b>2,737.15</b>	<b>174.13</b>	<b>22.42</b>	<b>60.98</b>	<b>19.61</b>	<b>135.62</b>	<b>-</b>	<b>3,839.46</b>

\*Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million wherever applicable.

### 11. Property, Plant and Equipment (As at March 31, 2018)

(₹ in Millions)

Particulars	Land/ Lease- hold Land	Buildings (Including Land)	Furni- ture & Fixture	Office Equip- ment	Electrical Equipment	Air Con- ditioner	Com- puters	Vehicles	Total
<b>Cost as at April 01, 2017@#</b>	<b>1,766.36</b>	<b>2,593.83</b>	<b>126.19</b>	<b>31.65</b>	<b>65.35</b>	<b>6.93</b>	<b>41.18</b>	<b>1.18</b>	<b>4,632.67</b>
Additions	-	487.12	90.70	12.25	28.62	1.70	91.57	-	711.96
Effect of change in foreign currency*	-	-	0.01	0.00	-	-	0.01	-	0.02
Deductions/ adjustments	-	-	(9.42)	(0.86)	(3.95)	(1.88)	(1.55)	(0.67)	(18.33)
<b>As at March 31, 2018</b>	<b>1,766.36</b>	<b>3,080.95</b>	<b>207.48</b>	<b>43.04</b>	<b>90.02</b>	<b>6.75</b>	<b>131.21</b>	<b>0.51</b>	<b>5,326.32</b>
<b>Depreciation</b>									
<b>As at April 01, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	2.79	171.82	66.69	18.57	32.07	2.41	39.48	0.51	334.34
Effect of change in foreign currency*	-	-	0.01	0.00	-	-	0.01	-	0.02
Deductions / adjustments	-	-	(3.65)	(0.71)	(1.48)	(0.80)	(1.19)	-	(7.83)
<b>Upto March 31, 2018</b>	<b>2.79</b>	<b>171.82</b>	<b>63.05</b>	<b>17.86</b>	<b>30.59</b>	<b>1.61</b>	<b>38.30</b>	<b>0.51</b>	<b>326.53</b>
<b>As at March 31, 2018</b>	<b>1,763.57</b>	<b>2,909.13</b>	<b>144.43</b>	<b>25.18</b>	<b>59.43</b>	<b>5.14</b>	<b>92.91</b>	<b>-</b>	<b>4,999.79</b>

@ Cost as at April 01, 2017 includes of assets acquired under the Composite Scheme of Arrangement for ₹ 7.30 Millions (refer note 1.1)

# Cost as at April 01, 2017 is at deemed cost.

\*\* Please refer note 13 for assets held for sale.

\* Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million wherever applicable.

#### Note :-

(a) Capital work in progress ₹ 859.01 Millions (as at March 31, 2018 ₹ 840.11 Millions and as at April 01, 2017 ₹ 639.04 Millions) pertains to assets not yet capitalised.

(b) Please refer to note 40 for assets given on pledge.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 12. Other intangible assets

(₹ in Millions)

Particulars	Software		Goodwill
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
<b>Cost as at April 1 @ * #</b>	<b>91.06</b>	<b>12.87</b>	<b>1.14</b>
Additions due to Composite Scheme of Arrangement (Refer note 1.1)	-	0.83	-
Additions due to business combination	-	-	2.15
Other additions	12.37	77.36	-
<b>Cost as at March 31</b>	<b>103.43</b>	<b>91.06</b>	<b>3.29</b>
<b>Amortisation</b>			
As at April 1	27.47	-	-
Amortisation/impairment for the year	33.51	27.47	3.29
<b>As at March 31</b>	<b>60.98</b>	<b>27.47</b>	<b>3.29</b>
<b>Net Block</b>	<b>42.45</b>	<b>63.59</b>	<b>-</b>

@ Cost as at April 01, 2017 includes of assets acquired under the Composite Scheme of Arrangement for ₹ 5.30 Millions (Please Refer note 1.1)

\* Cost as at April 01, 2017 is at deemed cost.

# Goodwill was created on demerger of "Financial Services undertaking" from IIFL Holdings Limited through the Scheme of Arrangement and the same has been amortised over the period of five years.

### 13. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Building	282.86	-	-
Land	1,072.60	-	-
<b>Total</b>	<b>1,355.46</b>	<b>-</b>	<b>-</b>

### 14. Other non-financial assets

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Service tax/VAT/GST/other tax input credit	0.71	8.26	0.91
Prepaid expense	53.54	35.49	37.75
Capital advance	559.98	27.90	756.66
Other advances	14.55	31.89	39.31
Other non-financial assets	12.88	0.72	3.51
<b>Total</b>	<b>641.66</b>	<b>104.26</b>	<b>838.14</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 15. Payables

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(1) Trade Payable</b>			
- Total outstanding dues of micro enterprises and small enterprises	-	0.03	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	24.30	46.41	30.28
<b>Total (a)</b>	<b>24.30</b>	<b>46.44</b>	<b>30.28</b>
<b>(2) Other Payable</b>			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises			
(a) Provision for expenses	217.79	275.04	386.38
(b) Accrued salaries & benefits	16.86	9.00	7.02
(c) Others	6.45	12.41	22.86
<b>Total (b)</b>	<b>241.10</b>	<b>296.45</b>	<b>416.26</b>
<b>Total (a)+(b)</b>	<b>265.40</b>	<b>342.89</b>	<b>446.54</b>

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	0.03	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 16. Debt Securities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>At amortised cost</b>			
Zero Coupon Secured Non convertible debentures of face value ₹ 1 Million each redeemable on May 12, 2020 at premium (Maturity value ₹ 536.98 Millions)	486.40	445.23	407.55
Zero Coupon Secured Redeemable Non convertible debentures of face value ₹ 1 Million each redeemable on March 20, 2018 at premium (Maturity value ₹ 676.88 Millions)	-	-	626.55
Zero Coupon Secured Non convertible debentures of face value ₹ 1 Million each redeemable on September 14, 2018 at premium (Maturity value ₹ 415.47 Millions)	-	395.88	352.04
<b>Total</b>	<b>486.40</b>	<b>841.11</b>	<b>1,386.14</b>
Debt securities in India	486.40	841.11	1,386.14
Debt securities outside India	-	-	-
<b>Total</b>	<b>486.40</b>	<b>841.11</b>	<b>1,386.14</b>

Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the wholly own subsidiary IIFL Facilities Services Limited was required to create debenture redemption reserve of a value equivalent to 25% of the debentures offered through a private placement on profit available for distribution of dividend. Accordingly, since there was no profits available for the dividend payment during the FY 2017-18 and FY 2018-19 due to unabsorbed losses at that said subsidiaries, Debenture Redemption Reserve account has not been created for the year ended March 31, 2019 and March 31, 2018. The Zero Coupon Secured Non convertible debentures are secured by way of pari passu charge over current assets and fixed assets of the Company. The security cover as required under the terms of the issue of the said debentures is maintained. Please refer to note 40 for details of asset pledged.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>At amortised cost</b>			
<b>(a) Loans from related parties</b>			
- Inter corporate deposits (Refer note 42)	882.50	-	-
<b>(b) Loans repayable on demand</b>			
- Bank overdraft	5.37	437.47	-
- Working capital demand loan	1,000.00	-	-
<b>(c) Other Loan</b>			
- Commercial papers	4,717.35	9,691.14	4,086.68
<b>Total</b>	<b>6,605.22</b>	<b>10,128.61</b>	<b>4,086.68</b>
Borrowings in India	6,605.22	10,128.61	4,086.68
Borrowings outside India	-	-	-
<b>Total</b>	<b>6,605.22</b>	<b>10,128.61</b>	<b>4,086.68</b>

17.1 Inter corporate deposits are borrowed on short term basis as per the business requirement. These ICDs are subject to interest basis CD PSU 3 months average rate +300 bps for borrowings <= 90 days and SBI 1 year MCLR + 200 bps for > 90 days which are comparable with interest charged on such borrowings by the outsiders, applicable rate of interest as at March 31, 2019 @ 10.31%, as at March 31, 2018 @ 9.25% and as at April 01, 2017 @ 9.5%.

17.2 (a) Working capital demand loan (WC DL) and bank overdraft are secured by way of fist pari-passu charge on all receivable to the tune of 1.25 times of the outstanding facility amount. Please refer to note 40 for details of asset pledged.

(b) Tenor of repayment :

(i) For WC DL it varies from 7 days to 365 days of each tranche, principal amount of each tranche is to be paid as bullet payment on maturity date.

(ii) For bank overdraft 30 days or upto validity of facility i.e October 29, 2019 for each tranche.

(c) Interest Rate :

(i) For WC DL current tranche rate of interest is fixed @ 10% p.a (Lending banks MCRL rate 8.70% + Spread 1.30%), interest is payable monthly basis on the last date of each month.

(ii) For Bank overdraft Interest rate is lending bank 6 months MCLR + Spread of 1.25% applicable rate of interest as at March 31, 2019 9.65% and March 31, 2018 9.25%.

17.3 Commercial papers as stated above are net of unexpired discount of ₹ 32.65 Millions (As at March 31, 2018 ₹ 108.86 Millions and as at April 01, 2017 ₹ 63.32 Millions) towards discount accrued but not due.

### 18. Subordinated liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>At amortised cost</b>			
9.30% Unsecured unlisted redeemable non convertible debentures ₹ 1 Million. Series U01. Date of maturity on June 28, 2019	500.38	-	-
9.25% Unsecured non convertible debentures of face value ₹ 1 Million each redeemable on June 20, 2018 at par	-	-	408.73
<b>Total</b>	<b>500.38</b>	<b>-</b>	<b>408.73</b>
Subordinated liabilities in India	500.38	-	408.73
Subordinated liabilities outside India	-	-	-
<b>Total</b>	<b>500.38</b>	<b>-</b>	<b>408.73</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 19. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Book overdraft	1,004.39	87.52	483.17
Deposits received from franchisee, tenant and others#	355.66	393.07	364.09
Payable to joint venture (net of investments)	133.84	98.42	40.24
Provision for gratuity (funded)	10.47	12.78	7.72
Payable to related parties (Refer note 42)	20.52	0.39	4.53
Clients and exchanges payables *	11,360.36	10,190.51	12,773.75
Other payable	96.44	3.57	3.53
<b>Total</b>	<b>12,981.68</b>	<b>10,786.26</b>	<b>13,677.03</b>

\* Includes payable to director and key managerial personnel ₹ 1.12 Millions (March 31, 2018 ₹ 0.03 Millions and April 01, 2017 ₹ 66.83 Millions)

# Includes deposit from related party of ₹ 22.01 Millions (March 31, 2018 ₹ Nil and April 01, 2017 ₹ Nil) (Refer note 42)

### 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for leave encashment	27.19	23.48	19.97
<b>Total</b>	<b>27.19</b>	<b>23.48</b>	<b>19.97</b>

### 21. Other non-financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Income received in advance	3.53	1.25	0.72
Statutory dues (net of input credit)	249.90	225.48	108.44
Advances received from customers			
- Asset held for sale	2,030.00	-	-
- others	22.95	14.60	13.91
Other payable	0.06	0.23	5.64
<b>Total</b>	<b>2,306.44</b>	<b>241.56</b>	<b>128.71</b>



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 22. Equity share capital

#### a. The Authorised, Issued, Subscribed and Paid up Share Capital

(₹ in Millions)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
<b>Authorised Share Capital</b>			
At the beginning of the year	200.00	170.00	170.00
Add: Increase in authorised share capital	-	30.00	-
Closing at the end of year	200.00	200.00	170.00
Less : Authorised share capital to be cancelled under Composite Scheme of Arrangement	(200.00)	(200.00)	(170.00)
500,000,500 Equity Shares of ₹ 2 each fully paid up (as at March 31, 2018 500,000,500 Equity Shares and as at April 01, 2017 : 485,000,500 Equity Shares of ₹ 2 each fully paid up) pursuant to Composite Scheme of Arrangement (Refer note 1.1)	1,000.00	1,000.00	970.00
<b>Issued, Subscribed and Paid-up Share Capital</b>			
18,718,281 Equity Shares of ₹ 10 each fully paid (as at March 31, 2018 : 18,718,281 Equity Shares and as at April 01, 2017 : 16,900,100 Equity Shares of ₹ 10 each fully paid up) to be cancelled due to Composite Scheme of Arrangement (Refer note 1.1)	-	-	-
<b>Share Suspense Account</b>			
319,203,092 Equity Shares of ₹ 2 each fully paid up (as at March 31, 2018 : 318,979,026 Equity Shares and as at April 01, 2017 : 317,908,193 Equity Shares of ₹ 2 each fully paid up) to the shareholders of IIFL Holdings Limited pursuant to Composite Scheme of Arrangement (Refer note 1.1)	638.41	637.96	635.82

#### b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
<b>Equity Shares</b>						
At the beginning of the year	-	-	16,900,100	169.00	16,900,100	169.00
Add: Shares issued during the year	-	-	1,818,181	18.18	-	-
Closing at the end of year	-	-	18,718,281	187.18	16,900,100	169.00
Less : Shares to be cancelled under Composite Scheme of Arrangement (Refer note 1.1)	-	-	(18,718,281)	(187.18)	(16,900,100)	(169.00)
Add : Shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	318,979,026	637.96	317,908,193	635.82	317,908,193	635.82
Add : Further additional shares to be issued pursuant to Composite Scheme of Arrangement (Refer note 1.1)	224,066	0.45	1,070,833	2.14	-	-
<b>Share suspense account</b>	<b>319,203,092</b>	<b>638.41</b>	<b>318,979,026</b>	<b>637.96</b>	<b>317,908,193</b>	<b>635.82</b>

#### c. Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

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

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

**d. Details of shareholders holding more than 5% shares in the Company:**

The list of shareholders to whom the shares to be issued under the Composite Scheme of Arrangement having more than 5% shareholdings are as under.

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
<b>Equity share of ₹ 2 each fully paid up</b>						
FIH Mauritius Investments Ltd.	84,641,445	26.52	84,641,445	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	46,402,000	14.54	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A shares	28,362,530	8.89	28,362,530	8.89	27,910,000	8.78
Mr. Venkataraman Rajamani *	10,984,432	3.44	10,909,432	3.42	19,909,432	6.26
Ms. Madhu N Jain *	12,075,000	3.78	13,700,000	4.29	17,000,000	5.35

\* Position as on March 31, 2019 and March 31, 2018 is given as they were shareholders with more than 5% shareholding as on April 01, 2017.

**e.** During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.

**f.** Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer note 23 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

**23. Other equity**

(₹ in Millions)

Particulars	Reserves and Surplus					Share options outstanding account	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
	Capital reserve	Securities premium	Debt-redeemption reserve	General reserve	Retained earnings				
<b>Balance as at April 01, 2017</b>	<b>1,188.91</b>	<b>749.00</b>	<b>60.01</b>	<b>399.19</b>	<b>1,109.12</b>	-	<b>3.00</b>	-	<b>3,509.23</b>
Total comprehensive income for the year	-	-	-	-	1,805.76	-	-	(8.13)	1,797.63
Appropriation towards dividend paid (including corporate dividend tax)	-	-	-	-	(518.16)	-	-	-	(518.16)
Additions during the year	-	1,481.82	-	-	-	-	-	-	1,481.82
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(677.77)	-	-	-	-	-	-	-	(677.77)
Transfer to capital reserve	506.55	-	-	-	(507.75)	-	-	1.20	-
Other additions	-	-	(14.72)	14.72	-	-	3.18	-	3.18

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Reserves and Surplus					Share options outstanding account	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings				
<b>Balance as at March 31, 2018</b>	<b>1,017.69</b>	<b>2,230.82</b>	<b>45.29</b>	<b>413.91</b>	<b>1,888.97</b>	-	<b>6.18</b>	<b>(6.93)</b>	<b>5,595.93</b>
Total comprehensive income for the year	-	-	-	-	1,714.33	-	-	6.68	1,721.01
Appropriation towards dividend paid (including corporate dividend tax)	-	-	-	-	(413.77)	-	-	-	(413.77)
Addition due to Composite Scheme of Arrangement (Refer note 1.1)	(256.11)	-	-	-	-	-	-	-	(256.11)
Other additions	-	-	-	-	-	21.83	2.14	-	23.97
<b>Balance as at March 31, 2019</b>	<b>761.58</b>	<b>2,230.82</b>	<b>45.29</b>	<b>413.91</b>	<b>3,189.53</b>	<b>21.83</b>	<b>8.32</b>	<b>(0.25)</b>	<b>6,671.03</b>

### Footnotes : Nature and purpose of reserves

- Capital reserves :** Capital reserve is created due to Composite Scheme of Arrangement (Refer note 1.1)
- Securities premium :** Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- Debenture redemption reserve :** Debenture redemption reserve is created Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures offered through a private placement on profit available for distribution of dividend.
- General reserve :** General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.
- Retained earnings :** The balance in retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.
- Share options outstanding account :** Share stock options accounts represents ESOP reserve transferred by IIFL Holdings Limited as part of "Securities Undertaking" against the options to be granted by the Company on effective date for outstanding options under various grants by IIFL Holdings Limited as per the Composite Scheme of Arrangement (Refer note no. 1.1).
- Exchange difference on translation of foreign operations through other comprehensive income :** For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expense are translated at average rates and assets and liabilities are stated at closing rate. Use of such different rates for translation give rise to exchange differences which is accumulated in foreign currency translation reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year ended March 31, 2019 and March 31, 2018.

## 24. Interest income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on loans	219.38	15.87
Interest on deposits with banks *	400.28	270.05
Other interest income	1.72	1.57
<b>Total</b>	<b>621.38</b>	<b>287.49</b>

\* Interest received on fixed deposit with bank which are pledged with exchange for margin money requirement.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 25. Fees and commission income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Brokerage & related income	5,047.93	5,140.85
Investment banking income	334.13	819.74
Commission & other advisory fees (incl. cross sell)	1,803.79	1,544.49
<b>Total</b>	<b>7,185.85</b>	<b>7,505.08</b>

In the following table, Income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated income with the group reportable segments.

(₹ in Millions)

FY 2018-19	Stock Market Activity	Merchant Banking	Facilities & Ancillary	Others	Total
Brokerage and related income	5,240.65		22.37	-	5,263.02
Investment banking income		334.13		-	334.13
Commission & other advisory fees (incl. cross sell)	1,197.09		274.17	352.30	1,823.56
Less : - Inter segment					(234.86)
<b>Total fee and commission income (a)</b>	<b>6,437.74</b>	<b>334.13</b>	<b>296.54</b>	<b>352.30</b>	<b>7,185.85</b>
Rental Income	-	-	790.32	-	790.32
Less : - Inter segment	-	-	-	-	(246.25)
<b>Total rental income (b)</b>	<b>-</b>	<b>-</b>	<b>790.32</b>	<b>-</b>	<b>544.07</b>
<b>Contractual revenue from operations (a) + (b)</b>	<b>6,437.74</b>	<b>334.13</b>	<b>1,086.86</b>	<b>352.30</b>	<b>7,729.92</b>

(₹ in Millions)

FY 2017-18	Stock Market Activity	Merchant Banking	Facilities & Ancillary	Others	Total
Brokerage and related income	5,282.23	-	-	-	5,282.23
Investment banking income		819.74	-	-	819.74
Commission & other advisory fees (incl. cross sell)	1,040.27	-	258.83	262.85	1,561.95
Less : - Inter segment					(158.84)
<b>Total fee and commission income (a)</b>	<b>6,322.50</b>	<b>819.74</b>	<b>258.83</b>	<b>262.85</b>	<b>7,505.08</b>
Rental Income	-	-	736.39	-	736.39
Less : - Inter segment	-	-	-	-	(181.86)
<b>Total rental income (b)</b>	<b>-</b>	<b>-</b>	<b>736.39</b>	<b>-</b>	<b>554.53</b>
<b>Contractual revenue from operations (a) + (b)</b>	<b>6,322.50</b>	<b>819.74</b>	<b>995.22</b>	<b>262.85</b>	<b>8,059.61</b>

### 26. Other income

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Capital gains on Investments	110.93	154.34
Interest income on		
- Investment	72.95	76.74
- Inter corporate deposit/ Lease	101.55	580.13
- Fixed deposits	7.68	4.52
- Income tax refund	14.56	16.74
Gain on derecognition of property, plant and equipment	8.44	10.61
Gain on financial assets measured at fair value through profit & loss account	34.75	140.89
Dividend income	4.60	6.03
Other income	48.89	134.83
<b>Total</b>	<b>404.35</b>	<b>1,124.83</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 27. Finance costs measured at amortised cost

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on borrowings	1,022.44	1,246.79
Interest on debt securities	60.76	127.14
Interest on subordinated liabilities	0.38	23.68
Other finance expense	61.37	47.45
<b>Total</b>	<b>1,144.95</b>	<b>1,445.06</b>

### 28. Fees and commission expense

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Sub-brokerage charges	629.95	772.41
Commission & other advisory fees (incl. cross sell)	204.58	231.11
Others	46.85	64.36
<b>Total</b>	<b>881.38</b>	<b>1,067.88</b>

### 29. Employee benefits expenses

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Salaries and wages	2,423.10	1,993.56
Contribution to provident and other funds	71.92	56.02
Share based payments (Refer note 23)	8.76	14.39
Staff welfare expenses	36.43	29.11
Gratuity	14.49	6.51
Leave encashment	11.65	9.70
<b>Total</b>	<b>2,566.35</b>	<b>2,109.29</b>

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### A Defined benefit plans:

##### (i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Defined benefit obligation at beginning of the year</b>	<b>131.54</b>	<b>123.06</b>
Interest cost	9.90	8.69
Current service cost	13.53	14.56
Past services cost	-	(8.58)
Liability transferred In/ acquisitions	1.05	10.05
(Liability transferred out/ divestments)	(2.00)	(10.30)
(Benefit Paid directly by the employer)	(0.08)	(0.05)
(Benefit paid from the fund)	(14.10)	(16.83)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.58	(9.78)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(16.83)	12.23
Actuarial (gains)/losses on obligations - due to experience	6.85	8.49
<b>Defined benefit obligation at period end</b>	<b>130.44</b>	<b>131.54</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### (ii) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Change in the fair value of plan assets</b>		
<b>Fair value of plan assets at beginning of the year</b>	<b>118.76</b>	<b>115.34</b>
Interest income	8.94	8.16
Contributions by the employer	5.37	13.50
Expected return on plan assets (excluding interest)	1.00	(1.41)
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	(14.10)	(16.83)
<b>Fair value of plan assets at the end of the period</b>	<b>119.97</b>	<b>118.76</b>

### (iii) Amount recognised in the balance sheet

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>(Present value of benefit obligation at the end of the period)</b>	<b>(130.44)</b>	<b>(131.54)</b>
Fair value of Plan Assets at the end of the year/period	119.97	118.76
Net (liability)/asset recognised in the balance sheet (surplus/ (deficit))	(10.47)	(12.78)

### (iv) Expenses recognised during the period

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>In income statement</b>		
Current service cost	13.53	14.56
Net interest Cost	0.96	0.53
Past service cost	-	(8.58)
<b>Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"</b>	<b>14.49</b>	<b>6.51</b>
<b>In other comprehensive income</b>		
Actuarial (gains)/losses on obligation for the period	(9.40)	10.94
Return on plan assets, excluding interest income	(1.00)	1.41
<b>Net (income)/expense for the period recognised in OCI</b>	<b>(10.40)</b>	<b>12.35</b>

### (v) Balance sheet reconciliation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Opening net liability</b>	<b>12.78</b>	<b>7.72</b>
Expenses recognised in statement of profit or loss	14.49	6.51
Expenses recognised in OCI	(10.40)	12.35
Net liability/(asset) Transfer In	1.05	10.05
Net (liability)/asset Transfer Out	(2.00)	(10.30)
(Benefit paid directly by the employer)	(0.08)	(0.05)
(Employer's contribution)	(5.37)	(13.50)
<b>Net liability/(asset) recognised in the balance sheet</b>	<b>10.47</b>	<b>12.78</b>



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### (vi) Investment Details :

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Category of assets</b>		
Insurance fund	119.97	118.76
<b>Total</b>	<b>119.97</b>	<b>118.76</b>

### (vii) Actuarial assumptions

Mortality Table (IALM)	FY 2018-19	FY 2017-18
Expected return on plan assets	6.69% - 7.79 %	7.50% to 7.73%
Rate of discounting	6.69% - 7.79 %	7.50% to 7.73%
Rate of salary increase	5% to 9%	5% to 11%
Rate of employee turnover	For service 4 years and below 31% - 49% p.a. & thereafter 1%- 6% p.a.	For service 4 years and below 23% to 52% p.a. & thereafter 1% to 6% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the group policy for plan assets management.

### (viii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
<b>Projected benefit obligation on current assumptions</b>	<b>130.44</b>	<b>131.54</b>
Delta effect of +1% change in rate of discounting	(10.11)	(11.35)
Delta effect of -1% change in rate of discounting	11.76	13.33
Delta effect of +1% change in rate of salary increase	9.58	10.69
Delta effect of -1% change in rate of salary increase	(8.82)	(9.67)
Delta effect of +1% change in rate of employee turnover	2.81	1.35
Delta effect of -1% change in rate of employee turnover	(3.19)	(1.56)
Weighted average duration of the projected benefit obligation	15	14

These plans typically expose the group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :-** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds

**Interest risk :-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments

**Longevity risk :-** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :-** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### (ix) Maturity analysis of the benefit payments: from the fund

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
1st following year	16.54	13.63
2nd following year	9.07	8.10
3rd following year	9.14	8.28
4th following year	9.06	8.44
5th following year	10.38	8.46
6 to 10 years	47.89	46.77
Year 11 and above	197.20	241.03

### B Defined contribution plans:

The subsidiary companies have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Contribution to Provident Fund	31.81	23.53
Contribution to ESIC	5.07	5.30
Contribution to Labour Welfare Fund	0.06	0.05
Contribution to EPS	22.27	18.64
Contribution to NPS	1.42	0.74
Other funds	11.29	7.76
<b>Total</b>	<b>71.92</b>	<b>56.02</b>

### 30. Depreciation, amortisation and impairment

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Depreciation on property, plant and equipment	385.47	334.34
Amortisation of intangible asset	33.51	30.76
<b>Total</b>	<b>418.98</b>	<b>365.10</b>

### 31. Others expenses

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Advertisement expense	112.60	46.99
Books & periodicals charges	0.49	0.44
Brokerage and related expenses	0.97	2.46
Bank charges	3.35	7.56
Communication expense	62.21	49.53
Corporate social responsibility expenses (Refer note 39)	30.60	23.29
Custodian charges	19.92	21.97
Directors remuneration & sitting Fees	1.54	1.40
Donation	0.49	3.48
Exchange and statutory charges	9.00	13.86
Franking charges	6.06	7.23
Insurance	2.59	2.99
Legal and professional charges	136.19	134.97
Loss on derecognition of property, plant and equipment	1.28	4.07
Loss on financial assets measured at fair value through profit & loss account	2.64	-

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Marketing and commission expenses	153.72	167.67
Meeting seminar & subscription	6.34	2.44
Office expenses	142.43	107.71
Postage and courier	15.35	14.68
Printing and stationery	15.72	12.81
Expected credit loss (including provision for doubtful and bad debts )	5.38	572.86
Rent, electricity, rates & taxes	132.51	153.26
Repairs & maintenance		
- Computers	2.79	5.67
- Others	22.33	30.32
Remuneration to auditors		
- As auditors - Statutory Audits	5.71	6.52
- Certification work and other matters	0.83	0.67
- Out of pocket expenses	0.25	0.04
Software charges	125.38	181.17
Travelling and conveyance	100.31	103.43
Miscellaneous expenses	8.77	11.62
<b>Total</b>	<b>1,127.75</b>	<b>1,691.11</b>

### 32. Income Tax

Amount recognised in profit or loss		
(₹ in Millions)		
Particulars	FY 2018-19	FY 2017-18
<b>Current tax expenses</b>		
Current Year	839.08	1,055.52
Changes in estimates related to prior years	(3.96)	16.01
<b>Deferred tax expenses</b>		
Origination and reversal of temporary differences	31.36	(141.98)
<b>Total</b>	<b>866.48</b>	<b>929.55</b>

Reconciliation of effective tax rates		
(₹ in Millions)		
Particulars	FY 2018-19	FY 2017-18
Profit before tax	2,580.81	2,735.31
Tax using domestic tax rates	34.944%	34.608%
Tax amount	901.84	946.64
Tax effect of :		
Non-deductible expenses	17.49	26.90
Differential tax rate on Income	(22.93)	(36.23)
Change in income tax rate	1.00	3.02
Adjustment in respect of current income tax of prior years	(3.96)	16.01
Differential rate in subsidiaries and associates	(31.72)	(1.43)
Tax-exempt income		
- Dividend	(1.60)	(2.09)
- Others	(3.60)	(3.01)
Tax Impact due to Composite Scheme of Arrangement (Refer note 1.1)	-	(2.92)
Recognition of previously unrecognised deductible temporary differences	9.96	(17.34)
<b>Total income tax expense</b>	<b>866.48</b>	<b>929.55</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 33. Earnings per equity share

Particulars		FY 2018-19	FY 2017-18
Face value of equity shares in ₹ fully paid up		2	2
<b>BASIC</b>			
Profit after tax as per statement of profit and loss (₹ in Millions)	<b>A</b>	1,714.33	1,805.76
Weighted average number of equity shares outstanding	<b>B</b>	319,061,399	318,293,090
<b>Basic EPS (In ₹)</b>	<b>A/B</b>	5.37	5.67
<b>DILUTED</b>			
Weighted average number of equity shares for computation of basic EPS		319,061,399	318,293,090
Add: Potential equity shares on conversion of Employees Stock Options (Refer note 23)		383,975	-
Weighted average number of equity shares for computation of diluted EPS	<b>C</b>	319,445,374	318,293,090
<b>Diluted EPS (In ₹)</b>	<b>A/C</b>	5.37	5.67

## Notes forming part of Consolidated Financial Statements

### For the year ended March 31, 2019 (Contd.)

#### 34. Maturity Analysis of Assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017		
	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>							
<b>1. Financial Assets</b>							
(a) Cash and cash equivalents	4,812.23	4,812.23	-	3,877.35	-	-	1,533.68
(b) Bank balance other than (a) above	5,838.29	5,822.79	15.50	4,640.92	35.41	-	2,889.90
(c) Receivables							25.28
(i) Trade receivables	248.37	248.37	-	252.74	-	-	209.06
(ii) Other receivables	81.53	81.53	-	65.05	-	-	93.85
(d) Loans	4,332.38	4,309.46	22.92	816.14	787.95	28.19	-
(e) Investments	1,396.17	1,24.83	1,271.34	1,594.59	379.39	1,215.20	784.51
(f) Other financial assets	6,089.65	5,886.37	203.28	10,424.36	10,186.72	237.64	10,473.03
<b>Sub-total</b>	<b>22,798.62</b>	<b>21,285.58</b>	<b>1,513.04</b>	<b>21,706.56</b>	<b>20,190.12</b>	<b>1,516.44</b>	<b>17,451.71</b>
<b>2. Non-Financial Assets</b>							
(a) Current tax assets (net)	457.72	-	457.72	356.68	-	356.68	353.64
(b) Deferred tax assets (net)	456.76	-	456.76	496.04	-	496.04	374.26
(c) Investment property	48.38	-	48.38	51.86	-	51.86	55.63
(d) Property, Plant and Equipment	3,839.46	-	3,839.46	4,999.79	-	4,999.79	4,632.67
(e) Capital work-in-progress	859.01	-	859.01	840.11	-	840.11	639.04
(f) Goodwill	-	-	-	-	-	-	1.14
(g) Other intangible assets	42.45	-	42.45	63.59	-	63.59	12.87
(h) Assets held for sale	1,355.46	1,355.46	-	-	-	-	-
(i) Other non-financial assets	641.66	68.60	573.06	104.26	79.53	24.73	838.14
<b>Sub-total</b>	<b>7,700.90</b>	<b>1,424.06</b>	<b>6,276.84</b>	<b>6,912.33</b>	<b>79.53</b>	<b>6,832.80</b>	<b>6,907.39</b>
<b>Total Assets</b>	<b>30,499.52</b>	<b>22,709.64</b>	<b>7,789.88</b>	<b>28,618.89</b>	<b>20,269.65</b>	<b>8,349.24</b>	<b>24,359.10</b>
							<b>15,671.23</b>
							<b>8,687.87</b>

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months
<b>LIABILITIES</b>						
<b>1. Financial Liabilities</b>						
(a) Payables						
(i) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	0.03	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24.30	24.30	46.41	-	30.28	-
(ii) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	241.10	241.10	296.45	-	416.26	-
(b) Debt securities	486.40	-	841.11	445.23	626.56	759.58
(c) Borrowings (other than debt securities)	6,605.22	6,605.22	10,128.61	-	4,086.68	-
(d) Subordinated liabilities	500.38	500.38	-	-	408.73	-
(e) Other financial liabilities	12,981.68	12,620.80	10,786.26	400.79	13,317.37	359.66
<b>Sub-total</b>	<b>20,839.08</b>	<b>19,991.80</b>	<b>22,098.87</b>	<b>846.02</b>	<b>18,477.15</b>	<b>1,527.97</b>
<b>2. Non-Financial Liabilities</b>						
(a) Current tax liabilities (net)	17.37	17.37	21.09	-	60.25	-
(b) Provisions	27.19	6.25	23.48	18.89	4.22	15.75
(c) Other non-financial liabilities	2,306.44	2,305.29	241.56	0.90	127.81	0.90
<b>Sub-total</b>	<b>2,351.00</b>	<b>2,328.91</b>	<b>286.13</b>	<b>19.79</b>	<b>192.28</b>	<b>16.65</b>
<b>Net</b>	<b>7,309.44</b>	<b>388.93</b>	<b>6,233.89</b>	<b>7,483.43</b>	<b>4,145.05</b>	<b>7,143.25</b>



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 35. Financial Risk Management

#### A.1. Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

#### Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2019			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	179.41	85.18	84.05	348.64
Less : Impairment loss allowance	-	(16.22)	(84.05)	(100.27)
<b>Carrying amount</b>	<b>179.41</b>	<b>68.96</b>	<b>-</b>	<b>248.37</b>
Other financial assets	4,569.12	2,244.87	421.27	7,235.26
Less : Impairment loss allowance	-	(724.34)	(421.27)	(1,145.61)
<b>Carrying amount</b>	<b>4,569.12</b>	<b>1,520.53</b>	<b>-</b>	<b>6,089.65</b>

(₹ in Millions)

Particulars	As at March 31, 2018			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	141.46	131.34	80.67	353.47
Less : Impairment loss allowance	-	(20.06)	(80.67)	(100.73)
<b>Carrying amount</b>	<b>141.46</b>	<b>111.28</b>	<b>-</b>	<b>252.74</b>
Other financial assets	7,137.51	4,208.84	303.29	11,649.64
Less : Impairment loss allowance	-	(921.99)	(303.29)	(1,225.28)
<b>Carrying amount</b>	<b>7,137.51</b>	<b>3,286.85</b>	<b>-</b>	<b>10,424.36</b>

(₹ in Millions)

Particulars	As at April 01, 2017			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	133.87	103.07	20.06	257.00
Less : Impairment loss allowance	-	(27.88)	(20.06)	(47.94)
<b>Carrying amount</b>	<b>133.87</b>	<b>75.19</b>	<b>-</b>	<b>209.06</b>
Other financial assets	7,684.29	3,455.42	58.01	11,197.72
Less : Impairment loss allowance	-	(666.68)	(58.01)	(724.69)
<b>Carrying amount</b>	<b>7,684.29</b>	<b>2,788.74</b>	<b>-</b>	<b>10,473.03</b>

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

Movement of ECL (Trade receivable and other financial assets) (₹ in Millions)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
<b>April 01, 2017</b>	<b>694.56</b>	<b>78.07</b>	<b>772.63</b>
Increase/(Decrease) net	247.49	305.89	553.38
<b>March 31, 2018</b>	<b>942.05</b>	<b>383.96</b>	<b>1,326.01</b>
Increase/(Decrease) net	(201.49)	121.36	(80.13)
<b>March 31, 2019</b>	<b>740.56</b>	<b>505.32</b>	<b>1,245.88</b>

### A.2. Collateral held

The group holds collateral of securities and other credit enhancements against its credit exposures.

### A.3. Measurement of ECL

The group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### 35B. Liquidity risk

Liquidity risk arises from the group inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the group cash flow position and ensures that the Group is able to meet its financial obligation at all times including contingencies.

The table below analyse the groups financial liability into relevant maturity grouping based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

**As at March 31, 2019** (₹ in Millions)

Particulars	Carrying amount	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	265.40	265.40	-	-	-
Non convertible debentures	986.78	500.38	486.40	-	-
Commercial paper	4,717.35	4,717.35	-	-	-
Bank overdraft	5.37	5.37	-	-	-
Working capital demand loan	1,000.00	1,000.00	-	-	-
Inter corporate deposit	882.50	882.50	-	-	-
Other financial liabilities	12,981.68	12,620.80	323.41	37.47	-
<b>Total liabilities</b>	<b>20,839.08</b>	<b>19,991.80</b>	<b>809.81</b>	<b>37.47</b>	-

**As at March 31, 2018** (₹ in Millions)

Particulars	Carrying amount	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	342.89	342.89	-	-	-
Non convertible debentures	841.11	395.88	445.23	-	-
Commercial Paper	9,691.14	9,691.14	-	-	-
Bank overdraft	437.47	437.47	-	-	-
Other financial liabilities	10,786.26	10,385.47	372.39	28.40	-
<b>Total liabilities</b>	<b>22,098.87</b>	<b>21,252.85</b>	<b>817.62</b>	<b>28.40</b>	-

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

**As at April 01, 2017** (₹ in Millions)

Particulars	Carrying amount	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	446.54	446.54	-	-	-
Non convertible debentures	1,794.87	626.55	1,168.32	-	-
Commercial Paper	4,086.68	4,086.68	-	-	-
Other financial liabilities	13,677.03	13,317.38	348.18	11.47	-
<b>Total liabilities</b>	<b>20,005.12</b>	<b>18,477.15</b>	<b>1,516.50</b>	<b>11.47</b>	<b>-</b>

### 35C. Market risk

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

#### C.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the group exposure to the risk of changes in market interest rates relates primarily to the group long-term debt and non current investment.

Group business is volatile and hence borrowings are done based on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost of borrowings on variable interest rate

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Bank overdraft	5.37	437.47	-
Inter corporate deposit	882.50	-	-
Working capital demand loan	1,000.00	-	-
<b>Total</b>	<b>1,887.87</b>	<b>437.47</b>	<b>-</b>
weighted average rate	9.99%	9.25%	-
Annualised interest cost	188.60	40.47	-

Sensitivity analysis for impact on interest cost

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Increase in 1% change in ROI	18.88	4.37	-
Decrease in 1% change in ROI	(18.88)	(4.37)	-

#### C.2. Fair value sensitivity analysis for fixed-rate instruments

The groups fixed-rate financial liabilities (commercial paper & non convertible debentures) are carried at amortised cost. Therefore there is no risk of change in interest rates at the reporting date, since neither the carrying amount nor the future cash flows will fluctuate.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### C.3. Exposure to currency risks

The group is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign asset and liability

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Foreign currency in Millions	₹ in Millions	Foreign currency in Millions	₹ in Millions	Foreign currency in Millions	₹ in Millions
Foreign currency assets						
USD	1.47	102.46	1.56	99.75	0.96	62.08
HKD	-	-	-	-	-	-
AED	-	-	-	-	-	-
GBP	0.27	24.18	0.35	31.72	0.35	28.25
Foreign currency liabilities						
USD	0.51	35.70	0.44	27.97	0.22	14.35
HKD	-	-	0.01	0.05	-	-
AED	-	-	-	-	0.25	4.39
GBP	0.09	8.10	0.09	8.10	0.10	8.43
Net gap						
USD	0.96	66.76	1.12	71.78	0.74	47.74
HKD	-	-	(0.01)	(0.05)	-	-
AED	-	-	-	-	(0.25)	(4.39)
GBP	0.18	16.09	0.26	23.62	0.24	19.82

The effect of upward movement of 5% in the exchange rate increase the profit/reserve by ₹ 4.14 Millions and downward movement of 5% will reduce profit/reserve by ₹ 4.14 Millions for FY 2019-20.

### C.4 Exposure to price risk

The group exposure to price risk arising from investment held by the group and is classified in the balance sheet through fair value through profit & loss account. Group has majorly invested in Alternate Investment Funds under various scheme and its exposure.

(₹ in Millions)

Particulars	Equity Shares	Mutual Funds	Alternate Investment Funds	Preference Shares	Debt Fund	Total
Market value as on March 31, 2019	39.72	48.29	1,078.02	14.51	11.60	1,192.14
Market value as on March 31, 2018	49.15	99.89	1,037.88	-	-	1,186.92
Market value as on April 01, 2017	63.55	800.27	1,032.15	-	-	1,895.97

The effect of upward movement of 5% in the price affects the projected net income by ₹ 59.61 Millions and downward movement of 5%, the projected net loss will be ₹ 59.61 Millions for FY 2019-20.

### 35D. Capital Management

The group's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using debt equity ratio

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

The group strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Millions)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Total debt	7,592.00	10,969.72	5,881.55
Cash & cash equivalent (excluding client bank balance)	(1,400.37)	(1,179.53)	(582.35)
<b>Net debt</b>	<b>6,191.63</b>	<b>9,790.19</b>	<b>5,299.20</b>
Total equity	7,309.44	6,233.89	4,145.05
<b>Debt to Equity</b>	<b>0.85</b>	<b>1.57</b>	<b>1.28</b>

### 35E. Fair values of financial instruments

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

#### E.1. Financial instruments measured at fair value - Fair value hierarchy

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurement as at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual fund	48.29	-	-	48.29
Equity instruments *	39.72	-	0.00	39.72
Preference shares	-	-	14.51	14.51
Alternate investment funds	-	-	1,078.02	1,078.02
Debt fund	-	-	11.60	11.60
<b>Total Assets</b>	<b>88.01</b>	<b>-</b>	<b>1,104.13</b>	<b>1,192.14</b>

\*Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million wherever applicable.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurement as at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual fund	99.89	-	-	99.89
Equity instruments	49.15	-	-	49.15
Alternate investment funds	-	-	1,037.88	1,037.88
<b>Total Assets</b>	<b>149.04</b>	<b>-</b>	<b>1,037.88</b>	<b>1,186.92</b>

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurement as at April 01, 2017			
	Level 1	Level 2	Level 3	Total
Mutual fund	800.27	-	-	800.27
Equity instruments	63.55	-	-	63.55
Alternate investment funds	-	-	1,032.15	1,032.15
<b>Total Assets</b>	<b>863.82</b>	<b>-</b>	<b>1,032.15</b>	<b>1,895.97</b>

### E.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

(₹ in Millions)

Particulars	As at March 31, 2019				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in non convertible debentures (at cost and net of impairment)	-	201.30	-	201.30	204.03
Cash and cash equivalents	-	-	-	-	4,812.23
Bank balance	-	-	-	-	5,838.29
Trade and other receivable	-	-	-	-	329.90
Loans	-	-	-	-	4,332.38
Security deposit with landlords	-	-	43.34	43.34	56.20
Security deposit others	-	-	-	-	66.03
Other financial assets	-	-	-	-	5,967.42
<b>Total Assets</b>	<b>-</b>	<b>201.30</b>	<b>43.34</b>	<b>244.65</b>	<b>21,606.48</b>
<b>Liabilities</b>					
Borrowings (other than debt securities)	-	-	-	-	6,605.22
Non convertible debentures (Long term)	-	480.30	-	480.30	486.40
Non convertible debentures (Current maturity)	-	-	-	-	500.38
Trade and other payables	-	-	-	-	265.40
Security deposit from tenants	-	-	124.18	124.18	156.02
Security deposit others	-	-	-	-	199.64
Other financial liabilities	-	-	-	-	12,626.02
<b>Total Liabilities</b>	<b>-</b>	<b>480.30</b>	<b>124.18</b>	<b>604.48</b>	<b>20,839.08</b>



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in non convertible debentures (at cost and net of impairment)	227.63	208.16	-	435.79	407.67
Cash and cash equivalents	-	-	-	-	3,877.35
Bank balance	-	-	-	-	4,676.33
Trade and other receivable	-	-	-	-	317.79
Loans	-	-	-	-	816.14
Security deposit with landlords	-	-	52.87	52.87	66.93
Security deposit others	-	-	-	-	58.78
Other financial assets	-	-	-	-	10,298.65
<b>Total Assets</b>	<b>227.63</b>	<b>208.16</b>	<b>52.87</b>	<b>488.66</b>	<b>20,519.64</b>
<b>Liabilities</b>					
Borrowings (other than debt securities)	-	-	-	-	10,128.61
Non convertible debentures (Long term)	-	844.89	-	844.89	841.11
Trade and other payables	-	-	-	-	342.89
Security deposit from tenants	-	-	105.89	105.89	122.82
Security deposit others	-	-	-	-	270.25
Other financial liabilities	-	-	-	-	10,393.19
<b>Total Liabilities</b>	<b>-</b>	<b>844.89</b>	<b>105.89</b>	<b>950.77</b>	<b>22,098.87</b>

(₹ in Millions)

Particulars	As at April 01, 2017				
	Level 1	Level 2	Level 3	Total fair value	At amortised cost
<b>Assets</b>					
Investment in non convertible debentures (at cost and net of impairment)	131.16	211.14	-	342.30	334.73
Investment in equity share of associates (at cost)	-	-	-	-	21.49
Cash and cash equivalents	-	-	-	-	1,533.68
Bank balance	-	-	-	-	2,889.90
Trade and other receivable	-	-	-	-	302.91
Security deposit with landlords	-	-	64.29	64.29	82.01
Security deposit others	-	-	-	-	61.12
Other financial assets	-	-	-	-	10,329.90
<b>Total Assets</b>	<b>131.16</b>	<b>211.14</b>	<b>64.29</b>	<b>406.58</b>	<b>15,555.74</b>
<b>Liabilities</b>					
Borrowings (other than debt securities)	-	-	-	-	4,086.68
Non convertible debentures (Long term)	-	1,174.61	-	1,174.61	1,168.32
Non convertible debentures (Current maturity)	-	-	-	-	626.55
Trade and other payables	-	-	-	-	446.54
Security deposit from tenants	-	-	86.55	86.55	97.20
Security deposit others	-	-	-	-	266.89
Other financial liabilities	-	-	-	-	13,312.94
<b>Total Liabilities</b>	<b>-</b>	<b>1,174.61</b>	<b>86.55</b>	<b>1,261.16</b>	<b>20,005.12</b>

**Note:** The carrying amount of financial assets and financial liabilities whose fair value are not disclosed above and that are not measured at fair value are approximation of fair value.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### E.3. Measurement of fair value

The fair values of Investments in Equity share and Bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase/(decrease) as below
<b>Financial Assets:</b>				
Investment in non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
Investment in Alternate Investment Funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
Investment in Preference shares/ Equity share	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is valued using input based on information / other data that are available	Not Applicable	Not Applicable	Not Applicable
<b>Financial Liabilities:</b>				
Non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
Deposit	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Discount Rate	6.25% - 6.85% based in SBI FD Rate for respective period of Deposit	Not Applicable

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 36. Capital and other commitments at Balance Sheet date

(₹ in Millions)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i)	Capital commitment	65.74	60.73	80.68
(ii)	Other commitment	60.18	55.53	60.98

### 37. Contingent liabilities

The Group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

(₹ in Millions)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i)	In respect of income tax demands (see note 1)	7.20	7.32	-
(ii)	In respect of service tax demands (see note 2)	342.29	6.52	6.52
(iii)	Bank guarantees	6,050.50	5,639.13	5,499.13
(iv)	In respect of legal case/penalties	107.95	61.23	63.88

#### Notes :

- Amount paid under protest with respect to income tax demand ₹ 7.20 Millions (March 31, 2018 ₹ 7.32 Millions and April 01, 2017 ₹ Nil).
- Amount paid under protest with respect to service tax demand ₹ 12.00 Millions (March 31, 2018 ₹ 0.30 Millions and April 01, 2017 ₹ 0.30 Millions)
- IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited) ("IIFL") was a member of National Spot Exchange Limited (NSEL). NSEL had defaulted in its settlement obligations to investors including pay-out of ₹ 281.66 Cr to IIFL's Clients who traded on the Exchange Platform till July 2013. The matter has been under investigation by EOW, ED, SEBI, SFIO as well as other investigating authorities/Courts and is currently pending. IIFL and its officials have been fully cooperating in the investigations and submitting all the required information's and clarifications to the authorities. IIFL acted as a broker for the investors on NSEL and facilitated execution of the orders of the investors through exchange system as a registered broker as per the Bye-Laws, Rules and circulars of NSEL. As per the Bye-laws and Rules of NSEL, NSEL was the counter party for the trades and it guaranteed settlement of the trades i.e. funds and commodities of the clients. The same was also confirmed by erstwhile commodities regulator Forward Markets Commission vide its order dated December 17, 2013.

Further, the Settlement of outstanding funds pay-out by NSEL to the clients is still pending with various courts, Government and regulatory authorities. The Bombay High Court, constituted a Committee for verifying the claims of the investors and the process for the settlement of their claim is yet to be concluded. The Government of India, Ministry of Corporate Affairs, passed an order dated February 12, 2016, directing amalgamation of NSEL with its holding company i.e. 63 Moons Technologies Ltd. (Erstwhile Financial Technologies (India) Limited), in the larger interest of Public with a view to inter alia leverage the combines assets, capital and reserves and gainful settlements of rights and liabilities of shareholders and creditors. 63 Moons Technologies Ltd. preferred an appeal against the said order before the Bombay High Court and the same has been dismissed. 63 moons technologies has filed a special leave petition (SLP) in the Supreme Court challenging the High Court order directing merger of NSEL with FTIL. A Special Leave Petition (SLP) was filed by 63 Moons Technologies Ltd. in the Supreme Court challenging the Order of the High Court directing merger of NSEL with 63 Moons Technologies Ltd.. The Supreme Court of India on April 30, 2019 set aside the Order of MCA to merge NSEL with FTIL.

SEBI vide its Order dated February 22, 2019, declared IIFL is "not a fit and proper person" to hold directly or indirectly, the certificate of registration as a commodity derivative broker and rejected the application dated December 23, 2015 filed by IIFL and also directed that IIFL shall cease to act, directly or indirectly, as a commodity derivatives broker. IIFL has preferred an Appeal against the said SEBI Order dated February 22, 2019 before the Securities Appellate Tribunal, Mumbai on April 11, 2019. The matter is yet to be listed.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

### 38. Minimum lease rentals outstanding on assets taken on operating lease

(₹ in Millions)

Minimum Lease Rentals	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Due for			
- Up to One year	73.34	58.70	34.63
- One to Five years	91.89	85.91	20.13

### 39. Corporate social responsibility

During the year ended March 31, 2019 the Group spent ₹ 30.60 Millions (Previous year ended March 31, 2018 ₹ 23.29 Millions) out of the total amount of ₹ 30.60 Millions (Previous year ended March 31, 2018 ₹ 23.39 Millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation.

### 40. Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Financial assets</b>			
<b>First charge</b>			
Trade & other receivables	7.02	14.39	39.70
Cash and bank balance	-	-	71.57
Investments	-	-	1,423.92
Other financial assets	6,669.10	9,476.55	-
<b>Non-financial assets</b>			
<b>First charge</b>			
Freehold buildings	117.86	129.91	156.03
<b>Total assets pledged as security</b>	<b>6,793.98</b>	<b>9,620.85</b>	<b>1,691.22</b>

### 41. Disclosure as per Ind AS -108 "Segment Reporting"

The Group has reported segment information as per Indian Accounting Standard (Ind AS ) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified four reportable segments namely i) Stock market activity ii) Investment banking iii) Facility & ancillary iv) Others.

Business Segment	Principal activities
i) Stock market activity	Broking and other related activities including distribution of financial services spaces offering capital market services such as equity/ currency/ commodity broking, depository participant services and third party financial product distribution services.
ii) Investment banking	Merchant banking business.
iii) Facility & ancillary	Facilities and ancillary services includes real estate broking and other advisory services.
iv) Others	Insurance broking services and other ancillary services.

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

As at March 31, 2019

(₹ in Millions)

Particulars	Stock Market Activity	Investment Banking	Facilities & Ancillary	Others	Total
<b>I Segment revenue</b>					
a External	7,121.28	334.13	1,454.02	370.27	9,279.70
Inter segment revenue					(524.05)
<b>Total revenue</b>					<b>8,755.65</b>
<b>II Results</b>					
a Segment result	2,037.24	240.77	219.72	173.70	2,671.43
Less : - Unallocated					(90.62)
<b>Profit before tax</b>					<b>2,580.81</b>
b Interest income	1,377.58	-	172.79	4.03	1,554.40
Add : - Unallocated					14.56
<b>Net interest income</b>					<b>1,568.96</b>
c Interest expense	485.32	-	659.62	0.01	1,144.95
Add : - Unallocated					-
<b>Net Interest expense</b>					<b>1,144.95</b>
d Current tax					866.48
e Net profit after tax					1,714.33
<b>III Segment assets</b>	18,400.76	39.23	10,955.09	189.96	29,585.04
Add : - Unallocated corporate assets					914.48
<b>Net assets</b>					<b>30,499.52</b>
<b>IV Segment liabilities</b>	13,167.86	9.73	9,974.95	20.16	23,172.70
Add : - Unallocated corporate liabilities					17.37
<b>Net liabilities</b>					<b>23,190.07</b>
<b>V Capital expenditure</b>	143.01	-	442.94	28.46	614.41
<b>VI Depreciation</b>	117.65	-	288.59	12.74	418.98

As at March 31, 2018

(₹ in Millions)

Particulars	Stock Market Activity	Investment Banking	Facilities & Ancillary	Others	Total
<b>I Segment revenue</b>					
a <b>External</b>	6,978.25	819.74	1,729.57	304.79	9,832.35
Inter segment revenue					(360.42)
<b>Total revenue</b>					<b>9,471.93</b>
<b>II Results</b>					
a Segment result	1,726.77	743.74	53.72	211.08	2,735.31
Less : - Unallocated					-
<b>Profit before tax</b>					<b>2,735.31</b>
b Interest income	674.08	-	563.48	-	1,237.56
Add : - Unallocated					16.74
<b>Net interest income</b>					<b>1,254.30</b>
c Interest expense	361.69	-	1,083.37	-	1,445.06
Add : - Unallocated					-
<b>Net Interest expense</b>					<b>1,445.06</b>
d Current tax					929.55
e Net profit after tax					1,805.76
<b>III Segment assets</b>	20,482.47	39.23	6,986.50	257.98	27,766.18
Add : - Unallocated corporate assets					852.71
<b>Net assets</b>					<b>28,618.89</b>
<b>IV Segment liabilities</b>	16,457.37	26.58	5,867.93	12.03	22,363.91
Add : - Unallocated corporate liabilities					21.09
<b>Net liabilities</b>					<b>22,385.00</b>
<b>V Capital expenditure</b>	193.57	-	782.71	14.93	991.21
<b>VI Depreciation</b>	107.95	-	251.79	5.36	365.10

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

## 42. Related parties disclosures

### (i) List of related parties where control exists as on March 31, 2019

Relationship	Name of the related party
<b>Director</b>	Mr. Venkataraman Rajamani (Director upto November 17, 2016)
	Mr. Mohan Radhakrishnan
	Mr. Narendra Jain
	Mr. Kranti Sinha
	Ms. Geetha Mathur (upto May 08, 2019)
	Mr. Aniruddha Dange
	Mr. Arindam Chanda (from January 24, 2017 to March 26, 2018)
<b>Key Management Personnel</b>	Mr. Arindam Chanda - CEO (from March 27, 2018)
<b>Subsidiaries</b>	India Infoline Foundation
<b>Joint Venture and Associates</b>	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary, IIFL Management Services Limited)
	IIFL Asset Reconstruction Limited (from April 11, 2016 to May 08, 2017)
<b>Other Related Parties * (Fellow subsidiaries upto April 01, 2018)</b>	India Infoline Finance Limited
	IIFL Home Finance Limited
	Samasta Microfinance Limited
	Ayusha Dairy Private Limited
	IIFL Wealth Management Limited
	IIFL Distribution Services Limited
	IIFL Asset Management Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Trustee Limited (Formerly known as India Infoline Trustee Company Limited)
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)
	IIFL Private Wealth (Suisse) SA
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc
	IIFL Capital (Canada) Limited
	IIFL (Asia) Pte Limited
	IIFL Securities Pte Limited
	IIFL Capital Pte Limited
	Clara Developers Private Limited
IIFL Wealth Finance Limited	
IIFL Wealth Securities IFSC Limited	
IIFL Altiore Advisors Private Limited (Formerly known as Altiore Advisors Private Limited)	
IIFL Wealth Advisors(India) Limited (Formerly known as Wealth Advisors (India) Private Limited)	
<b>Other Related Parties (Holding Company upto April 01, 2018) *</b>	IIFL Holdings Limited
<b>Other Related Parties</b>	FIH Mauritius Investments Limited
	Giskard Datatech Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	Mr. Nirmal Jain - Promoter
	Mr. R Venkataraman - Promoter (appointed as Director from May 13, 2019)
	Orpheous Trading Private Limited
	India Infoline Employee Trust
	Sunder Bhanwar Holiday Home Private Limited (upto March 04, 2018)
	Kalki Family Private Trust
	Nirmal Madhu Family Private Trust
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Ardent Impex Private Limited

\* Date of Demerger – April 01, 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

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

(ii) **Transactions during the year with related parties:**

	(₹ in Millions)	
Nature of transactions	FY 2018-19	FY 2017-18
<b>Brokerage/commission income/delayed payin/upfront income :</b>		
<b>a) Director</b>		
Mr. Arindam Chanda	-	0.01
Mr. Mohan Radhakrishnan	0.05	0.17
Mr. Aniruddha Dange	0.10	0.46
Mr. Narendra Jain	0.00	-
<b>b) Key managerial personnel</b>		
Mr. Arindam Chanda	0.00	-
<b>c) Other related parties</b>		
Mr. Nirmal Jain	0.71	1.04
Mr. Venkataraman Rajamani	0.11	0.39
India Infoline Finance Limited	5.04	0.73
IIFL Wealth Management Limited	0.20	0.01
IIFL Home Finance Limited	0.02	0.03
IIFL Asset Management Limited	0.03	0.86
Ardent Impex Private Limited	0.02	0.04
Orpheus Trading Private Limited	-	0.03
<b>Interest income on inter corporate deposit :</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	114.41	635.79
IIFL Wealth Management Limited	-	0.29
5paisa Capital Limited	21.96	4.31
IIFL Home Finance Limited	-	0.28
India Infoline Employee Trust	-	0.01
<b>PMS/Research income/Investment banking income:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	65.16	22.50
IIFL Asset Management Limited	54.31	1.71
India Infoline Finance Limited	1.00	-
<b>Advisory/Referral fee income/Marketing support fees:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	305.90	-
IIFL Asset Management Limited	-	28.41
IIFL Home Finance Limited	26.79	19.99
IIFL Asset Management (Mauritius) Limited	125.12	55.22
<b>Rent income:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	43.09	44.99
5 Paisa Capital Limited	24.82	26.33
IIFL Home Finance Limited	19.24	19.99
IIFL Wealth Management Limited	232.34	217.98
IIFL Distribution Services Limited	16.91	16.91
IIFL Asset Management Limited	14.09	14.04
IIFL Wealth Finance Limited	-	0.68
Samasta Microfinance Limited	-	0.01

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of transactions	FY 2018-19	FY 2017-18
<b>Interest expenses on inter corporate deposits:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	38.29	10.01
IIFL Wealth Management Limited	2.11	-
IIFL Home Finance Limited	1.41	0.39
<b>Marketing Support Expenses /Commission /Brokerage/Consultancy/</b>		
<b>Authorised Person:</b>		
<b>a) Other related parties</b>		
Spaisa Capital Limited	4.56	9.68
IIFL Wealth Management Limited	-	109.62
<b>Dividend Paid:</b>		
<b>a) Other related parties</b>		
IIFL Holdings Limited	343.31	430.52
IIFL Wealth Management Limited	-	0.00
<b>Corporate Social Responsibility Expenses:</b>		
<b>a) Subsidiaries</b>		
India Infoline Foundation	30.60	23.29
<b>Remuneration:</b>		
Director's #	35.30	46.22
Key managerial personnel	15.14	-
<b>Director Sitting Fees:</b>		
Geeta Mathur	0.32	0.30
Kranti Sinha	0.35	0.38
<b>Interest accrued but not due:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	12.82	45.29
<b>Investment in equity share and preference share</b>		
<b>a) Other related parties</b>		
Giskard Datatech Private Limited	14.51	-
<b>Deposit - Taken:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	11.70	-
Spaisa Capital Limited	13.55	-
<b>Advance received:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	1,700.00	-
<b>Deposit - Repaid:</b>		
<b>a) Other related parties</b>		
Spaisa Capital Limited	3.23	-
<b>Inter corporate deposit taken:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	52,012.50	45,870.50
IIFL Wealth Management Limited	65.00	-
IIFL Home Finance Limited	1,500.00	6,050.00
<b>Inter corporate deposit repaid:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	51,195.00	45,870.50
IIFL Home Finance Limited	1,500.00	6,050.00

#Director's salary of ₹ 22.76 Millions in FY 17-18 is paid from IIFL Holdings Limited

## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of transactions	FY 2018-19	FY 2017-18
<b>Inter corporate deposit given:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	21,270.00	324,766.05
5paise Capital Limited	1,983.58	500.00
IIFL Home Finance Limited	-	1,080.00
India Infoline Employee Trust	-	35.00
IIFL Wealth Management Limited	-	165.00
<b>Inter corporate deposit given received back:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	21,270.00	324,766.05
IIFL Wealth Management Limited	-	165.00
5paise Capital Limited	1,693.58	500.00
IIFL Home Finance Limited	-	1,080.00
India Infoline Employee Trust	-	35.00
<b>Allocation/Reimbursement of expenses paid:</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	26.63	24.79
IIFL Home Finance Limited	13.96	10.50
5paise Capital Limited	0.33	0.15
<b>Allocation / Reimbursement of expenses received:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	14.07	49.12
India Infoline Finance Limited	651.77	131.65
IIFL Asset Management Limited	0.01	1.44
IIFL Home Finance Limited	67.75	34.97
5paise Capital Limited	56.26	40.14
<b>Others paid:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	0.84	0.75
India Infoline Finance Limited	34.65	5.74
IIFL Home Finance Limited	0.07	0.39
5paise Capital Limited	0.42	0.21
IIFL Asset Management Limited	0.46	0.01
IIFL Distribution Services Limited	-	0.11
<b>Purchase of investment (Non convertible debenture):</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	-	79.42
<b>Sale of investment (Non convertible debenture):</b>		
<b>a) Other related parties</b>		
India Infoline Finance Limited	197.10	-
<b>Others Received:</b>		
<b>a) Subsidiaries</b>		
India Infoline Foundation	0.70	0.11
<b>b) Other related parties</b>		
IIFL Wealth Management Limited	0.06	1.10
India Infoline Finance Limited	9.35	548.36
IIFL Distribution Services Limited	0.02	0.08
IIFL Asset Management Limited	0.00	0.01
IIFL Home Finance Limited	3.61	2.57
5paise Capital Limited	0.14	2.33
IIFL Wealth Finance Limited	-	0.01

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

## (iii) Balance outstanding

(₹ in Millions)

Nature of transactions	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Sundry Payable:</b>			
<b>a) Other related parties</b>			
India Infoline Finance Limited	0.02	-	-
IIFL Asset Management Limited	2.30	-	0.01
IIFL Wealth Finance Limited	0.72	-	0.02
IIFL Private Wealth Management (Dubai) Limited	-	-	4.39
IIFL Wealth Management Limited	-	0.39	-
IIFL Investment Advisors & Trustee Services Limited	-	-	0.04
IIFL Wealth Management Limited	17.47	-	0.13
Mr. Nirmal Jain	0.00	13.88	0.10
<b>b) Joint venture</b>			
Meenakshi Tower LLP	133.84	98.42	40.24
<b>c) Director's</b>			
Mr. Mohan Radhakrishnan	0.00	0.03	0.00
Mr. Aniruddha Dange	1.12	-	65.86
Mr. Arindam Chanda	-	0.00	0.97
<b>d) Key managerial personnel</b>			
Mr. Arindam Chanda	0.00	-	-
<b>Sundry Receivable:</b>			
<b>a) Other related parties</b>			
India Infoline Finance Limited	40.74	-	-
Spaisa Capital Limited	2.09	-	-
IIFL Home Finance Limited	1.62	-	-
IIFL Asset Management Limited	9.16	-	-
IIFL Wealth Finance Limited	-	-	0.12
IIFL Private Wealth Management (Dubai) Limited	-	-	2.37
IIFL Wealth Management Limited	-	-	7.43
IIFL Inc.	0.82	-	-
Orpheus Trading Private Limited	-	0.00	0.00
<b>b) Director</b>			
Mr. Aniruddha Dange	-	0.00	-
<b>Inter corporate deposit payable:</b>			
<b>a) Other related parties</b>			
India Infoline Finance Limited	817.50	-	-
IIFL Wealth Management Limited	65.00	-	-
<b>Inter corporate deposit receivable:</b>			
<b>a) Other related parties</b>			
Spaisa Capital Limited	290.00	-	-
<b>Security deposit payable</b>			
<b>a) Other related parties</b>			
Spaisa Capital Limited	10.32	-	-
India Infoline Finance Limited	11.70	-	-
<b>Investment in equity share and preference share</b>			
<b>a) Other related parties</b>			
Giskard Datatech Private Limited	14.51	-	-
<b>Investment in non-convertible debentures</b>			
<b>a) Other related</b>			
India Infoline Finance Limited	200.00	397.10	317.68

### Note:

- Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million wherever applicable.
- As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial personnel is not included above.

## Notes forming part of Consolidated Financial Statements

### For the year ended March 31, 2019 (Contd.)

#### 43. Summary of consolidation

a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 – Consolidated Financial Statements.

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2019	As at March 31, 2018
1	IIFL Insurance Brokers Limited	India	100.00%	100.00%
2	IIFL Management Services Limited	India	100.00%	100.00%
3	IIFL Facilities Services Limited	India	100.00%	100.00%
4	IIFL Commodities Limited	India	100.00%	100.00%
5	IIFL Capital Inc.	USA	100.00%	100.00%
6	IIFL Wealth UK	UK	100.00%	100.00%
7	IIFL Asset Reconstruction Limited	India	100.00%	100.00%
8	IIFL Securities Services IFSC Limited	India	100.00%	100.00%

b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries and associates.

#### As at March 31, 2019

Particulars	Net Assets i.e. Total Assets minus consolidated Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	(₹ in Millions)	As % of consolidated Profit or Loss	(₹ in Millions)	As % of consolidated Other Comprehensive Income	(₹ in Millions)	As % of consolidated Total Comprehensive Income	(₹ in Millions)
<b>Parent</b>								
IIFL Securities Limited	88.20%	6,446.77	84.55%	1,449.39	118.69%	7.93	84.68%	1,457.32
<b>Subsidiaries</b>								
<b>Indian</b>								
1 IIFL Insurance Brokers Limited	4.48%	327.82	7.04%	120.66	-17.99%	(1.20)	6.94%	119.46
2 IIFL Management Services Limited	4.90%	358.09	1.61%	27.68	-10.14%	(0.68)	1.57%	27.00
3 IIFL Facilities Services Limited	9.21%	673.55	7.16%	122.77	1.41%	0.09	7.14%	122.86
4 IIFL Commodities Limited	1.52%	111.03	3.94%	67.46	8.03%	0.54	3.95%	68.00
5 IIFL Asset Reconstruction Limited	0.65%	47.26	0.12%	2.08	-	-	0.12%	2.08
6 IIFL Securities Services IFSC Limited	0.07%	4.88	-0.01%	(0.12)	-	-	-0.01%	(0.12)
<b>Foreign</b>								
1 IIFL Capital Inc.	1.30%	94.76	1.34%	22.99	-	-	1.34%	22.99
2 IIFL Wealth UK	0.19%	13.58	-0.58%	(9.95)	-	-	-0.58%	(9.95)
Elimination	-10.51%	(768.30)	-5.17%	(88.63)	-	-	-5.15%	(88.63)
<b>Total</b>	<b>100.00%</b>	<b>7,309.44</b>	<b>100.00%</b>	<b>1,714.33</b>	<b>100.00%</b>	<b>6.68</b>	<b>100.00%</b>	<b>1,721.01</b>

# Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

## 44. Standard issued but not effective

**Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 01, 2019. The Group will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

**Amendment to Ind AS 12 - Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 01, 2019.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

**Amendment to Ind AS 19 - plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.



## Notes forming part of Consolidated Financial Statements

For the year ended March 31, 2019 (Contd.)

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group does not have any impact on account of this amendment.

**As per our attached report of even date  
For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G. Sankar**  
Partner  
Membership No.: 046050

Place : Mumbai  
Dated : May 13, 2019

**For and on behalf of Board of Directors**

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Arindam Chanda**  
Chief Executive Officer

**Jayesh Upadhyay**  
Company Secretary

**Narendra Jain**  
Director  
(DIN: 01984467)

**Bhawani Jhanwar**  
Chief Financial Officer

**ANNEXURE – A** to the Consolidated Financial Statements**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

(₹ in Millions)

Sr. No.	Particulars	IIFL Management Services Limited	IIFL Facilities Services Limited	IIFL Insurance Brokers Limited	IIFL Commodities Limited	IIFL Capital Inc.	IIFL Wealth (UK) Limited	IIFL Asset Reconstruction Limited	IIFL Securities Services IFSC Limited
1	Share Capital	2.81	90.00	5.00	3.14	40.29	11.20	41.00	5.00
2	Other Equity	355.29	583.55	322.82	107.90	54.46	2.39	6.26	(0.12)
3	Total Assets	1,810.98	9,484.84	347.90	118.21	130.24	21.33	47.48	5.00
4	Total Liabilities	1,452.89	8,811.29	20.08	7.18	35.49	7.74	0.22	0.12
5	Investments	41.56	204.03	-	28.23	-	-	-	-
6	Total Turnover	334.17	1,119.84	367.27	36.21	243.33	115.82	3.00	-
7	Profit/(loss) before tax	60.63	159.09	170.89	94.81	29.81	(11.22)	2.82	(0.12)
8	Provision for taxation (including deferred tax)	32.95	36.32	50.23	27.35	6.82	(1.27)	0.74	-
9	Profit/(loss) after tax	27.68	122.77	120.66	67.46	22.99	(9.95)	2.08	(0.12)
10	Total Comprehensive Income	27.00	122.86	119.46	68.00	22.99	(9.95)	2.08	(0.12)
11	Exchange Rate	-	-	-	-	69.38	90.36	-	-
12	Reporting Currency	INR	INR	INR	INR	USD	GBP	INR	INR
13	Proposed Dividend	-	-	-	-	-	-	-	-
14	% of share holding	100	100	100	100	100	100	100	100

**Notes:**

- All subsidiaries have common year end of March 31, 2019 hence no additional information under Section 129(3) read with rule 5 has been disclosed.**
- Names of subsidiaries which are yet to commence operations**  
IIFL Securities Services IFSC Limited  
IIFL Asset Reconstruction Limited
- Names of subsidiaries which have been liquidated or sold during the year.**  
No subsidiaries has been liquidated or sold

**For and on behalf of Board of Directors**

**Venkataraman Rajamani**  
Director  
(DIN: 00011919)

**Narendra Jain**  
Director  
(DIN: 01984467)

**Arindam Chanda**  
Chief Executive Officer

**Bhawani Jhanwar**  
Chief Financial Officer

**Jayesh Upadhyay**  
Company Secretary

Place : Mumbai  
Dated : May 13, 2019

## ANNEXURE – A to the Consolidated Financial Statements (contd.)

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Millions)

Sl. No.	Name of associates/Joint Ventures	Meenakshi Towers LLP
1	Latest audited Balance Sheet Date	March 31, 2019
2	Shares of Associate/Joint Ventures held by the company on the year end	
	(i) Number	NA
	(ii) Amount of Investment in Associates/Joint Venture	0.05
	(iii) Extend of Holding%	50.0%
3	Description of how there is significant influence	There is a significant influence due to % of capital
4	Reason why the associate/joint venture is not consolidated	NA
5	Net worth attributable to shareholding as per latest audited Balance Sheet	(133.84)
6	Profit/Loss for the year	
	(i) Considered in Consolidation (to the extent of owner share)	(35.43)
	(ii) Not Considered in Consolidation	-

#### Notes:

- Names of associates or joint ventures which are yet to commence operations  
NIL
- Names of associates or joint ventures which have been liquidated or sold during the year  
NIL

#### For and on behalf of Board of Directors

##### Venkataraman Rajamani

Director  
(DIN: 00011919)

##### Arindam Chanda

Chief Executive Officer

##### Jayesh Upadhyay

Company Secretary

Place : Mumbai

Dated : May 13, 2019

##### Narendra Jain

Director  
(DIN: 01984467)

##### Bhawani Jhanwar

Chief Financial Officer

# Corporate information

## BOARD OF DIRECTORS

**Mr. Kranti Sinha**  
Chairman and Independent Director

**Mr. Venkataraman Rajamani**  
Managing Director

**Ms. Rekha Warriar**  
Independent Director

**Mr. Mohan Radhakrishnan**  
Whole Time Director

**Mr. Narendra Jain**  
Whole Time Director

**Mr. Aniruddha Dange**  
Non Executive Director

## COMMITTEE OF BOARD

### AUDIT COMMITTEE

**Mr. Kranti Sinha**  
Chairman, Independent Director

**Ms. Rekha Warriar**  
Member, Independent Director

**Mr. Narendra Jain**  
Member, Whole Time Director

### NOMINATION AND REMUNERATION COMMITTEE

**Ms. Rekha Warriar**  
Chairman, Independent Director

**Mr. Kranti Sinha**  
Member, Independent Director

**Mr. Aniruddha Dange**  
Member, Non Executive Director

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

**Ms. Rekha Warriar**  
Chairman, Independent Director

**Mr. Kranti Sinha**  
Member, Independent Director

**Mr. Narendra Jain**  
Member, Whole Time Director

### CSR COMMITTEE

**Mr. Kranti Sinha**  
Chairman, Independent Director

**Mr. Narendra Jain**  
Member, Whole Time Director

**Mr. Mohan Radhakrishnan**  
Member, Whole Time Director

## CHIEF FINANCIAL OFFICER

**Mr. Bhawani Jhanwar**

## COMPANY SECRETARY

**Mr. Jayesh Upadhyay**

## AUDITORS

**M/s. V. Sankar Aiyar & Co.**  
Chartered Accountants

## INTERNAL AUDITORS

**Mahajan & Aibara**  
Chartered Accountants

## CORE MANAGEMENT TEAM

<b>Mr. Arindam Chanda</b>	Chief Executive Officer & Retail Broking
<b>Mr. H. Nemkumar</b>	President, Institutional Equities
<b>Mr. Nipun Goel</b>	President, Investment Banking
<b>Mr. Vasudev Jagannath</b>	President, Institutional Sales
<b>Mr. R Mohan</b>	Chief Compliance Officer
<b>Mr. Narendra Jain</b>	President, Operations
<b>Mr. Chintan Modi</b>	Partner Channel
<b>Mr. Anurag Naik</b>	Insurance Distribution
<b>Mr. Ravi Ramchandra</b>	Legal
<b>Mr. Utkarsh Prajapati</b>	Technology
<b>Mr. G. V. Giri</b>	Institutional Research
<b>Mr. Abhimanyu Sofat</b>	Research
<b>Mr. Prasad Umarale</b>	Compliance Officer
<b>Mr. Dharmendra Narang</b>	Customer Services
<b>Ms. Khushnum Ichhaporia</b>	Marketing & Corporate Communication
<b>Ms. Geetha Menon</b>	Human Resources

## REGISTRAR AND SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited,  
C-101, 247 Park, 1st Floor, L.B.S Marg, Vikhroli  
(West), Mumbai – 400 083

## REGISTERED OFFICE

IIFL House, Sun Infotech Park, Road no. 16V,  
Plot no. B-23, MIDC, Thane Industrial Area,  
Wagle Estate, Thane – 400 604

## CORPORATE OFFICE

Ground Floor, Hubtown Solaris,  
N. S. Phadke Marg, Vijay Nagar, Andheri East,  
Mumbai – 400 069

## IIFL TECH CENTRE

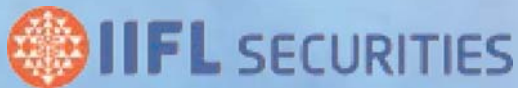
6th Floor, Akruti Centre Point,  
MIDC Central Road, Andheri East,  
Mumbai – 400 093

## LIST OF CORPORATE BANKERS

Axis Bank Limited  
Citibank  
HDFC Bank Limited  
ICICI Bank Limited  
IndusInd Bank Limited  
Punjab National Bank Limited  
Yes Bank Limited

## CAUTIONARY STATEMENT

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions and are therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Securities Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.



**IIFL SECURITIES LIMITED**

**(Formerly known as India Infoline Limited)**

CIN - U67120MH2004PLC147365

IIFL House, Sun Infotech Park, Road No 16V, B-23, MIDC,  
Thane Industrial Area, Wagle Estate, Thane - 400604

Tel:+91 22 41035000

Email - investor.relations@iifl.com | secretarial@iifl.com

Websites: iifl.com | indiainfoline.com | iiflcap.com

Visit us @

[www.iifl.com](http://www.iifl.com)

[www.indiainfoline.com](http://www.indiainfoline.com)

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the market app



Scan the QR code to download  
the mutual fund app



[/indiainfoline](https://www.youtube.com/channel/UCiia01111111111111111111)

Followers: 26,009  
Views: 3.6 million



[/IIFLCorporate](https://twitter.com/IIFLCorporate)

Followers: 78,200  
Tweet Impressions:  
1.21 million



[/IIFLMarkets](https://www.facebook.com/IIFLMarkets)

Followers: 448,136  
Likes: 448,151



[IIFL \(India Infoline Group\)](https://www.linkedin.com/company/iifl)

Followers: 75,888

September 05, 2019

<p>The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051.</p>	<p>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.</p>
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**Sub: - Annual Report for the Financial Year 2018-19 and Notice of 12<sup>th</sup> Annual General Meeting of IIFL Wealth Management Limited ("the Company")**

Dear Sir/Madam,

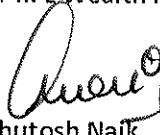
With reference to our earlier intimation dated August 29, 2019 and pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, on September 05, 2019, i.e. today, sent soft copy of the notice of 12<sup>th</sup> Annual General Meeting along with Annual Report for the F.Y. 2018-19 via email to those members who have registered their email address(es) with the Registrar and Share Transfer Agent of the Company i.e. Link Intime India Private Limited / Company and has also commenced the dispatch of hard copies by permitted mode to those members whose email address(es) are not registered with the Registrar/Company.

Notice of 12<sup>th</sup> Annual General Meeting, Proxy Form, Attendance Slip and Annual Report for the Financial Year 2018-2019 are also available on the website of the Company i.e. <https://www.iiflwealth.com/Investor-Relations>

Kindly take the same on record and oblige.

Thanking You,  
Yours faithfully,

For IIFL Wealth Management Limited

  
Ashutosh Naik  
Company Secretary  
Membership No.: A15067



Place: Mumbai

**IIFL WEALTH MANAGEMENT LIMITED**

Corporate & Registered Office:

IIFL Centre, Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai – 400 013

TEL: (91-22) 4876 5600 | FAX: (91-22) 4875 5606

(An IIFL Group Company)

[www.iiflwealth.com](http://www.iiflwealth.com)

CIN: U74140MH2008PLC177684





## IIFL WEALTH MANAGEMENT LIMITED

CIN: U74140MH2008PLC177884

**Regd. Office** - IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013  
**Tel:** (+91-22) 4876- 5600, **Fax:** (+91-22) 4646-4706, **E-mail:** secretarial@iiflw.com, **Website:** www.iiflwealth.com

### NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of IIFL Wealth Management Limited (the "Company") will be held on Monday, 30<sup>th</sup> day of September 2019, at 12 noon at Hall of Harmony, Ground Floor, Discovery of India, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018, to transact the following businesses:

#### ORDINARY BUSINESS:

1. To consider and adopt:

- (a) the audited standalone financial statement(s) of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and the Auditors thereon; and
- (b) the audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2019, together with the report of the Auditors thereon.

2. To appoint a Director in place of Mr. Sandeep Naik (DIN: 02057989), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Shantanu Rastogi (DIN: 06732021), who retires by rotation and being eligible, offers himself for reappointment.

#### SPECIAL BUSINESS:

4. **TO RE-APPOINT MR. NILESH VIKAMSEY (DIN: 00031213) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nilesh Vikamsey (DIN: 00031213) in respect of whom the Company has received a notice in

writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years commencing from August 25, 2019 to August 24, 2024."

5. **TO RE-APPOINT MR. KARAN BHAGAT AS A MANAGING DIRECTOR:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Karan Bhagat (DIN:03247753) as a Managing Director, for a period of 5 (five) years commencing from July 27, 2020 on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to the Notice;

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to approve the actual remuneration and vary or increase the same from time to time, within the limits approved by the members, as it may deem fit;

**RESOLVED FURTHER THAT** in the event of absence or inadequate profit in any financial year, the aforesaid remuneration shall be paid to Mr. Bhagat as minimum remuneration;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute any agreements, documents or instructions or take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**6. TO RE-APPOINT MR. YATIN SHAH AS A WHOLE-TIME DIRECTOR:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Yatin Shah (DIN: 03231090) as an Whole-time Director, for a period of 5 (five) years commencing from July 27, 2020 on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to the Notice;

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to approve the actual remuneration and vary or increase the same from time to time, within the limits approved by the members, as it may deem fit;

**RESOLVED FURTHER THAT** in the event of absence or inadequate profit in any financial year, the aforesaid remuneration shall be paid to Mr. Shah as minimum remuneration;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute any agreements, documents or instructions or take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**7. TO APPOINT DR. S. NARAYAN, AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Dr. S. Narayan (DIN: 00094081), aged 76 years, who was appointed as an Additional Director (Independent

Director) by the Board of Directors of the Company w.e.f. June 25, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and with respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 years commencing from June 25, 2019 to June 24, 2024, not liable to retire by rotation.”

**8. TO APPROVE IIFLW ESOP - 2019**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“hereinafter referred as SEBI (SBEB) Regulations”), the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and such other rules, regulations and guidelines as may be applicable from time to time and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors including any other committee/Nomination and Remuneration Committee constituted by the Board (hereinafter collectively referred to as the “Board”), approval and consent of the members of the Company be and is hereby accorded to introduce, offer, issue and allot Equity Shares of the Company (“Equity Shares”) either directly or through an Employee Welfare Trust created for the said purpose under the IIFLW ESOP - 2019 (hereinafter referred to as the “Scheme”) by way of issuance of stock options, the salient features of which are furnished in the explanatory statement to this Notice to such persons who are permanent employees of the Company including Directors, whether whole-time or not, whether working in India or outside India (hereinafter referred to as the “Eligible Employees”), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable law;

**RESOLVED FURTHER THAT** the maximum number of employee stock options that can be granted under the Scheme which will be convertible into Equity Shares wherein one employee stock option is equivalent to one Equity Share, shall not exceed 29,79,419 of the number of issued, subscribed and paid-up equity share capital of the Company on the date of this resolution (as adjusted for any corporate action and/or change in the capital structure) at such price or prices as may be determined by the Board in its sole and absolute discretion;

**RESOLVED FURTHER THAT** the Board and any committee formed for this purpose be and is hereby authorised, either directly or through the employee welfare trust created for such purpose, to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force and such Equity Shares shall rank pari passu in all respects with the then Equity Shares;

**RESOLVED FURTHER THAT** the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares;

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend, terminate, formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the relevant statement pursuant to Section 102(1) of the Act in the notice subject to the compliance with applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof."

**9. IMPLEMENTATION OF IIFLW- ESOP 2019, INTER ALIA, THROUGH TRUST.**

To consider and, if thought fit, to pass, with or

without modification(s), the following Resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("hereinafter referred as SEBI (SBEB) Regulations"), the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, (including earlier enactments in this regard to the extent currently applicable) and such other rules, regulations and guidelines as may be applicable from time to time including all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and other prevailing statutory guidelines in that behalf (hereinafter together referred to as "the Extant Guidelines"), and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors including any other committee/Nomination and Remuneration Committee constituted by the Board (hereinafter collectively referred to as the "Board"), the approval and consent of the members of the Company be and is hereby accorded for managing, administering, operating the IIFLW- ESOP 2019 and introduce, offer, issue and allot equity shares through IIFL Wealth Employee Welfare Benefit Trust (hereinafter referred to as the "Trust") acquired by way of secondary market purchases or by way of fresh allotment by the Company from time to time, in one or more tranche(s), subject to however that secondary acquisition by the Trust in any financial year shall not exceed 2% (two percent) of the paid-up equity capital as at the end of the previous financial year at such price and on such terms and conditions as may be decided by the Board thereof;

**RESOLVED FURTHER THAT** for the purpose of managing through the Trust, the Board may consider availing financial assistance for the Trust in the form of loan to enable the Trust to subscribe to the equity shares or purchase the same from the secondary market;

**10. GRANT OF STOCK OPTIONS TO THE EMPLOYEES OF THE SUBSIDIARY COMPANY(IES)**

To consider and, if thought fit, to pass, with or

without modification(s), the following Resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("hereinafter referred as SEBI (SBEB) Regulations"), the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, (including earlier enactments in this regard to the extent currently applicable) and such other rules, regulations and guidelines as may be applicable from time to time including all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and other prevailing statutory guidelines in that behalf (hereinafter together referred to as "the Extant Guidelines"), and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors including any other committee/Nomination and Remuneration Committee constituted by the Board (hereinafter collectively referred to as the "Board"), approval and consent of the members of the Company be and is hereby accorded to the Board to introduce, offer, issue and allot equity shares of the Company (hereinafter referred to as the "Equity Shares") either directly or through a Trust created for the said purpose under the IIFLW ESOP - 2019 (hereinafter referred to as the "Scheme") by way of issuance of stock options, the salient features of which are furnished in the Explanatory Statement to this Notice to such persons who are permanent employees of subsidiaries (present or future) or of its holding company (present or future) including Directors, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable law."

**11. GRANT STOCK OPTIONS EQUAL TO OR EXCEEDING 1% OF THE ISSUED SHARE CAPITAL**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

**RESOLVED THAT** the approval of the members be and is hereby accorded pursuant to the provisions

of Section 62(1)(b) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("hereinafter referred as SEBI (SBEB) Regulations"), the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, (including earlier enactments in this regard to the extent currently applicable) and such other rules, regulations and guidelines as may be applicable from time to time to grant, offer and allot equity shares under IIFLW ESOP - 2019, equal to or exceeding 1% of the issued capital of the Company during any one financial year, to such identified persons who are permanent employees of the Company including Directors whether whole-time or otherwise, whether working in India or out of India, of any existing and future subsidiary company(ies) of the Company whether in or outside India and selected by the Board in its sole and absolute discretion, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable law."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and further to execute all such documents, writings and to give such directions and or instructions and do all other things incidental and ancillary thereof."

**By Order of the Board of Directors**

**Ashutosh Naik**

Company Secretary

Dated:  
August 21, 2019

Place: Mumbai

ACS - 15067

Registered  
Office:

IIFL Centre, Kamala City Senapati  
Bapat Marg, Lower Parel  
Mumbai MH 400013  
CIN:U74140MH2008PLC177884  
E-mail: secretarial@iiflw.com  
Telephone No. - 022- 4876 5600

## IMPORTANT NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint one or more proxies to attend and vote on a poll on his/her behalf and the proxy need not be a Member of the Company. The instrument appointing the proxy duly completed, stamped and signed must be deposited at the registered office of the Company, not less than forty- eight hours (48 hours) before the commencement of the Meeting.  

A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. A Proxy Form is annexed to this Notice. Further, the Proxy holder will be required to carry a valid proof of identity at the meeting.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 23.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution and Power of Attorney, if any, authorizing their representative to attend and vote on their behalf at the Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, ("explanatory Statement") relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
5. The Company's Statutory Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration number 117366W/W-100018), were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on July 27, 2015 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.  

Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of

the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays, during business hours till the date of the Meeting.
8. Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday September 24, 2019 to Monday September 30, 2019 (both days inclusive).
9. Members are requested:
  - i. To bring their attendance slip duly signed along with their copy of Annual Report to the Meeting.
  - ii. To quote their folio nos./DP ID & Client ID nos. in all correspondence.
  - iii. To note that no gifts will be distributed at the Meeting.
10. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company, M/s. Link Intime India Private Limited ("Link Intime / RTA") at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.
11. Members holding shares in dematerialized form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Link Intime.
12. The Company, consequent upon introduction of the Depository System ('DS'), entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited



('CDSL'). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialized form through NSDL or CDSL.

13. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant of the securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Link Intime.
16. SEBI in its press release dated December 03, 2018 had decided that securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. In view of the above and to avail the benefits of dematerialization and ease portfolio management, members are requested to consider dematerialization of physical shares held by them.
17. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Permanent Account Number (PAN) Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.
18. The Company has designated an exclusive e-mail ID called [secretarial@iiflw.com](mailto:secretarial@iiflw.com) to redress Members' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at [secretarial@iiflw.com](mailto:secretarial@iiflw.com).
19. Members desirous of asking any questions at the Meeting are requested to send their questions to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
20. Additional information of Directors seeking appointment/re-appointment at the Meeting, as required under regulation 26(4) and 36(3) of SEBI Listing Regulation and SS-2 issued by Institute of Company Secretaries of India, is annexed to the notice.
21. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent through the permitted mode. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
22. The route map of the venue of the Meeting is annexed to this Notice. The prominent landmark for the venue is Nehru Planetarium, Mumbai.
23. **Voting instructions**  
Information and other instructions relating to e-voting are as under:
  - I. Pursuant to the provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members



- may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('e-voting').
- II. The facility for voting through Poll shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting through 'Poll'.
  - III. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - IV. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility.
  - V. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Monday, September 23, 2019. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
  - VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Monday, September 23, 2019 only shall be entitled to avail the facility of e-voting/ Poll on Demand.
  - VII. The Board of Directors of the Company has appointed CS Nilesh Shah or failing him CS Mahesh Darji or failing him CS Hetal Shah of Nilesh Shah and Associates, a Practicing Company Secretary firm, Mumbai as scrutinizer to scrutinize the Poll on Demand and e-voting process in a fair and transparent manner.
  - VIII. The Scrutinizer, after scrutinizing the votes cast at the Meeting through Poll on Demand and through e-voting, will, not later than forty-eight hours from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company [www.iiflwealth.com](http://www.iiflwealth.com) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
  - IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2019.
  - X. Information and other instructions relating to e-voting are as under:
    - (i) The e-voting facility will be available during the following period:  
Commencement of e-voting: From 9:00 a.m. (IST) on September 25, 2019  
End of e-voting: Up to 5:00 p.m. (IST) on September 29, 2019  
The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on the tab "Shareholders/Members".
    - (iv) Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 character DP ID followed by 8 digits Client ID,
      - c. Members holding shares in physical form should enter folio Number registered with the Company.
    - (v) Next enter the image verification as displayed and click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first-time user please follow the steps given below:

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<b>For Members holding shares in demat form and physical form</b>	
<b>PAN</b>	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholder).  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number printed on the Attendance Slip indicated in the PAN field.
<b>Dividend</b>	Enter the dividend bank

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**Bank Account Details OR Date of Birth (DOB)** account details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the dividend bank details field as mentioned in instruction iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password shall be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVSN") for IIFL Wealth Management Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A

confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the user ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
- (xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and windows phone user can download the app from the App Store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for non – individual shareholders and custodians
- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a "Compliance User" should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which

they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

24. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.
25. During the year 2018-19, the Company declared and paid an interim dividend of Rs. 10/- per equity share. The same shall be considered as final dividend.

#### **REGISTRATION / UPDATING OF EMAIL IDS AND BANK DETAILS**

Members are requested to support the “Green Initiative” by registering their email address with the Company, if not already done.

Those members who have changed their email address are requested to register their new email address with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain bank details of its Members for the purpose of payment of dividends etc. Members are requested to register / update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode to enable expeditious credit of the dividend into their respective bank accounts electronically.

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”) SETTING OUT**

#### **MATERIAL FACTS IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING**

The following statement sets out all material facts relating to the businesses mentioned under item nos. of the accompanying Notice:

##### **Item No. 4**

##### **TO RE-APPOINT MR. NILESH VIKAMSEY (DIN: 00031213), CHAIRMAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

Mr. Nilesh Vikamsey (DIN: 00031213) was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto August 24, 2019.

Based on skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by Mr. Nilesh Vikamsey during his tenure the Nomination and Remuneration Committee and the Board of Directors had subject to approval of Members in the forthcoming AGM re-appointed Mr. Nilesh Vikamsey as a Non- Executive Independent Director for the second term of 5 (five) consecutive years w.e.f August 25, 2019 to August 24, 2024 not be liable to retire by rotation.

The Company has received a declaration from him to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 (“the Act”) and Regulation 16(1)(B) of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 (“Listing Regulations”). The Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing his candidature as an Independent Director of the Company.

Mr. Nilesh Vikamsey is not disqualified from being appointed as Director of the Company in terms of Section 164 and has given his consent to act as a Director of the Company.

The necessary documents relating to his appointment shall be open for inspection by the Members at the Registered Office of the Company. Inspection by the Members can be done on any working day during the normal working hours (except Saturday and Sunday) up to the date of AGM of the Company and shall also be available at the venue of the AGM till the conclusion of the AGM.

Members are therefore requested, to grant their approval by way of a special resolution for re-appointment of Mr. Nilesh Vikamsey as an Independent Director of the Company to hold office for a second term from August 25, 2019 to August 24, 2024, not liable to retire by rotation.

The Board accordingly recommends the special resolution set out at item no 4 of this notice for approval of the Members.

Except Mr. Nilesh Vikamsey and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice.

The other details of Mr. Nilesh Vikamsey in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

#### **Item No. 5**

##### **TO RE-APPOINT MR. KARAN BHAGAT AS MANAGING DIRECTOR OF THE COMPANY:**

Mr. Karan Bhagat was appointed as Managing Director of the Company on July 27, 2015 for a period of 5 years expiring on July 26, 2020. The Board of Directors of the Company, at its meeting held on August 21, 2019 approved re-appointment of Mr. Karan Bhagat, for a further period of five years w.e.f July 27, 2020, subject to the approval of the Members. The present proposal is to seek the Members' approval for re-appointment of Mr. Karan Bhagat as the Managing Director in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

##### **The Board proposes to seek approval of the Members of the Company, approving the below terms and conditions:**

**Salary:** Basic salary of Rs. 2,00,00,000 per annum.

**Housing/ HRA:** He shall be entitled to a Company provided house or house rent allowance of upto 50 % of basic salary.

**Leave Travel Allowance:** Expenses for him and his family, subject to a maximum of one month's basic salary.

**Other benefits:** In addition to the above, he will be entitled to allowances pertaining to Conveyance, Medical, Education, Meal, Supplementary and such other benefits, as approved by NRC, up to Rs. 1,60,00,000 per annum,

**Increment:** Board / Nomination and Remuneration Committee can determine the remuneration on an annual basis subject to increment not exceeding 25% per annum of above mentioned basic salary, allowances, other benefits and perquisites.

**Commission:** He shall be paid commission as permissible under the Companies Act 2013 and as determined by the Board / Nomination and Remuneration Committee from time to time. In addition, he will be eligible for contribution to provident funds, insurance, gratuity and

superannuation and leave encashment as per the rules of the Company and approved by Board / Nomination and Remuneration Committee.

##### **Other terms:**

He shall not be paid any sitting fees or any other salary for attending Meetings of the Board of Directors or Committees thereof.

In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Karan Bhagat as minimum remuneration, subject to provisions of Companies Act, 2013.

Mr. Bhagat may draw remuneration from IIFL Wealth Finance Limited, a material subsidiary of the Company or any other subsidiary of the Company, as approved by the Nomination & Remuneration Committee, Board of Directors and Shareholders of concerning subsidiary, as the case may be.

##### **Termination of Employment:**

This employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation.

Mr. Karan Bhagat is not disqualified from being appointed as Director of the Company in terms of Section 164 and has given his consent to act as a Director of the Company.

The necessary documents relating to his appointment shall be open for inspection by the Members at the Registered Office of the Company. Inspection by the Members can be done on any working day during the normal working hours (except Saturday and Sunday) up to the date of AGM of the Company and shall also be available at the venue of the AGM till the conclusion of the AGM.

The Board accordingly recommends the special resolution set out at item no 5 of this notice for approval of the Members.

Except of Mr. Karan Bhagat and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The other details of Mr. Karan Bhagat in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

#### **Item No. 6**

##### **TO RE-APPOINT MR. YATIN SHAH AS WHOLE TIME DIRECTOR OF THE COMPANY:**

Mr. Yatin Shah was appointed as Whole Time Director of the Company on July 27, 2015 for a period of 5 years expiring on July 26, 2020. The Board of Directors of the Company, at its meeting held on August 21, 2019 approved re-appointment of Mr. Yatin Shah, for a further period of five years w.e.f. July 27, 2020, subject to the approval of the Members. The present proposal is to seek the Members' approval for re-appointment of Mr. Yatin Shah as the Whole Time Director in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

The Board proposes to seek approval of the Members of the Company, approving the below terms and conditions:

**Salary:** Basic salary of Rs. 1,58,00,000 per annum

**Housing/ HRA:** He shall be entitled to a Company provided house or house rent allowance of upto 50 % of basic salary.

**Leave Travel Allowance:** Expenses for him and his family, subject to a maximum of one month's basic salary.

**Other benefits:** In addition to the above, he will be entitled to allowances pertaining to Conveyance, Medical, Education, Meal, Supplementary and such other benefits as may be approved by NRC from time to time, upto Rs. 1,30,00,000, per annum.

**Increment:** Board / Nomination and Remuneration Committee can determine the remuneration on an annual basis subject to increment not exceeding 25% per annum of above mentioned basic salary, allowances, benefits and perquisites.

**Commission:** He shall be paid commission as permissible under the Companies Act 2013 and as determined by the Board / Nomination and Remuneration Committee from time to time. In addition, he will be eligible for contribution to provident funds, insurance, gratuity and superannuation and leave encashment as per the rules of the Company and approved by Board / Nomination and Remuneration Committee.

**Other terms:**

He shall not be paid any sitting fees or any other salary for attending Meetings of the Board of Directors or Committees thereof.

In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Yatin Shah as minimum remuneration, subject to provisions of Companies Act, 2013.

Mr. Shah may draw remuneration from IIFL Wealth Finance Limited, a material subsidiary of the Company

or any other subsidiary of the Company, as approved by the Nomination & Remuneration Committee, Board of Directors and Shareholders of concerning subsidiary, as the case may be.

**Termination of Employment:**

This employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation.

Mr. Yatin Shah is not disqualified from being appointed as Director of the Company in terms of Section 164 and has given his consent to act as a Director of the Company.

The necessary documents relating to his appointment shall be open for inspection by the Members at the Registered Office of the Company. Inspection by the Members can be done on any working day during the normal working hours (except Saturday and Sunday) up to the date of AGM of the Company and shall also be available at the venue of the AGM till the conclusion of the AGM.

The Board accordingly recommends the special resolution set out at item no 6 of this notice for approval of the Members.

Except of Mr. Yatin Shah and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The other details of Mr. Yatin Shah in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

**Item No 7**

**TO APPOINT DR. S. NARAYAN, AS AN INDEPENDENT DIRECTOR:**

On recommendation of the Nomination and Remuneration Committee, Dr. S. Narayan (DIN: 00094081) was appointed as an Additional Director (Independent Director) of the Company with effect from June 25, 2019 by the Board of Directors. Dr. Narayan (DIN: 00094081) holds office only upto the date of this Annual General Meeting ("AGM") and is eligible for appointment as an Independent Director.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless it is approved by the members by passing a special resolution to that effect". Dr. Narayan aged 76

years, hence appointment beyond the age of 75 years requires the approval of members.

Based on the skills, rich experience, knowledge and vast expertise especially in the financial sector and as in opinion of the Board of Directors, it is recommended to appoint Dr. Narayan as an Independent Director of the Company.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013("the Act") and Regulation 16(1)(B) of SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("Listing Regulation"). The Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing his candidature as an Independent Director of the Company.

Dr. Narayan is not disqualified from being appointed as Director of the Company in terms of Section 164 and has given his consent to act as a Director of the Company.

The necessary documents relating to his appointment shall be open for inspection by the Members at the Registered Office of the Company. Inspection by the Members can be done on any working day during the normal working hours (except Saturday and Sunday) up to the date of AGM of the Company and shall also be available at the venue of the AGM till the conclusion of the AGM.

Members are therefore requested, to grant their approval by way of a special resolution for appointment of Dr. Narayan as an Independent Director of the Company to hold office upto June 24, 2024 not liable to retire by rotation.

The Board accordingly recommends the special resolution set out at item no. 7 of this notice for approval of the Members.

Except of Dr. Narayan and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 7

The other details of Dr. Narayan in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

#### **Item no. 8, 9, 10 and 11**

#### **APPROVAL OF THE SCHEME, GRANT OF STOCK OPTIONS AND AUTHORISATIONS TO TRUST FOR SECONDARY MARKET PURCHASE:**

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, the Company proposes to provide stock options to the employees. Stock option shall serve as a tool of aligning interests of employees with those of shareholders and the Company and enable the Company to attain growth in an environment that increasingly demands global competitiveness. This will also help Company in attracting, motivating and retaining the best talent.

The Company intends to implement IIFLW ESOP - 2019 ("**Scheme**") either directly or through a trust which shall implement the Scheme through acquisition of equity shares of the Company through purchases from the secondary market and/or subscription of fresh allotment of equity shares by the Company. As a consequence, to the aforesaid, this statement under section 102 and relevant resolutions at item No 8, 9, 10 and 11 which is proposed for approval of the members are set out in this Notice.



The main features of the Scheme and other details of the Scheme as per Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“hereinafter referred as SEBI (SBEB) Regulations”) are as under: -

Item	Particulars
Brief description of the Scheme	The Scheme is intended to reward the eligible employees (as selected by the Nomination and Remuneration Committee (also referred to as “NRC/Committee”)), for their performance and to motivate them to contribute to the growth and profitability of the Company and also to retain them by way of issuing employee stock options. Subject to applicable law and terms and conditions of the Scheme, the eligible employees shall be entitled to subscribe to the equity shares within certain time period (“Exercise Period”) upon fulfilment of such conditions (“Vesting”) and payment of an exercise price (“Exercise Price”) as is determined by the NRC.
Total Number of Options to be granted	The Options to be granted to the eligible employees under the Scheme, in one or more tranches, shall not result in the issue of equity shares in excess of 29,79,419 (3.5% of current paid-up share capital). Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation / termination of the employees or otherwise, would be available for being re-granted at a future date. Re-grant of such lapsed / cancelled options shall be as per the provisions of the Scheme. In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment will be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI (SBEB) Regulations.
Identification of classes of employees entitled to participate and be beneficiaries in the Scheme	Present and future, permanent employees of the Company and, or subsidiary company(ies) and, or holding company of the Company, whether working in India or outside India, and / or to the directors of the Company/ subsidiary company(ies)/ holding company of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the NRC and/or permitted under SEBI (SBEB) Regulations shall be eligible to participate in the Scheme.
Transferability of Stock Options	The stock options granted to an eligible employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an eligible employee/stock option holder while in employment, the right to exercise all the options granted to him/her till such date shall be transferred to his/her legal heirs or nominees.
Requirements of vesting, period of vesting and maximum period within which the Options shall be vested	The vesting shall be determined by the Committee in its sole and absolute discretion. The minimum vesting period shall be 1 year from the date of grant of options and maximum vesting period shall be 5 years from the date of grant of options.
Exercise Price or pricing formula	Exercise Price shall be a price, payable by the eligible employee for exercising the Options granted in pursuance of the Scheme, which would be at par value (INR 2/- per share) or such higher price as determined by the NRC.

Exercise Period and Process of Exercise	The Exercise Period shall be decided by the Committee and will not be more than 7 (Seven) years from the date of grant. The Options will be exercisable by the eligible employees/ directors by a written or electronic notice to the Company and payment of Exercise Price to exercise the Options, in such manner, as may be prescribed by the Committee, in its discretion.
Method of valuing the Options	The Company shall use the Intrinsic Value method for valuation of the Options. The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
Appraisal process for determining the eligibility of the employees for the Scheme	<p>The Committee shall, based upon the performance and/or merit of the employees/directors, as per vesting criteria laid down by the Committee from time to time, if any, in its sole and exclusive discretion, considering the period of service/directorship put in/served by them, their designation and grade, their present and potential contribution to the success of the Company, its subsidiaries and other appropriate criteria, determine the eligibility of the employees/directors to the Scheme.</p> <p>The Nomination and Remuneration Committee shall determine the eligibility criteria which should be fulfilled in order to become eligible to participate in the Scheme, in order to be granted options under the Scheme. The Nomination and Remuneration Committee will take into consideration potential of employee to contribute to Company's performance, position held, extent of contribution made by employee towards business results, achievement of medium and long-term performance, difficulty in replacement and any other appraisal or evaluation process for determining the eligibility criteria as may be taken into consideration by the Nomination and Remuneration Committee.</p>
Maximum number of Options to be issued granted per employee and in aggregate	<p>The maximum number of Options that can be granted to any eligible employee as defined under the Scheme during any one-year may be equal to or exceed 1% of the issued capital of the Company at the time of grant of options as specified in item 11 of this Notice. The eligible employee to whom the Options shall be granted equal to or exceed 1% of the issued capital of the Company shall be identified by the Nomination &amp; Remuneration Committee and/or such committee of the Board of Directors, as the Board may determine from time to time, under the Scheme.</p> <p>The aggregate number of the Options that may be granted under the Scheme shall not exceed 29,79,419 (3.5% of current paid-up share capital)</p>
The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;	The granted options shall lapse in accordance with the terms and conditions as specified in the Scheme.
The specified time period within which the eligible employee shall exercise the vested options in the event of a proposed termination of employment or resignation of such employee;	<p>In the event of termination of the employment of an eligible employee holding options due to Cause as defined under the provisions of the Scheme including breach of policies or the terms of employment of the Company, all options granted to such employee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.</p> <p>In the event of "Resignation", all Unvested Options, on the date of exit, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose determination will be final and</p>

	binding. However, all Vested Options as on that date shall be exercisable by the eligible employee within such number of days as determined by the Nomination & Remuneration Committee, however not exceeding one year from the date of tendering the resignation. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.
Maximum quantum of benefits to be provided per employee under the Scheme	The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.
Whether the Scheme is to be implemented and administered directly by the Company or through a Trust	The Scheme will either be implemented directly or through a Trust route.
Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both	Implementation of the Scheme would involve both new issue of equity shares to the eligible employees/Trust and/or secondary acquisition to be undertaken by the Trust.
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme	Secondary acquisition by the Trust shall be in due compliance and within the limits prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which is currently 2% of the total paid-up equity capital as at the end of the previous financial year but does not exceed more than 5% of the total paid-up equity capital of the Company.
Maximum percentage of Secondary Acquisition that can be made by the Trust for the purpose of the Scheme	Secondary acquisition in a financial year by the Trust shall not exceed two per cent of the total paid-up equity capital as at the end of the previous financial year.
Accounting and Disclosure Policies	The Company shall comply with all the applicable disclosure and Accounting Policies in respect of options granted as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations 2014 and under other Applicable Laws and follow the accounting policies prescribed as per SEBI Regulations and Guidelines and the Guidance Note issued by the Institute of Chartered Accountants of India.
Lock-in period	The shares allotted to the employees, subsequent to exercise of vested options will not be subject to lock-in, unless determined by the Nomination and Remuneration Committee.
Statement with regard to Disclosure in Director's Report	As the Company has opted for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

The Scheme is available for inspection at the Company's Registered Office during business hours on all working days, excluding Saturdays between 11:00 A.M. and 1:00 P.M. upto the date of passing of the above resolutions.

In term of the provisions of relevant regulation of the SEBI (SBEB) Regulations read with Rule 16 of the Companies Rules, consent of the members is being sought by way of a Special Resolution set out at Item No. 8, 9, 10 and 11 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or in the Trust or the aforesaid Special Resolution, except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolution proposed at Item No. 8, 9, 10 and 11 of this Notice for your approval.

Dated: August 21, 2019

Place: Mumbai

By Order of the Board of Directors

**Ashutosh Naik**

Company Secretary

ACS - 15067

Registered Office: IIFL Centre, Kamala  
City Senapati Bapat Marg, Lower Parel  
Mumbai MH 400013

CIN: U74140MH2008PLC177884

E-mail: [secretarial@iiflw.com](mailto:secretarial@iiflw.com)

Telephone No:022-4876 5600

## ANNEXURE 'A' TO THE NOTICE

Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI

Name	Subbaraman Narayan	Nilesh Shivji Vikamsey	Yatin Shah	Karan Bhagat	Shantanu Rastogi	Sandeep Naik
Date of Birth/ Age	76 years	54 years	43 years	41 years	40 years	47 years
Date of first Appointment on the Board	June 25, 2019	May 21, 2013	September 27, 2010	September 27, 2010	February 25, 2016	February 25, 2016
Brief Profile / Resume	Appended Below					
Shareholding in the Company (as on June 30, 2019)	Nil	23,571	33,14,097	306,569	-	-
Board Meetings attended during the year	N.A.	8	6	9	7	8
Experience in Specific Functional Area	Finance, Economics, Accounting, Strategic Management and Public Administration	Accounting, Audit, Taxation, Management Consultancy & Strategic Planning	Investment Banking, Equity Research, Strategic Management, Accounting and Finance.	Investment Banking, Equity Research, Strategic Management, Accounting and Finance.	Investment Banking, Equity Research, Strategic Management, Accounting and Finance.	Investment Banking, Equity Research, Strategic Management, Accounting and Finance.
Qualification(s)	Bachelor's degree and a master's degree in physics from Madras University. He has 40 years of experience in the fields of economics, economic policy, and administration	Chartered Accountant	Bachelor's degree in commerce from the University of Mumbai and a master's degree in science (finance) from Cass Business School, London	Bachelor's degree in commerce from St. Xavier's College, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore	Bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a master's degree in business administration from the Wharton School, the University of Pennsylvania	Bachelor's degree in technology (specialising in instrumentation engineering) from the University of Mumbai a master's degree in science (specialising in biomedical engineering) from the Virginia Commonwealth University School of Medicine and a master's degree in business administration (specialising in finance) from the Wharton School, the University of Pennsylvania
Last drawn remuneration (including sitting fees and commission)	Not Applicable	INR 15.40 Lakh	INR 4.00 Crore	INR 5.01 Crore	Not Applicable	Not Applicable
Relationship with other Directors and Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel

Directorship in other Companies	<ol style="list-style-type: none"> <li>Seshasayee Paper and Boards Limited</li> <li>Dabur India Limited</li> <li>Apollo Tyres Limited</li> <li>Artemis Global Life Sciences Limited</li> <li>Rudransh Trading Private Limited</li> <li>Andhra Pradesh Urban Infrastructure Asset Management Limited</li> <li>Artemis Medicare Services Limited</li> <li>Shanti Narayan Foundation</li> <li>Castlewood Trading Private Limited</li> <li>IIFL Wealth Finance Limited</li> </ol>	<ol style="list-style-type: none"> <li>Navneet Education Limited</li> <li>Thomas Cook (India) Limited</li> <li>PNB Housing Finance Limited</li> <li>IIFL Finance Limited</li> <li>SBI Life Insurance Company Limited</li> <li>SOTC Travel Limited</li> <li>India Infoline Finance Limited</li> <li>NSEIT Limited</li> <li>Indian Institute of Insolvency Professionals of ICAI</li> <li>ICAI Registered Valuers Organisation</li> </ol>	<ol style="list-style-type: none"> <li>IIFL Wealth Finance Limited</li> <li>IIFL Wealth Securities IFSC Limited</li> <li>Naykia Realty Private Limited</li> <li>IIFL Alternate Asset Advisors Limited</li> <li>India Alternatives Investment Advisors Private Limited</li> <li>IIFL Wealth Advisors (India) Limited</li> <li>IIFL Investment Adviser and Trustee Services Limited</li> <li>CDE Real Estate Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Kyrush Realty Private Limited</li> <li>NSDL E-Governance Infrastructure Limited</li> </ol>	<ol style="list-style-type: none"> <li>House of Anita Dongre Limited</li> <li>Krishna Institute of Medical Sciences Limited</li> <li>Capital Foods Private Limited</li> <li>Karvy Fintech Private Limited</li> <li>IIT Bombay Development and Relations Foundation</li> <li>Absolute Barbeque Private Limited</li> <li>IIFL Wealth Finance Limited</li> <li>Rubicon Research Private Limited</li> <li>Nobroker Technologies Solutions Private Limited</li> <li>Swasth Foundation</li> <li>IIT Bombay Society for Innovation and Entrepreneurship</li> <li>General Atlantic LLC</li> </ol>	<ol style="list-style-type: none"> <li>General Atlantic Private Limited</li> <li>The Wharton School of the University of Pennsylvania</li> <li>House of Anita Dongre Limited</li> <li>Citiustech Health Care Technology Private Limited</li> <li>The American School of Bombay</li> <li>PT Map Boga AdiperkasaTbk Limited</li> <li>Indiaideas.Com Limited</li> <li>MuSigma, Inc</li> <li>Krishna Institute of Medical Sciences Limited</li> <li>Karvy Fintech Private Limited</li> <li>Rubicon Research Private Limited</li> <li>GAP (Bermuda) Limited;</li> <li>General Atlantic LLC</li> </ol>
Chairman/Member in the Committees of the other Boards of companies [Includes only Audit Committee and Stakeholders Relationship Committee (SRC)]	<ol style="list-style-type: none"> <li>IIFL Wealth Finance Limited – Audit Committee</li> </ol>	<ol style="list-style-type: none"> <li>SBI Life Insurance Company Limited – Audit Committee – Member</li> <li>Navneet Education Limited – Audit Committee – Member</li> <li>Thomas Cook (India) Limited – Audit Committee – Chairperson and SRC – Member</li> <li>PNB Housing Finance Limited – Audit Committee – Member</li> <li>India Infoline Finance Limited – Audit Committee – Chairperson</li> <li>IIFL Wealth Management Limited – Audit Committee – Member</li> <li>NSEIT Limited – Audit Committee – Member</li> </ol>	-	-	<ol style="list-style-type: none"> <li>IIFL Wealth Finance Limited – Audit Committee</li> <li>House of Anita Dongre Limited – Audit Committee</li> <li>Krishna Institute of Medical Sciences Limited</li> </ol>	-



## **BRIEF PROFILE OF DIRECTORS TO BE APPOINTED/ RE-APPOINTED**

### **MR. NILESH VIKAMSEY (CHAIRMAN AND INDEPENDENT DIRECTOR)**

**Nilesh Vikamsey** is a senior partner at KhimjiKunverji& Co LLP, an 82-year-old Chartered Accountants firm (converted to LLP w.e.f. 08-05-2019) and member firm of HLB International. He is presently Member of the Advisory Committee on Mutual Funds & Corporate Governance Committee of Securities and Exchange Board of India (SEBI), Quality Review Board established by the Government of India under the Chartered Accountants Act, 1949, Risk Management Committee of Central Depository Services (India) Limited (CDSL), and Subgroup formed by Audit Committee of Coal India Limited (CIL) to consider revaluation of assets of CIL and its subsidiaries as on 31st March, 2019.

He is the Past President of the Institute of Chartered Accountants of India (ICAI). He was observer on board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was a member of IRDA. He was chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance Committee chaired by Uday Kotak, Primary Market Advisory Committee and committee on Disclosures and Accounting Standards.

He is a speaker/ chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of RBI, Comptroller & Auditor General of India (C&AG) and various other organizations.

### **MR. SUBBARAMAN NARAYAN (INDEPENDENT DIRECTOR)**

**Subbaraman Narayanis** an Independent Director on the Board of our Company. He holds a bachelor's degree and a master's degree in physics from Madras University. He has 40 years of experience in the fields of economics, economic policy, and administration. He has been a senior research fellow at the Institute of South Asian Studies, National University of Singapore since 2005. He has previously held the positions of finance and economic affairs secretary; economic advisor to the Prime Minister of India; secretary in the Department of Revenue, Ministry of Finance, Government of India;

secretary, Ministry of Petroleum and Natural Gas, Government of India; and secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

### **MR. KARAN BHAGAT (MANAGING DIRECTOR)**

**Karan Bhagat** is the Managing Director of our Company. He holds a bachelor's degree in commerce from St. Xavier's College, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has approximately two decades of experience in the financial services sector. He is currently responsible for the strategic initiatives undertaken by our Company. He was responsible for establishing a customer-centric private wealth enterprise and was responsible for introducing new offerings such as lending and estate planning services for ultraHNIs. Further, he was responsible for the acquisitions of Wealth Advisors (India) Private Limited and Altiore Advisors Private Limited by our Company. In addition, under his leadership, our Company also launched a fee-based advisory platform that aggregates all of our services into a single offering, called IIFL One. Further, he was responsible for the introduction of an innovative fee structure, which commits to a single fee being charged to the client. He has previously worked with Kotak Mahindra Wealth Management Ltd, where he served as Senior Vice President. He featured in Fortune India's '40 under 40' list in 2016 and 2017 and The Economic Times '40 under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

### **MR. YATIN SHAH (WHOLE-TIME DIRECTOR)**

**Yatin Shah** is a Whole-time Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in science (finance) from Cass Business School, London. He has significant experience in the financial services sector. He has previously worked with Khandwala Securities Limited and Kotak Mahindra Bank Limited. He has previously been named the 'Best Relationship Manager' by Kotak Mahindra Bank and secured the 'Best Financial Manager' award for the best registered deal by the Asian Institute of Management, Manila.

**MR. SHANTANU RASTOGI (NON-EXECUTIVE DIRECTOR)**

**Shantanu Rastogi** is a Nominee Director on the Board of our Company. He is currently a managing director at General Atlantic Singapore Fund Pte Limited, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He holds a bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a master's degree in business administration from the Wharton School, the University of Pennsylvania. He has approximately 14 years of experience in the fields of private equity and finance. He has previously worked as a business consultant with McKinsey & Company India LLP.

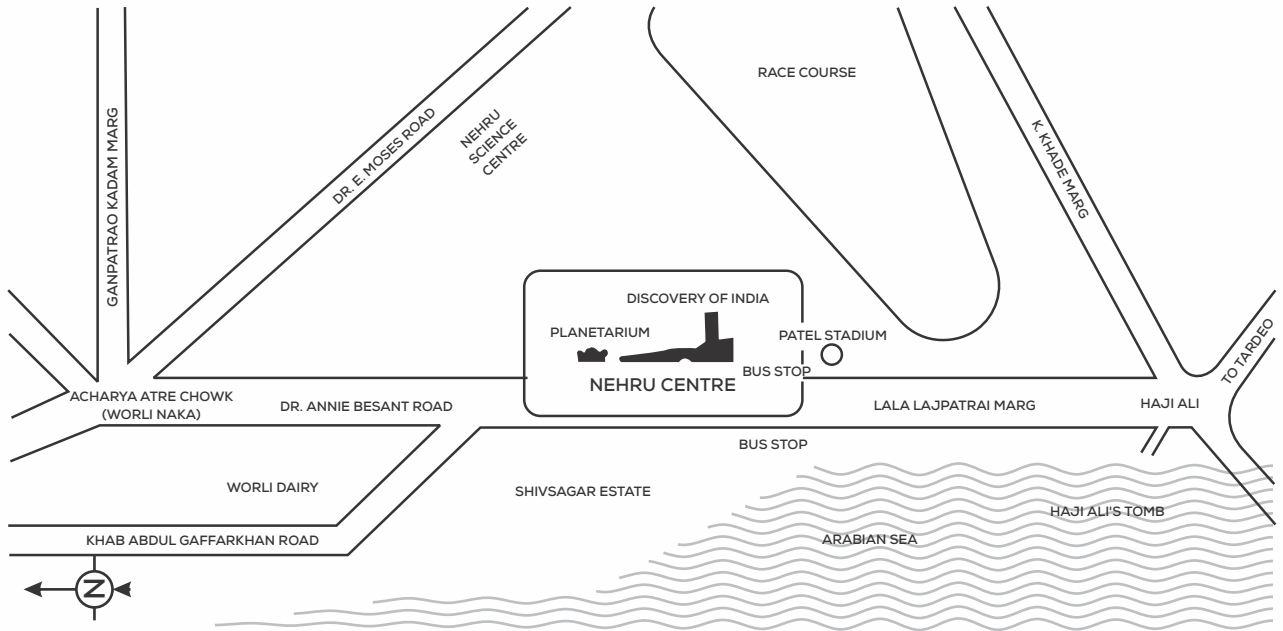
**MR. SANDEEP NAIK (NON-EXECUTIVE DIRECTOR)**

**Sandeep Naik** is a Nominee Director on the Board of our Company. He is currently the managing director and head of the India and Asia-Pacific business of General Atlantic. He holds a bachelor's degree in technology (specialising in instrumentation

engineering) from the University of Mumbai a master's degree in science (specialising in biomedical engineering) from the Virginia Commonwealth University School of Medicine and a master's degree in business administration (specialising in finance) from the Wharton School, the University of Pennsylvania. Prior to joining General Atlantic Singapore Fund Pte Limited in 2012, he served as partner and co-head of India for Apax Partners India Advisers Private Limited. He was also co-founder of InfraScan Inc. He was selected as a young global leader by the World Economic Forum and has previously served on the global agenda council of the 'new order of economic thinking'.

**VENUE MAP OF THE 12th ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 30, 2019**

**Venue Address: Hall of Harmony, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400018**



## LOCATION MAP OF NEHRU CENTRE

**IIFL WEALTH MANAGEMENT LIMITED**

CIN No: U74140MH2008PLC177884

**Registered Office:** IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013

**Tel. No.:** (+91-22) 4876-5600, **Fax No.:** (+91-22) 4646-4706

**Email:** secretarial@iiflw.com, **Website:** www.iiflwealth.com

**Form No. MGT -11**

**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]**

**TWELFTH ANNUAL GENERAL MEETING TO BE HELD ON 30TH SEPTEMBER 2019 AT 12:00 NOON**

Name of the Member(s): _____ _____
Registered Address: _____ _____
E-mail ID: _____
Folio No./DP ID and Client ID: _____

I/We, being the Member(s) of \_\_\_\_\_ shares of the above  
named Company, hereby appoint:-

1. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_, as my/our proxy to attend and vote (on a poll) for me/us  
and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held on Monday, September 30, 2019 at  
12:00 noon at Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment  
thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

Resolution No.	Description	For*	Against*
1	TO CONSIDER AND ADOPT: (A) THE AUDITED STANDALONE FINANCIAL STATEMENT(S) OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON; AND (B) THE AUDITED CONSOLIDATED FINANCIAL STATEMENT(S) OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019, TOGETHER WITH THE REPORT OF THE AUDITORS THEREON.		
2	TO APPOINT A DIRECTOR IN PLACE OF MR. SANDEEP NAIK (DIN: 02057989), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT;		
3	TO APPOINT A DIRECTOR IN PLACE OF MR. SHANTANU RASTOGI (DIN: 06732021), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT;		
4	TO RE-APPOINT MR. NILESH VIKAMSEY (DIN: 00031213) AS AN INDEPENDENT DIRECTOR OF THE COMPANY;		
5	TO RE-APPOINT MR. KARAN BHAGAT AS A MANAGING DIRECTOR;		
6	TO RE-APPOINT MR. YATIN SHAH AS A WHOLE-TIME DIRECTOR;		
7	TO APPOINT DR. S. NARAYAN, AS AN INDEPENDENT DIRECTOR;		
8	TO APPROVE IIFLW ESOP – 2019;		
9	IMPLEMENTATION OF IIFLW- ESOP 2019, INTER ALIA, THROUGH TRUST;		
10	GRANT OF STOCK OPTIONS TO THE EMPLOYEES OF THE SUBSIDIARY COMPANY(IES);		
11	GRANT STOCK OPTIONS EQUAL TO OR EXCEEDING 1% OF THE ISSUED SHARE CAPITAL.		

Signed this ..... day of ..... 2019.

Affix  
Revenue  
Stamp

.....  
Signature of Shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

**Notes:**

1. This form of proxy, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting;
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

## IIFL WEALTH MANAGEMENT LIMITED

CIN No: U74140MH2008PLC177884

**Registered Office:** IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013

**Tel. No.:** (+91-22) 4876-5600, **Fax No.:** (+91-22) 4646-4706

**Email:** secretarial@iiflw.com, **Website:** www.iiflwealth.com

### ATTENDANCE SLIP

### TWELFTH ANNUAL GENERAL MEETING – SEPTEMBER 30, 2019

Serial No.: \_\_\_\_\_

<b>Regd. Folio/ DPID/ Client ID</b>	
<b>Name and Address of the Sole/ First named Shareholder as registered with the Company</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	
<b>No. of shares held</b>	

I hereby record my presence at the **TWELFTH ANNUAL GENERAL MEETING** of the Company on Monday, September 30, 2019 at 12 Noon at Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018. I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

SHAREHOLDER'S / PROXY'S NAME IN BLOCK LETTERS: \_\_\_\_\_

SIGNATURE OF THE ATTENDING MEMBER / PROXY: \_\_\_\_\_

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Members/ Proxy are requested to bring copy of the Annual Report at the meeting.

**(Only shareholders/proxies are allowed to attend the meeting)**

### ELECTRONIC VOTING PARTICULARS

EVSN	User ID	E - Voting Sequence Number (If PAN not updated)	Cut- off date for voting	Voting Period and time
			September 23, 2019	September 25, 2019 at 9.00 A.M.(IST) To September 29, 2019 at 5.00 P.M.(IST)

**Note:** Please read the instructions printed under the note no. 23 of the Notice dated August 21, 2019 of the Twelfth Annual General Meeting.





D I M E N S I O N  
**2.0**

ANNUAL REPORT 2018 - 19







D I M E N S I O N  
2.0

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# CHAIRMAN'S MESSAGE

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Dear Shareholders,

It gives me great pleasure to write to you my first letter as the Chairman of your company. From humble beginnings, your company has come a long way.

Under leadership of Mr. Karan Bhagat - MD & CEO, your Company has been able to create an effective framework consisting of regular product innovations, continuing client confidence, investment in people, improving processes and a robust organisation structure, which will continue to hold your company in good stead in the long run.

I believe that the company's focus on products and processes will lead to depth, and depth will lead to excellence in performance.

I remain optimistic on India's outlook and believe that the country remains an attractive destination for the longer-term investor. As India grows we are likely to see a corresponding growth in the size and number of wealthy. With increasing wealth, more global exposure and a new generation of wealthy taking over the



**NILESH VIKAMSEY**

Chairman,  
IIFL Wealth Management



mantle, change in the way wealth is managed and preserved is inevitable. Over the last 10 years, the wealth management industry in India has undergone a striking metamorphosis as it shifts to a more holistic model of financial advisory.

The last decade has been fairly kind to the industry as a confluence of factors that include a changing mind-set, a burgeoning set of wealthy and a thriving investment environment have contributed to its growth. More recently, the percolation of digital technology and its accompanying benefits, is once again changing the shape of the wealth management industry and compelling firms to re-centre their strategy to product innovation & customisation and seamless delivery.

On the Wealth Management front, your company is moving towards a steadier and more predictable revenue model. Your company has partnered with the leading consulting firms to define a strategic growth path for the next decade. The vision for our AMC business is to be the premier investment provider for alternates in India

Your company understands the need to constantly evolve in response to the changing landscape and client expectations. I firmly believe the alignment of interest with our clients, shareholders and employees will help your company stay ahead of the curve as we continue to reinvent ourselves.

The Board of Directors of your Company's through board procedures ensure high levels of corporate governance.

Finally, I would like to thank your Company's employees, and all other stakeholders for their consistent commitment, engagement and encouragement in our journey. I would also express my gratitude to co-directors of the Board, for their deep insight on company's businesses, and their contribution towards achieving high standards of governance, controls, accounting and transparency.

**NILESH VIKAMSEY**

Chairman,  
IIFL Wealth Management

# FROM THE CEO'S DESK

## **DIMENSION 2.0:**

### **DRIVING TRUST AND TRANSPARENCY IN WEALTH STEWARDSHIP**

Dear Investors,

FY2019 was a defining year for IIFL Wealth & Asset Management and our clients. For years, we focused on building the expertise clients need to manage their wealth in the 21st century. Our efforts shaped IIFL Wealth & Asset Management as one of the formidable leaders in wealth management. With Dimension 2.0, we deepened our longstanding commitment to trust and transparency-led stewardship of our clients' wealth. IIFL Wealth & Asset Management is now ready to help our clients advance their wealth with increased efficiency and predictability.

Your company registered strong growth in AUM, just as it entered Dimension 2.0 of a breakthrough transformation.

It was a fairly challenging fiscal punctuated by the NBFC crisis and industrial slowdown in India, and global trade wars, leading to subdued investor sentiments, and towards the end of the year a pre-election status quo. Despite global and domestic headwinds, we reported a robust performance.

We remained resolute in focusing on our two strategic priorities: first, building an open, transparent, fee-based wealth management model

- IIFL-ONE; and second, moving ahead with a focus on alternate investments in the asset management business. In fact, during the year, IIFL-ONE already started delivering on cost synergies ahead of expectations.

Let me outline how clients are poised to enter Dimension 2.0 of their wealth management journey, and how this translates to growth for IIFL Wealth & Asset Management, and a paradigm shift in the wealth management industry.

### **THE GENESIS OF A TURNAROUND**

In FY19, India continued its quest to become the next global superpower. Every regulatory move and bilateral agreement signified the country's efforts in this direction. Consequently, we retained our position as the world's fastest growing economy during the fiscal. The impact of the robust economy on the performance of the wealth management industry was noteworthy. According to the IIFL Wealth Index 2018, published along with Wealth-X, India was home to 284,140 HNIs with a combined fortune of INR 95 trillion. The momentum is expected to accelerate further over the next few years as the industry size is expected to nearly double to over INR 188 trillion by 2021 .

## KARAN BHAGAT

Founder, Managing Director & Chief Executive Officer,  
IIFL Wealth & Asset Management



While the potential is immense, fiduciary responsibility is a glaringly missing element in the wealth management industry narrative. Further, the swiftly growing markets are also characterised by growing complexity of customer demands. The practice of product promotion has been moderating industry prospects and eroding trust. In response, the largely traditional industry needs to imbibe new terms of trusteeship in client servicing. It needs a game-changing disruption in the form of genuine, goal-oriented counsel and completely transparent fee-based advisory. Your company recognized this and set out on the path of addressing it swiftly with IIFL-ONE.

### A NEW DIMENSION FOR DISRUPTION IN WEALTH MANAGEMENT

With IIFL-ONE, we engage with clients in an advisory relationship for a single fee, with all investments in direct code and trail income. The model redefines client engagement in India's wealth management industry in terms of its approach to transparent conduct, open disclosures and fiduciary advice.

The strategy pioneers a radical shift in the wealth management approach and is integral to our differentiated value proposition as one of the

industry leaders. Over the next few years, we aim to evolve into a predictable, revenue-led, AUM-driven organization, genuinely different from an industry dominated by product promotion and distribution.

### AN ALTERNATE FOCUS IN ASSET MANAGEMENT

The traditional approach to asset management focuses a great deal on mutual funds. However, in an industry-first approach, we are consciously moving away from this strategy. Instead, we are harnessing our focus on alternative investments. In fact, we set up a structured credit vertical by bringing in a high calibre team from the industry. Further, we have upgraded the technology stack and digitized our back office to facilitate error-free, efficient processes.

During the year, we rolled out two products, IIFL India PE Fund and IIFL Income Opportunities Fund (a structured credit fund). The move augurs well for our investor community in terms of value creation. Alternatives have low correlation as compared to standard asset classes and often move counter to stock markets. This factor makes them suitable instruments for portfolio diversification – especially in a bearish market scenario.



## ACCELERATED CHANGE IS THE ONLY WAY FORWARD

We are beginning to see the contours of Dimension 2.0 as a pioneering, industry-first move in wealth management: moving from distribution to true trust, transparency and technology-driven transformation.

Our first dimension was defined largely by rigorous, research-driven wealth management underpinned by a scientific investment process and robust technology platform.

In Dimension 2.0 of our transformation, clients will begin to benefit from increased efficiency and superior experience, as IIFL Insights – our internal analytics platform - is already demonstrating.

We are moving clients to Dimension 2.0 of their wealth transformation with our unique integration of innovative technology, digitization, industry expertise and a reputation for trust and security earned over decades. Our efforts have been enhanced by our acquisition of Altiore.

A strategically important acquisition, it is a continuation of our investment for future growth. It is a transformational transaction that will add data and analytics-driven insights to our service range and mark the beginning of a fintech-led transformation.

During the last fiscal, IIFL Wealth & Asset Management touched over INR 1.3 trillion in assets under distribution, advice and management. Our team size has expanded to more than 900

professionals, as we partnered with over 13,000 of India's uber rich families in managing, multiplying, structuring and bequeathing their wealth. Today, our footprint spans over 26 offices across the world. Indeed, we have come a long way from the time when we commenced operations in 2008. We were a team of less than 10 members working from a single office and managing a clientele of 300 families.

In the first phase of our transformation plan, we are restoring the basics so that we can deliver, sustainable, profitable, and predictable growth to investors, colleagues, and communities in which we operate.

Our prime objective is to ensure that clients achieve the long-term wealth outcomes that they expect. We remain focused on this goal. While we anticipate that global markets may continue to present some challenges in our new financial year, we are committed to driving technology and process-led efficiencies in their favor.

We have a great team at IIFL Wealth & Asset Management and we tap into their loyalty and passion to deliver on this transformation journey. I thank them for their hard work and dedication and owe it to them to make change an imperative, to strengthen our culture, and create a faster-growing, more predictable business.

By working together, I am optimistic that focusing on our clear roadmap for transformation, we can make IIFL Wealth & Asset Management a game-changing disruptor in wealth management.

## LAYING A STRONG FOUNDATION FOR THE NEXT PHASE OF GROWTH

The execution of our two critical strategies coincides with the listing of IIFL Wealth & Asset Management – which will happen during the current fiscal. In March 2019, the National Company Law Tribunal (NCLT) approved the demerger of our parent entity, IIFL Holdings. The introduction of an industry-changing value proposition at this critical juncture upholds our commitment of driving responsible growth, always.

We enter the new year in a strong financial position, with a pivot in our business model, our priorities remain focused on ensuring the efficient integration of IIFL-ONE as well as the continuity of high-quality client service. For our AMC business, we will focus keenly on developing advanced digital tools for analytics and risk monitoring. On the product side, we have identified certain niche segments, where we will look to launch new products. We remain confident that, over the longer term, we will be able to deliver attractive returns, both for our investment clients and our shareholders.

Our primary objective remains unchanged – to ensure that our clients achieve the long-term outcomes that they expect – and we remain fully focused on this goal. We enter the new financial year with a healthy balance sheet and as a trusted market leader to enable us to remain competitive in a rapidly evolving market.

## WELL-POSITIONED TO TRANSFORM AND LEAD

In summary, we have reinforced our capabilities to leverage growth. We have positioned IIFL Wealth & Asset Management's services and people to enable clients to write the next chapter of their wealth transformation. And we have done it all while reaffirming IIFL Wealth & Asset Management's longstanding reputation for trust, integrity and responsibility.

I want to thank all of our clients for partnering with us while we transformed IIFL Wealth & Asset Management, and for choosing us for their own journeys of wealth transformation.

I also would like to thank our investors for their confidence in IIFL Wealth & Asset Management and welcome our new shareholders to the IIFL Wealth & Asset Management family. Finally, I would like to thank each member of our team whose expertise has prepared us to lead in this new chapter of Dimension 2.0.

I am filled with optimism about the prospects that the world's fastest growing economy holds in the wealth management sector. I am honored to steward this great company, and excited about what we can achieve in partnership with our clients and society.

Together, we will be change-agents for the wealth management sector, not only the way it is offered and consumed but ultimately, the way the industry functions as a whole.

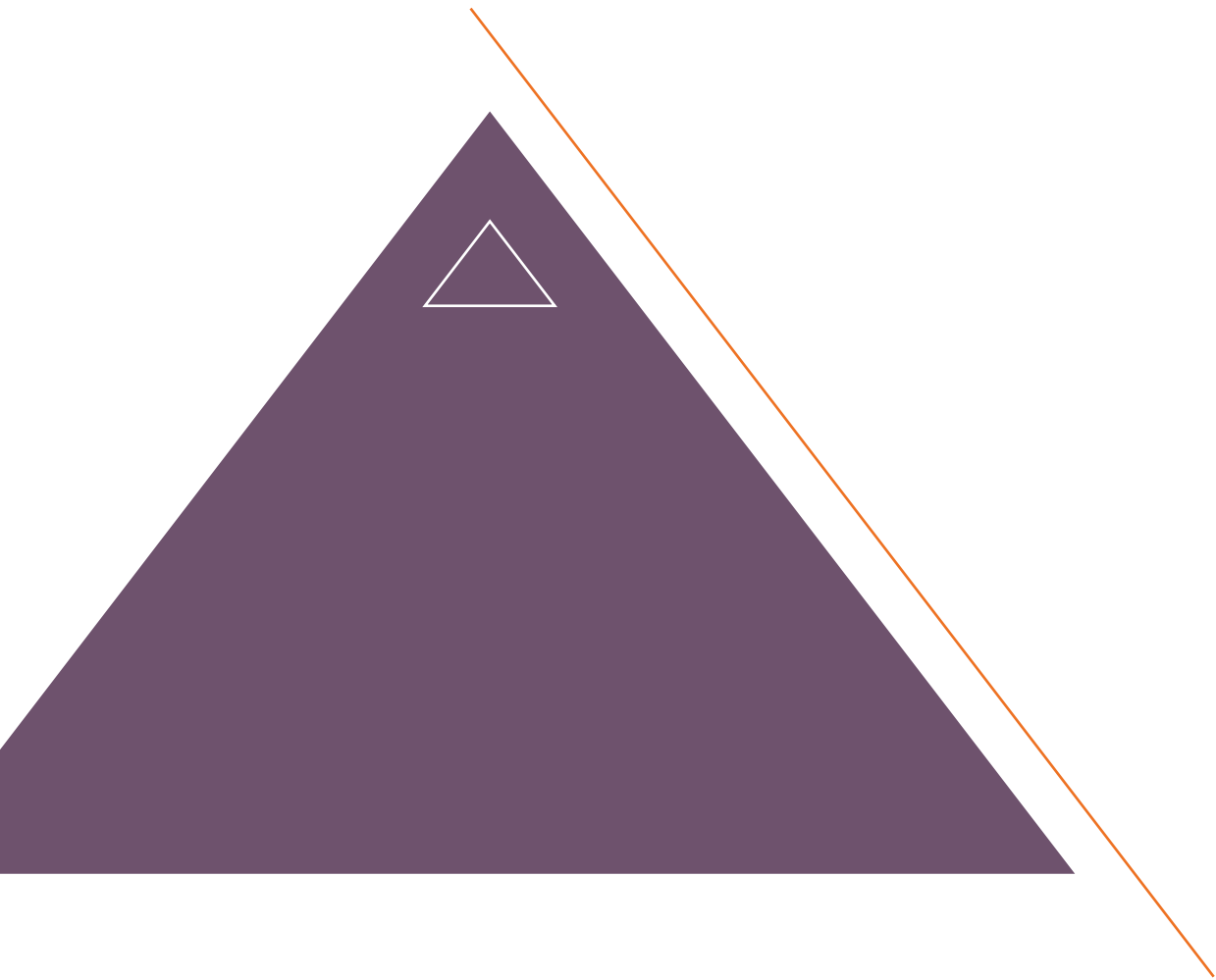
Regards,

### **KARAN BHAGAT**

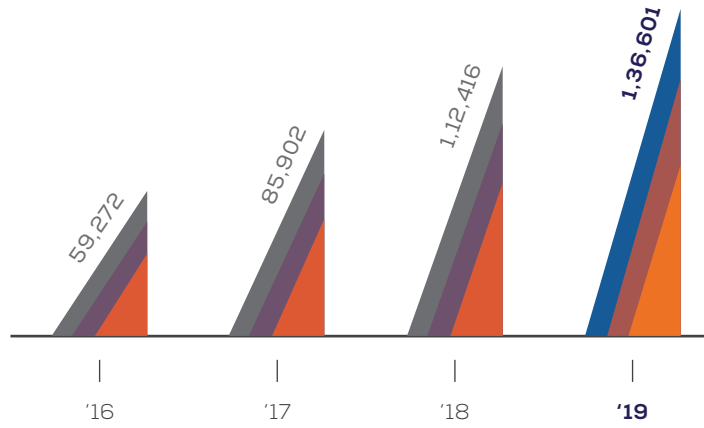
Founder, Managing Director & Chief Executive Officer  
IIFL Wealth & Asset Management



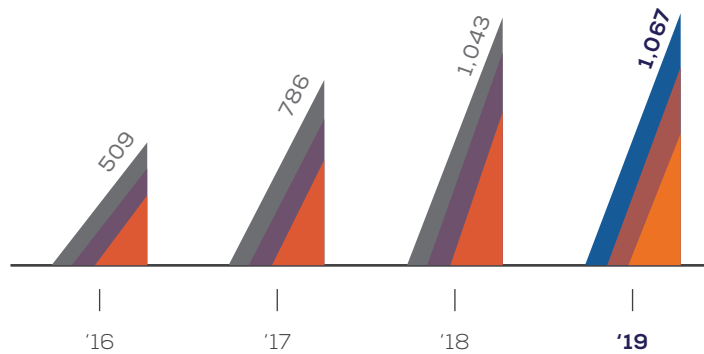
# FINANCIAL HIGHLIGHTS



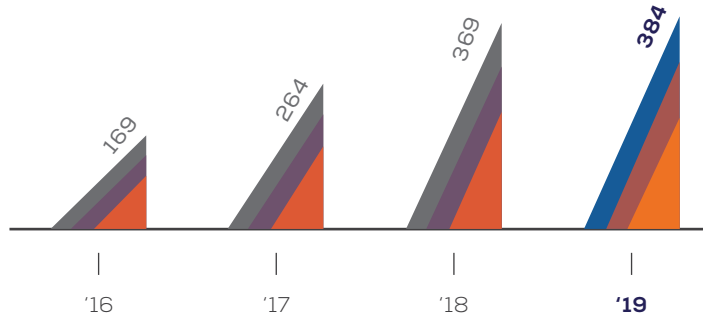
## ASSETS UNDER MANAGEMENT (₹ CR.) EXCLUDING CUSTODY



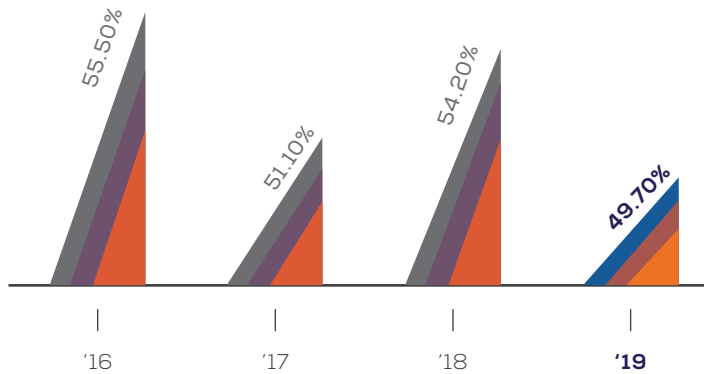
## NET REVENUES (₹ CR.)



### PROFITABILITY (₹ CR.)

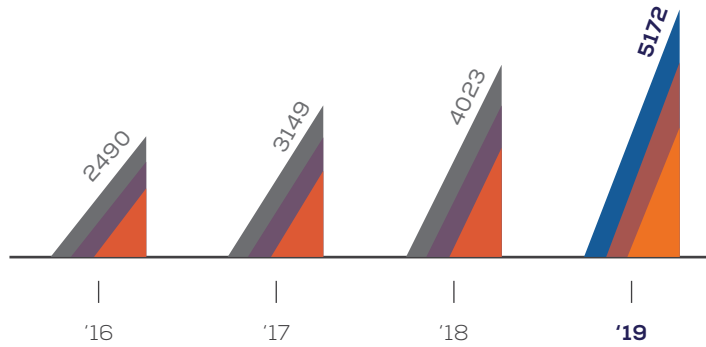


### COST TO INCOME RATIO\*



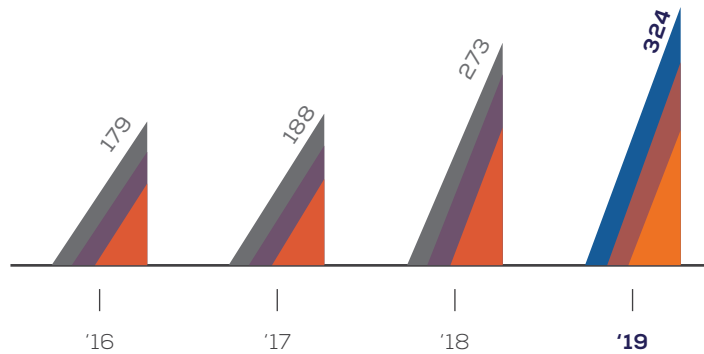
\*Cost to income ratios have been calculated basis Net Revenues

## COUNT OF RELEVANT FAMILIES



Relevant families is basis number of families with AUM in excess of ₹. 1 Cr

## NUMBER OF BANKERS



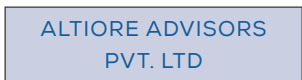
# CORPORATE STRUCTURE



- Financial Product Distribution
- Broking
- Research
- Non-Discretionary Portfolio Management Services
- Discretionary Portfolio Management Services
- Advisory for Corporate Advisory

**Investment Advisory:**

- Asset Allocation
- Investment Policy Statement
- Review Mechanism and Portfolio analytics



**Estate Planning:**

- Wealth Structuring
- Succession Planning
- Entity Structuring Solutions



A large, stylized triangle graphic composed of several concentric, overlapping triangles in shades of blue, purple, and orange, pointing upwards. It is positioned to the left of the table.

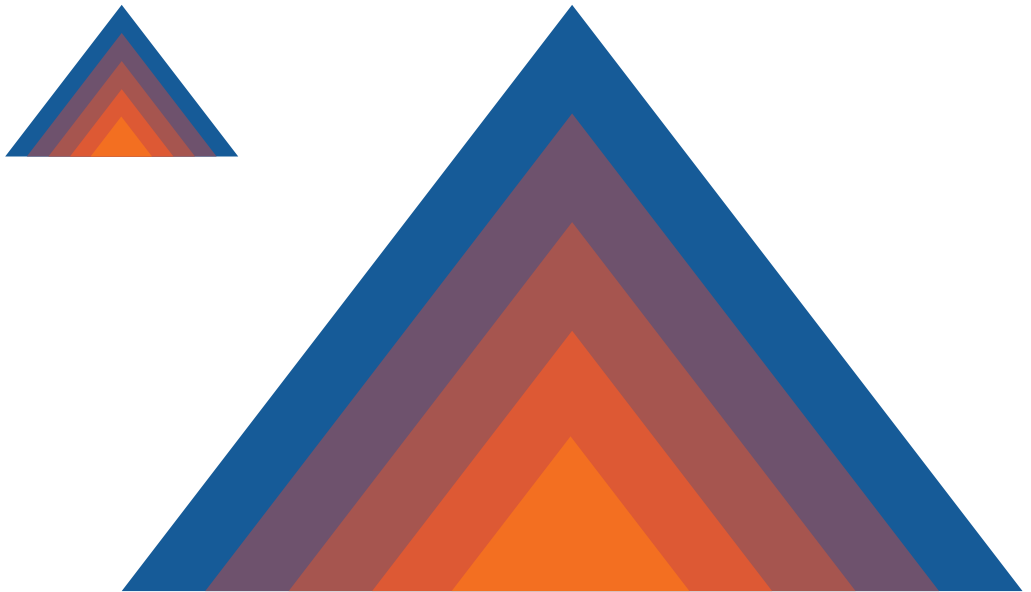
ASSET MANAGEMENT
<ul style="list-style-type: none"><li>• IIFL ASSET MANAGEMENT LIMITED</li><li>• IIFL ALTERNATE ASSET ADVISORS LTD.</li><li>• IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED</li><li>• IIFL CAPITAL PTE LTD.</li></ul>

- Mutual Fund
- Alternative Investment Funds
- Portfolio Management Services



# VISION

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



# CORE BUSINESSES

The International Monetary Fund (IMF), in the April 2019 edition of the World Economic Outlook Report, identified India as the fastest growing major economy globally. The country has witnessed growth averaging about 7% over the last five years. It is expected to maintain a similar growth average over the next few years. The fast-paced development is supported by the decisive mandate delivered in the general elections of 2019. The re-election of the government will enable incumbents to implement strategies and initiatives planned during the last term. This, in turn, will result in high investment volumes and robust consumption. Further, the pace of growth will find impetus in the expansionary stance of monetary and fiscal policies<sup>1</sup>.

The country's strong economic prospects augur well for its affluent population. According to the findings of the IIFL Wealth & Asset Management Index 2018 report, the population of high net-worth individuals (HNIs) has expanded by just under 40% over the last five years. Their wealth levels have also increased by ~37% during the same period<sup>2</sup>. The global number of HNIs and their wealth multiplied by 3.2% and 4.2% during the same period<sup>3</sup>. If these numbers are impressive, there's more. The report also forecasts that the number of wealthy Indians and their wealth will increase by ~85% over the next five years<sup>4</sup>. As the GDP per capita grows, Ultra HNIs will have greater opportunities to generate wealth.

As the number of wealthy Indians surges, the demand for wealth management services is set to multiply. To remain relevant to new-age audiences, wealth managers need to reinvent themselves to meet modern customer expectations. In the era of fast-paced technological advancements and personalised services, wealth managers need to offer innovative and cutting-edge services.

At IIFL Wealth & Asset Management, our ability to continually advance our services to match client expectations has been a fundamental success factor. We understand that trust and transparency are among the most critical factors in choosing wealth managers. Technology is another vital aspect in the digital era. Our business approach is an amalgamation of these three elements.

The success of our client relationships has compelled

us to evolve our offerings into an end-to-end service suite. Today, IIFL Wealth & Asset Management offers solutions that enable clients to preserve, multiply, donate, and structure their wealth. The outcome of our efforts can be gauged by our position as one of India's largest private wealth management firms – a feat that we have achieved in less than a decade of our existence.

## WEALTH MANAGEMENT

Our offerings include brokerage, distribution of third-party products, and customised key portfolio mandates.

On the strategic front, the year witnessed the launch of the IIFL-ONE model. With this, we aim to transcend the traditional commission-based wealth management business model to a fee-based one. The complete transition will take about three to five years to take effect, but it bodes well for customers as it lends absolute transparency in transactions, thus establishing trust. For IIFL Wealth & Asset Management, a fee-based strategy will enable better predictability of revenues.

## ASSET MANAGEMENT

Strategically, we reined our focus on alternates. Our endeavour is to create investment products that generate sustainable risk-adjusted returns. Our differentiated product suite includes mutual funds (MFs), portfolio management services (PMS) and alternate investment funds (AIFs) spanning across public and private equity, private fixed income and real estate. IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India.

While we are the largest player in this segment currently, we are working on expanding our portfolio and presence significantly. We aim to become the go-to brand for global institutional investors in India's alternates space. The last fiscal marked an important milestone wherein we added some marquee international names to our list of institutional clients.

<sup>1</sup> <https://www.imf.org/~/media/Files/Publications/WEO/2019/April/English/text.ashx?la=en>

<sup>2</sup> <https://www.iiflwealth.com/wealth-x-2018>

<sup>3</sup> <https://www.iiflwealth.com/wealth-x-2018>

<sup>4</sup> <https://www.iiflwealth.com/wealth-x-2018>

# IIFL-ONE

## A GAME CHANGER

### INDIA'S WEALTH MANAGEMENT INDUSTRY: SIGNALLING THE NEXT REVOLUTION

When we found IIFL Wealth & Asset Management, India's wealth management industry was in its nascent stages. In 2008, the country was home to 84,000 high net-worth individuals (HNIs)<sup>1</sup>. Over the last decade, the industry has grown by leaps and bounds. By 2021, the number of HNIs in the country would have risen to 529,940 with estimated investible assets of Rs 188 trillion<sup>2</sup>. The country's high net-worth individuals (HNIs) population is expanding at a rapid CAGR of 14.7%<sup>3</sup> – which is the fastest growth rate across the globe. The rapid pace of wealth generation is a result of a robust economy and strong equity market performance.

The seismic shifts in India's wealth scenario necessitate an evolution of traditional operating models prevalent in the industry. New-age client expectations lay emphasis on performance over products. Since they are financially savvy and harbour a greater understanding of financial products, their involvement in the investment decision-making process is also higher. Consequently, HNIs are opening their wallets to more evolved products such as alternative investment funds, hedged strategies, direct-fixed income opportunities, exchange credit funds etc. The share of investments in traditional avenues such as mutual funds, real estate and gold is shrinking.

Another factor that needs to be addressed in this evolving scenario is fee structuring. According to the findings of the IIFL Wealth & Asset Management Index 2018, fees attract scrutiny among the wealthy: the wealthier the client, the more mindful he/she is of how much of their money will be eaten by fees<sup>4</sup>. In our experience at IIFL Wealth & Asset Management, one of the biggest challenges for a UHNI or HNI client is to decipher the net of fees alpha/value-add and going past the opacity of total expense ratio including asset management fee and wealth manager fee/brokerage.

### THE AEGIS OF IIFL-ONE

As pioneers in the wealth management industry, the team at IIFL Wealth & Asset Management has often led and set new industry trends. We recognised that a rudimentary operational model was unsuitable for new-age needs. At the same time, the industry was yet to transition to a fiduciary servicing mode.

As leaders, we decided to lead from the front. IIFL-ONE is the first attempt to introduce an institutional approach to wealth management in India. The approach demonstrates our commitment to keep our long-term interests wholly aligned with that of our clients through potential co-investment into their portfolios and offering a transparent all-in-fee structure.

### WHAT IS IIFL-ONE?

IIFL-ONE is a new platform that institutionalises a range of investment options for clients under a competitive and transparent fee structure. It is an aggregation of our product expertise, active advice and discretionary services. Through this initiative, we aim to re-define client engagement for wealth management in India.

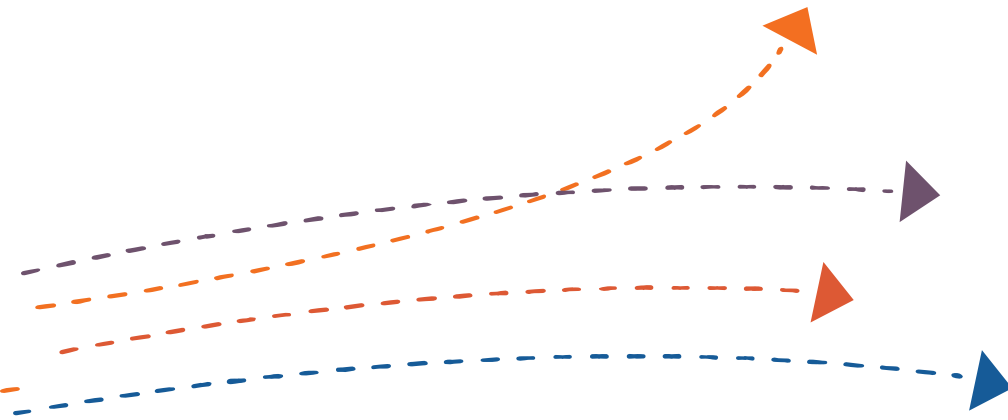
THE ENGAGEMENT MODEL IS FOUNDED ON FIVE CORE TENETS. THESE ARE:

- **Strength of platform:**

IIFL-ONE leverages our award-winning wealth management platform. Our scale enables us to design, access and price product ideas. Our expertise has helped in the formulation of a sound investment process. Additionally, our innovative and robust technology platform ensures efficient and timely action.

- **Portfolio management approach:**

Our portfolio management approach is at the core of IIFL-ONE. It comprises of professional portfolio management, scientific deployment processes and institutional grade reviews. This approach enables us to treat every family as an institution – with



its specific framework, aspirations and goals. Our award-winning specialist teams collaborate to deliver value for clients in continually changing market conditions.

- **Focus on process:**

Our processes derive momentum from industry experience. The IIFL-ONE model offers bespoke solutions that are tailored to suit specific client needs. We curate an investment policy based on client needs. We then construct and align the portfolio to meet these objectives. A periodic review of investments enables clients to modify their strategy and suit their changing needs.

- **Unique privileges:**

The IIFL-ONE platform is coupled with a host of privileges such as access to preferred lending terms, wealth structuring and estate planning services. Besides, partnerships with other industry leaders, such as American Express and IATSL, opens up new opportunities for our clients. Further, our industry-leading education initiatives such as DIVE, Herself, Young Leaders Program and Class Apart, are formulated to coach segments of our client communities.

- **Transparent Pricing:**

The essence of the IIFL-ONE platform lies in its transparent pricing. We endeavour to lead the industry trend of eliminating commission and brokerage fees. With no return, other than the client fees to churn, our focus is firmly on process and return optimisation. Our unique pricing models – Fee-based and All-In cost – ensure that our efforts are completely in alignment with our client objectives.

## IIFL-ONE: PORTFOLIO MANAGEMENT OFFERINGS

- **IIFL-ONE Consult:**

IIFL-ONE Consult is a guided strategy. Under this, we use our expertise to create a customised investment framework for our clients. The portfolio guidelines are defined by specific client needs. We then work alongside investors to provide bespoke product recommendations to suit their needs, goals and risk inclinations.

- **IIFL-ONE Mandate:**

Under the IIFL-ONE Mandate model, clients define the portfolio guidelines and entrust the entire investment management process to our team of experts. Our team, in turn, defines a customised investment strategy based on the guidelines. This is followed by the construction of a portfolio that ensures a scientific product fitment.

<sup>1</sup> [https://www.capgemini.com/us-en/wp-content/uploads/sites/4/2017/08/World\\_Wealth\\_Report\\_2009.pdf](https://www.capgemini.com/us-en/wp-content/uploads/sites/4/2017/08/World_Wealth_Report_2009.pdf)

<sup>2</sup> <https://www.iiflwealth.com/wealth-x-2018>

<sup>3</sup> <https://www.iiflwealth.com/wealth-x-2018>

<sup>4</sup> <https://www.iiflwealth.com/wealth-x-2018>

# IIFL AMC: STRATEGY

OUR ENDEAVOR IS TO CREATE INVESTMENT PRODUCTS THAT GENERATE SUSTAINABLE RISK-ADJUSTED RETURNS.

- OUR DISTINCTIVE PRODUCTS ENABLE INVESTORS ACROSS THE WORLD TO PARTICIPATE IN INDIA'S UNIQUE GROWTH STORY.



- UPGRADED OUR TECHNOLOGY STACK AND DIGITIZED OUR BACK OFFICE.



- IDENTIFIED CERTAIN NICHE SEGMENTS, WHERE WE EXPECT TO LAUNCH NEW PRODUCTS.



- WE ADDED SOME MARQUEE INTERNATIONAL NAMES TO OUR LIST OF INSTITUTIONAL CLIENTS.



## RESILIENT AND INNOVATIVE

IIFL Asset Management (IIFL AMC) is an India-focused, global asset management firm. Our distinctive products enable investors across the world to participate in India's unique growth story. IIFL AMC offers capabilities in onshore and offshore asset management through its subsidiaries based in Singapore, India and Mauritius.

Our endeavor is to create investment products that generate sustainable risk-adjusted returns. Our differentiated suite includes mutual funds (MFs), portfolio management services (PMS) and alternate investment funds (AIFs) spanning across public and private equity, private fixed income and real estate. IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India. As of March 31, 2019, IIFL Asset Management's AUM (assets under management) stood at Rs.20,103 cr, a 48% increase over the previous year.

During the year, we made significant investments in technology and people. We have upgraded the technology stack and digitized our back office to facilitate error free, efficient processes. We have launched a new website, rich in features such as web log-in based access for clients and distributors, enabling them to view their portfolios and transactions. In terms of people, we have strengthened the team, by hiring skilled, senior people from the industry. In August 2018, Anup Maheshwari joined IIFL AMC as its Joint Chief Executive Officer and Chief Investment Officer. He brings with him 24 years of experience, primarily with DSP BlackRock. We set up the structured credit vertical by bringing in a high caliber team from the industry. We also enhanced the private equity (PE) capability by hiring a senior resource to lead the mid-market PE practice.

During the year, we rolled out two products, IIFL India PE Fund and IIFL Income Opportunities Fund (a structured credit fund). Over the years, IIFL AMC has been a thought leader in products, be it the IIFL Special Opportunities Fund (a fund designed to invest

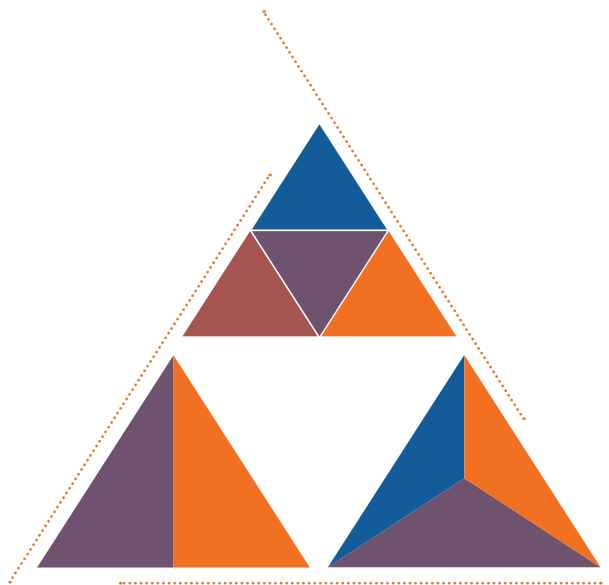
in pre-IPO opportunities) or the IIFL Seed Ventures Fund (the only fund available to HNIs (high net worth individuals) that offers investment into fund of funds and direct deals).

The year also marked an important milestone wherein we added some marquee international names to our list of institutional clients.

For the coming year, we have identified two priorities – technology and products. We will focus keenly on developing advanced digital tools for analytics and risk monitoring. On the product side, we have identified certain niche segments, where we will look to launch new products.

IIFL AMC's structure with significant employee ownership empowers our people. Employees work like owners and act with a fiduciary responsibility to deliver results. We derive our investment edge from a strong, resilient team that is adept at identifying high-yield opportunities and proactively recognizing evolving macroeconomic trends. Our investors gain access to cross-functional experts with local specialization, who predominantly adopt a long-term approach based on fundamentals.

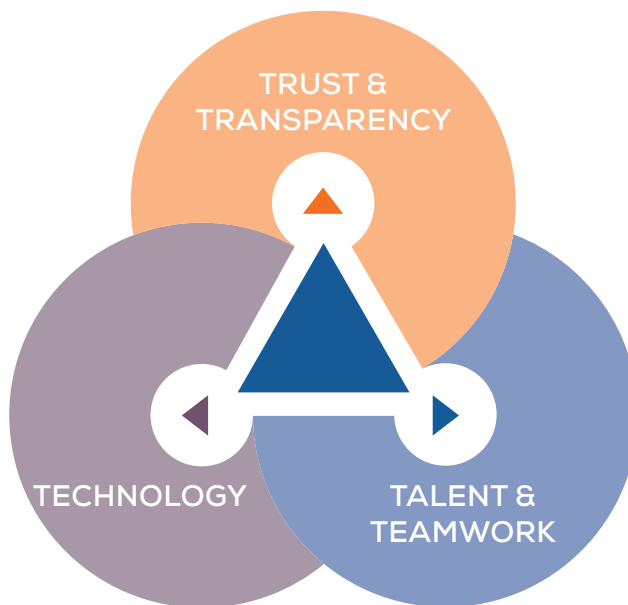
We look forward to an exciting year ahead for IIFL AMC and we look forward to making it a year that is rewarding for our investors and our shareholders.





# OUR SUCCESS MANTRA

India is amidst an unprecedented phase of economic expansion. The rapid rate of development generates more opportunities for UHNIs to create wealth and augurs well for the wealth management industry as a whole. As industry leaders, we are well positioned to gain a greater share in this phase of financial growth. The success of our efforts comprises three enablers:



## TRUST AND TRANSPARENCY:

Trust and transparency underpin our organisational culture. In fact, they define the guiding principles behind the inception of IIFL-ONE. In this model, our approach to portfolio management will ensure greater focus on our clients' interests, their requirements, mindsets and risk appetite. The model is aimed at aligning our efforts to clients' interests at all times. In the IIFL-ONE Mandate model, for instance, our co-investments align with client success. This level of commitment is unique but also an industry-leading advantage of the model.

Besides, we are committed to adhering to the highest levels of transparency. This commitment is illustrated in our innovative and transparent pricing structure in both the IIFL-ONE Mandate, as well as the IIFL-ONE Consult models. By eliminating vendor commissions and transaction brokerages, we ensure that our focus is firmly on return optimisation for our clients' investments. To do this successfully, it is imperative that we offer a clear framework of fees. Also, every action on our part is backed by fiduciary responsibility. We aim to transition to the fee-based

model entirely over the next three to five years.

Further, we aim to evolve our AMC business strategy to focus on alternates as against mutual funds, over the next few years. Currently, a sizeable part of our asset mix comprises of mutual funds. To ensure better transparency, we have moved away from an upfront fee model to a trail fee model. This enables mutual funds to afford us better rates of interest since their cost to the company is proportionate to the behaviour of an asset and/or life of investment.

## TALENT AND TEAMWORK:

At IIFL Wealth & Asset Management, we pride ourselves on our talent and teamwork. Specialist teams – across departments and geographies – join hands to ensure that our customers capitalise on opportunities by leveraging on our product expertise and active advice. A cohesive team culture is at the core of the delivery of IIFL-ONE. However, the change in the business model requires a shift in their approach to client engagement.

Consequently, with the implementation of IIFL-ONE, our team members will transcend from selling products to acquiring fee-bearing assets. Their client conversations will be more advisory-centric and

process-oriented. We have designed an extensive training programme to equip our team members better to handle their roles in the new portfolio. This comprises initiatives such as role-plays, training by members of top management, external interventions and online huddles.

On the AMC front, we reined our focus on alternates as a strategy rather than mutual funds. Over the years, IIFL AMC has established itself as a thought leader in products, be it the IIFL Special Opportunities Fund (a fund designed to invest in pre-IPO opportunities) or the IIFL Seed Ventures Fund (the only fund available to HNIs that offers investment into fund of funds and direct deals). As a part of the new alternatives-focused strategy, we rolled out two products, IIFL India PE Fund and IIFL Income Opportunities Fund (a structured credit fund).

The year witnessed the formation of new business teams, such as the private debt team, helmed by industry veterans. In August 2018, Anup Maheshwari joined IIFL AMC as its Joint Chief Executive Officer and Chief Investment Officer. He brings with him 24 years of experience, primarily with DSP BlackRock. We set up the structured credit vertical by bringing in a high calibre team from the industry. We also enhanced the private equity (PE) capability by hiring a senior resource to lead the mid-market PE practice.

Further, we recognise that not just our products but also our work culture needs to align with the sensibilities of the millennial generation. Hence, we actively strategise workplace initiatives to engage and encourage this section of our workforce. We have found their inputs to be especially useful in product ideation for new-gen customers. Our organisation structure facilitates significant employee ownership. This strategy empowers our people to work like owners and act with a fiduciary responsibility to deliver results.

## TECHNOLOGY:

Today, the wealth management industry is at the cusp of digitalisation. Global players are leading the change. At IIFL Wealth & Asset Management, we recognise that digitalisation is essential for us to remain relevant and retain our leadership position.

Technological integration is, therefore, an important aspect of the IIFL-ONE platform.

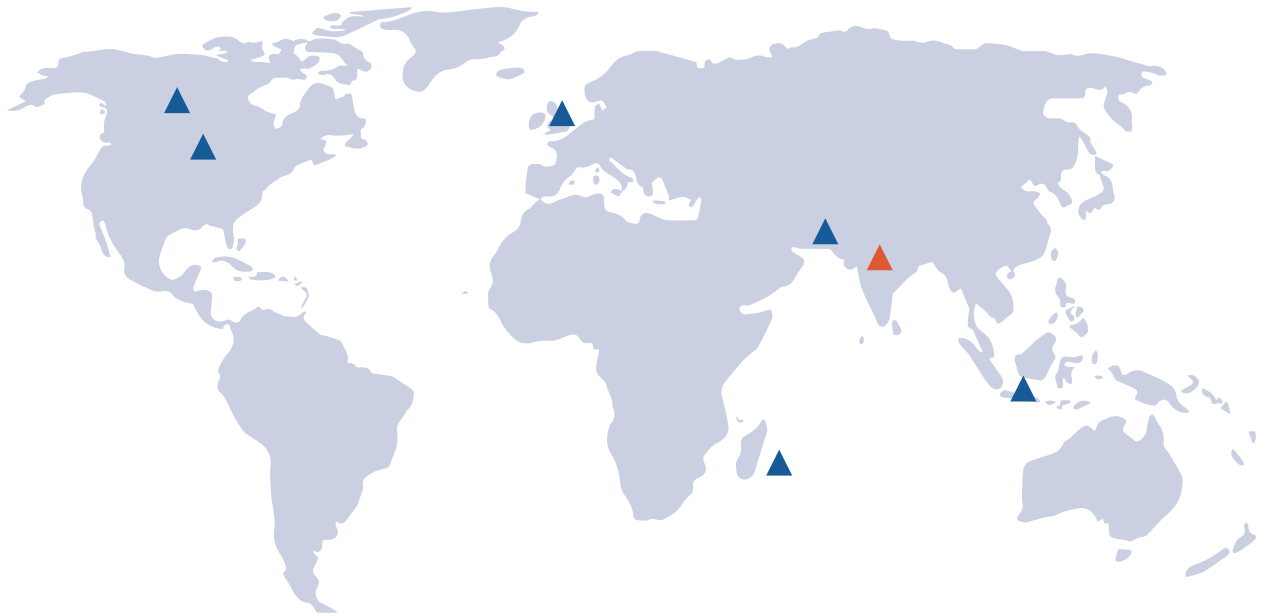
The ability of consumers to access and process services are important parameters to measure an organisation's quality of services. We deploy our award-winning technological platforms to optimise investment opportunities for our clients. During the last fiscal, we achieved several technology-related milestones. These included:

1. Launch of IIFL Insights: an internal analytics portal
2. Acquisition of Altiore Capital, a fintech firm that integrates technology, data and advice into an online platform and allows users to effectively and efficiently manage their net-worth by providing data and insights across asset classes.
3. Launch of a new website for our AMC business ([www.iiflamc.com](http://www.iiflamc.com)) rich in features such as web login based access for clients and distributors, enabling them to view their portfolios and transactions.

We recognise that accelerating forces of digital disruption present new opportunities to create, multiply and protect wealth. However, while digital is the way forward, we aim to preserve the human ingenuity in our services to deliver a truly defining experience for customers. Our robust, process-driven professional portfolio management approach is at the crux of our success. A systematic roadmap to the wealth management strategy - which is founded on the client's wealth objectives and risk appetites - is the foundation of every customer account at IIFL Wealth & Asset Management. We pride ourselves for being consistent and reliable in our approach. Continuous monitoring of portfolios affords clients the agility to react to the dynamic investment environments with immediacy.

We derive our investment edge from a strong, resilient team that is adept at identifying high-yield opportunities and proactively recognising evolving macroeconomic trends. Our investors gain access to cross-functional experts with local specialisation, who predominantly adopt a long-term approach based on fundamentals.

# TRANSCENDING GEOGRAPHIES



## GLOBAL OFFICES

**USA** - IIFL INC

**CANADA** - IIFL CAPITAL (CANADA) LTD.

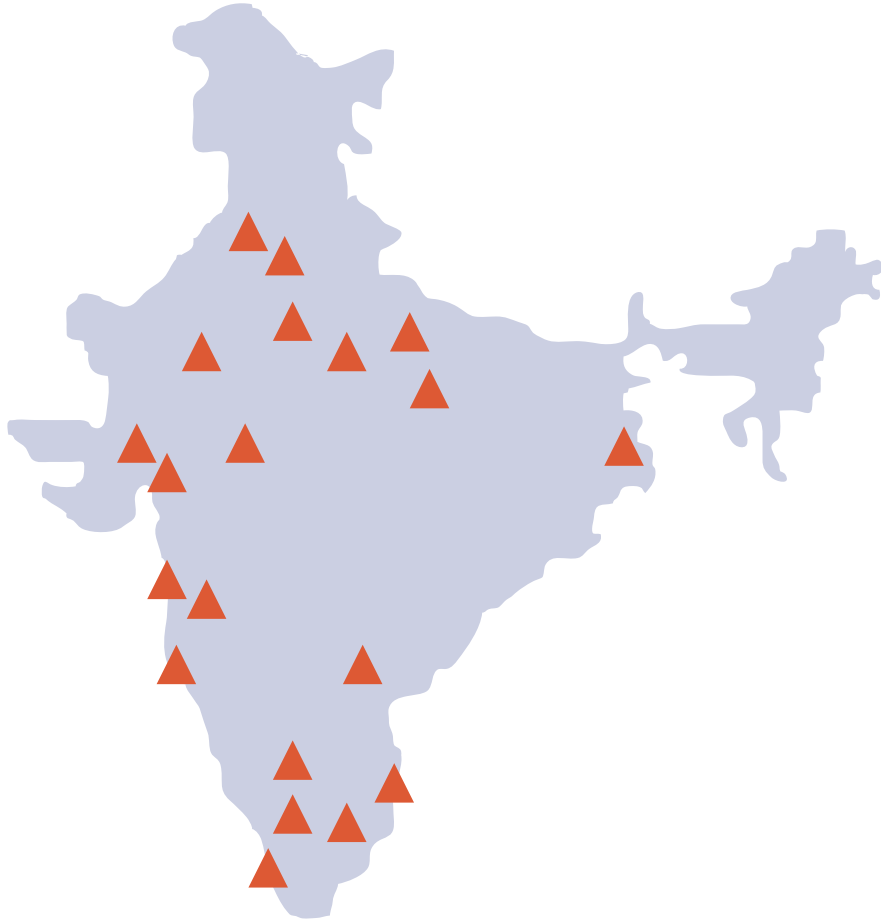
**UK** - IIFL WEALTH (UK) LIMITED

**DUBAI** - IIFL PRIVATE WEALTH  
MANAGEMENT (DUBAI) LTD

**MAURITIUS** - IIFL PRIVATE WEALTH  
MANAGEMENT (MAURITIUS) LTD

**SINGAPORE** - IIFL (ASIA) PTE LTD.

# OUR DOMESTIC FOOTPRINT



**AHMEDABAD**

**BENGALURU**

**CHANDIGARH**

**CHENNAI**

**COIMBATORE**

**GOA**

**HYDERABAD**

**INDORE**

**JAIPUR**

**KANPUR**

**KOCHI**

**KOLKATA**

**LUCKNOW**

**LUDHIANA**

**MUMBAI**

**NAGPUR**

**NEW DELHI**

**PUNE**

**SALEM**

**VADODARA**

# OWNERS WORK AND WORKERS OWN



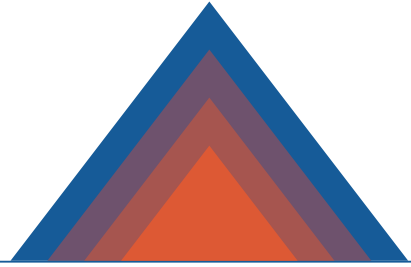
**KARAN BHAGAT**  
Founder, MD & Chief  
Executive Officer

Karan has two decades of experience in the financial services industry. Karan is responsible for providing direction and leadership towards the achievement of the organization's philosophy, mission, vision and its strategic goals and objectives. He has built a team of talented professionals, who work with and for, some of the most distinguished wealthy families in India & abroad. Under his able leadership, IIFL Wealth & Asset Management has grown from its humble beginnings to emerge as one of the leading wealth management companies in India.



**YATIN SHAH**  
Co-Founder &  
Executive Director

Yatin has close to two decades of experience in the financial services industry, across equity research and private wealth management. He focuses on the domestic wealth advisory practice. He is responsible for introducing the IIFL Wealth & Asset Management proposition to new clients, as well as expanding the relationship with existing clients. Under Yatin's insightful leadership, the company has emerged as one of the prominent leaders in the domestic private wealth management space, advising more than 13,000 ultra-high net worth families.

**ANUP MAHESHWARI**

Joint Chief Executive  
Officer & CIO, IIFL Asset  
Management

Anup is responsible for the investment and strategy for IIFL AMC's business including mutual funds and Alternative Investment Funds (AIFs). He plays a key role in meeting the company's aggressive growth goals as well as product development and devising an innovative investment strategy.

**ANIRUDHA TAPARIA**

Executive Director

Anirudha has two decades of experience in the financial services industry across consumer, commercial and private banking. He has been instrumental in building IIFL Wealth & Asset Management's business across the globe. He is responsible for the wealth advisory practice across business verticals and geographies. Anirudha brings to the table a rich commercial banking experience and strong client relationships.



## MANAGING PARTNERS



**BALAJI RAGHAVAN**

Managing Partner, Senior Fund  
Manager - Real Estate

Balaji has more than two decades of experience in real estate finance, banking and financial services industries. He is responsible to raise, deploy and manage risk in the real estate portfolio, while also formulating the overall investment strategy in the real estate asset class. Since joining IIFL in 2010, he has built up the investment book of more than USD 1 billion with over 70 transactions.



**GIRISH VENKATARAMAN**

Senior Managing Partner,  
Head - Estate Planning

Girish has over two decades of experience in the financial services industry across Asset Management and Wealth Management. He spearheads the estate function for the group with specific focus on ultra-HNI clients.



**HIMANSHU BHAGAT**

Senior Managing Partner,  
Corporate Strategy

Himanshu oversees non-sales functions such as process improvement, strategy and technology. He has more than 17 years of experience in the wealth management industry. Previously, he was associated with Morgan Stanley and Merrill Lynch.



**HIMANSHU JAIN**

Managing Partner,  
Head - Wealth Finance

Himanshu heads the Credit Solutions business and focuses on growing the existing Non-Banking Finance Company (NBFC) business backed by his domain experience and business development focus. He has nearly two decades of work experience across capital markets, wealth management and lending business.



**JITEN SURTANI**  
Managing Partner

Jiten has been a part of IIFL Wealth & Asset Management since inception in 2008, and has over a decade of experience in the wealth management domain. In his current role, he heads the large sales team out of Delhi.



**PANKAJ FITKARIWALA**  
Senior Managing Partner

Pankaj has more than 20 years of experience in handling operations, compliance, client servicing, and technology in the wealth management and financial industry. He is primarily responsible to ensure seamless operations, compliance to regulatory and statutory guidelines, client servicing and client satisfaction.



**PRASHASTA SETH**  
Senior Managing Partner

Prashasta has been with IIFL Wealth & Asset Management since 2008 and has been instrumental in setting up and growing the equity desk at IIFL Wealth & Asset Management. He has over 18 years of experience in the financial services industry.



**SANDEEP JETHWANI**  
Managing Partner,  
Head - Advisory Group

Sandeep is a part of the founding team at IIFL Wealth & Asset Management. His team is responsible for the structuring and delivery of the IIFL-One offering and providing investment guidance to wealth management clients. He has more than 14 years of experience in direct client and team management with regional responsibilities including setting up of new branches.



**SHAJI KUMAR DEVIKAR**

Managing Partner

Shaji Kumar has almost two decades of experience spread across large private sector banks. He is responsible for expanding and growing the wealth business in the southern region of India and spearheads the international business in UAE.



**UMANG PAPNEJA**

Senior Managing Partner,  
Chief Investment Officer

Umang has nearly two decades of experience in investments and wealth management. He provides strategic guidance for investment decisions across asset classes including equities, real estate, fixed income, commodities and alternatives with a focus on continuous product innovation.



**VINAY AHUJA**

Senior Managing Partner

Vinay has more than two decades of experience in the financial services industry, across wealth and asset management. His primary responsibility is to carry out wealth management activities for HNI clients in the southern region, while executing sales strategies nationwide.



**A PRAMOD KUMAR**

Managing Partner

Pramod oversees the wealth management function in the Chennai and Coimbatore regions. He brings over three decades of experience in capital markets with specific focus on multi-asset class investment management and Advisory.

## SENIOR PARTNERS



**ABHAY AMRITE**  
Senior Partner



**ANIRBAN BANERJEE**  
Senior Partner, Head -  
Human Resources



**GAURAV AWASTHI**  
Senior Partner



**HIMADRI CHATTERJEE**  
Senior Partner



**KUBER BHALLA**  
Senior Partner



**MIHIR NANAVATI**  
Senior Partner,  
Chief Finance Officer



**NIKUNJ KEDIA**  
Senior Partner



**NIRAJ MURARKA**  
Senior Partner,  
Head - Credit



**PAVAN MANGHNANI**  
Senior Partner, Head -  
Corporate Strategy



**PRAVIN SOMANI**  
Senior Partner



**SHASHI SINGH**  
Senior Partner,  
National Sales Head



**SIDHARTHA SHAW**  
Senior Partner



**VAIBHAV PORWAL**  
Senior Partner



**VIJEETA SHARMA**  
Senior Partner

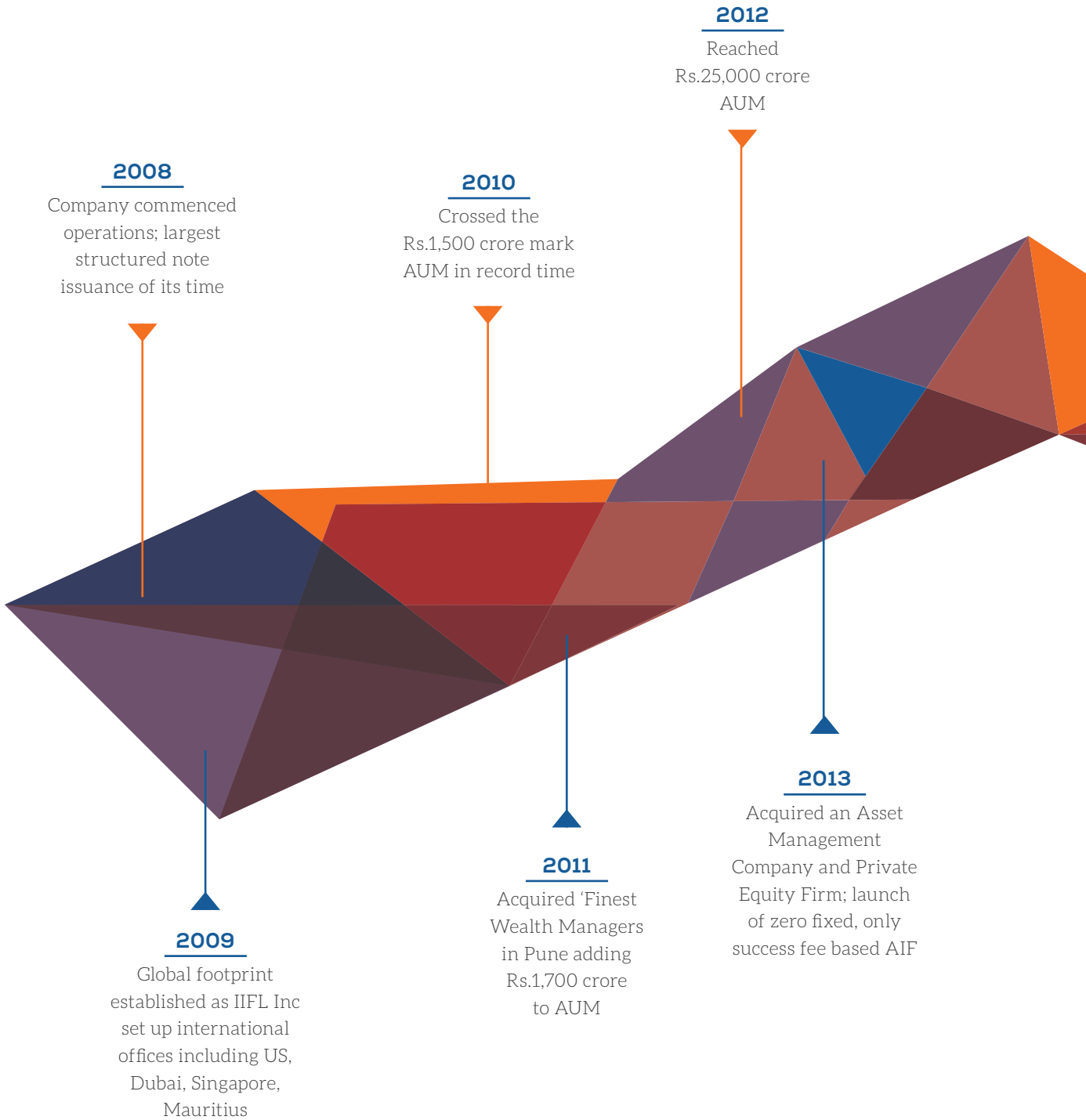


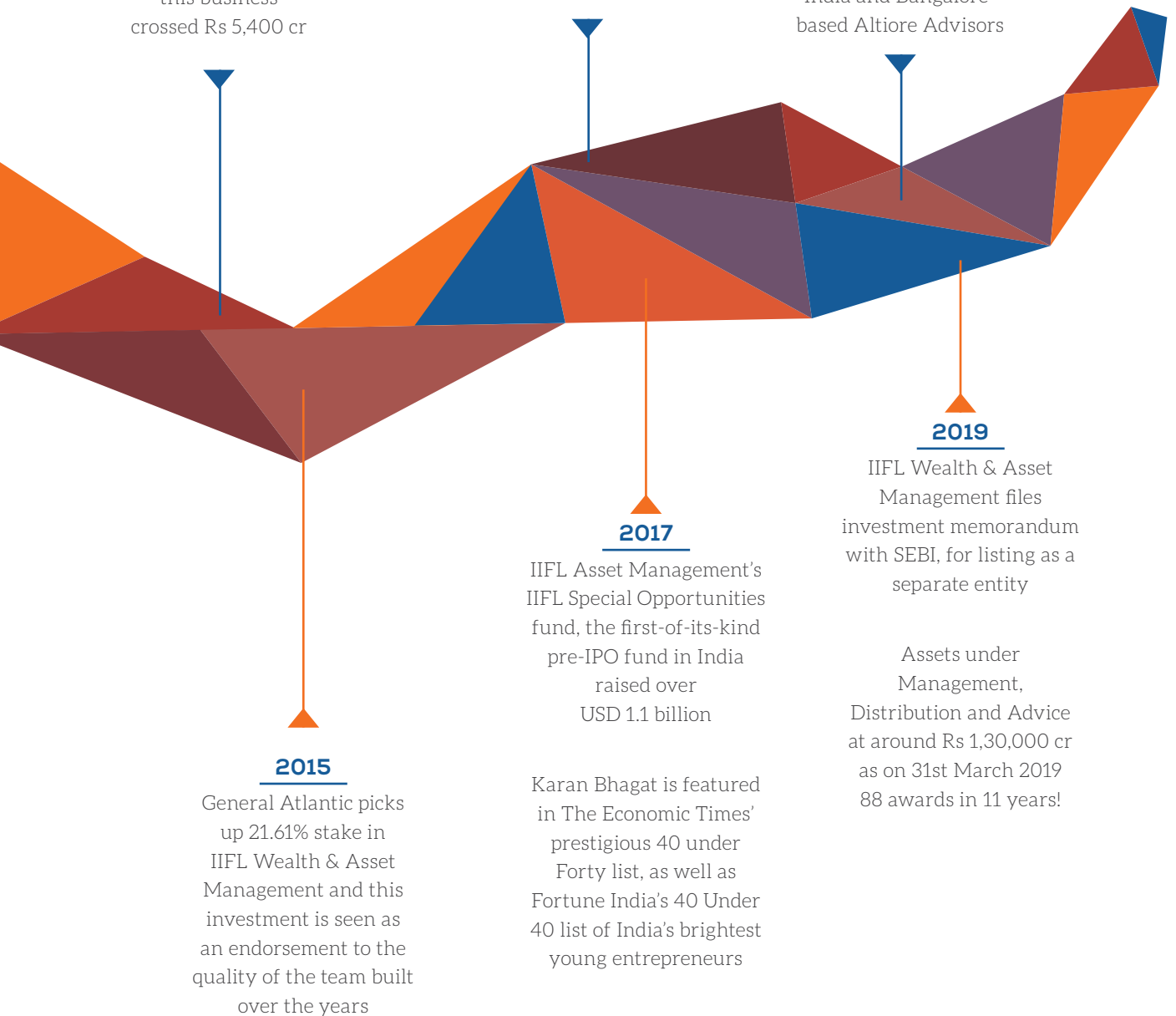
**VIVEK BANKA**  
Senior Partner





# LANDMARKS





**2014**

Took lead in the Alternative Investment Fund space. The size of this business crossed Rs 5,400 cr

**2016**

Acquired an NBFC, infusing Rs 900 cr as capital, and renamed it IIFL Wealth Finance Ltd.

**2018**

Announced demerger, paving the way for IIFL Wealth as a separately listed entity

Acquired Chennai-based Wealth Advisors India and Bangalore-based Altire Advisors

**2019**

IIFL Wealth & Asset Management files investment memorandum with SEBI, for listing as a separate entity

Assets under Management, Distribution and Advice at around Rs 1,30,000 cr as on 31st March 2019  
88 awards in 11 years!

**2015**

General Atlantic picks up 21.61% stake in IIFL Wealth & Asset Management and this investment is seen as an endorsement to the quality of the team built over the years

**2017**

IIFL Asset Management's IIFL Special Opportunities fund, the first-of-its-kind pre-IPO fund in India raised over USD 1.1 billion

Karan Bhagat is featured in The Economic Times' prestigious 40 under Forty list, as well as Fortune India's 40 Under 40 list of India's brightest young entrepreneurs

# NEW LOGO CONCEPT



## **IIFL** WEALTH & ASSET MANAGEMENT

The new corporate brand identity is a thoughtfully crafted and enduring symbol of how we view ourselves and how we wished to be viewed and remembered by others; including our customers, vendors and stakeholders.

The new logo is combination of our symbol, colour scheme, design and typeface that make a visual statement about ourselves and communicate our business philosophy.

At the centre of the logo is the 'Sri Yantra', which is made of nine interlocking triangles, which together creates 43 unique triangles.

In Hindu mythology, the nine interlocked triangles that surround and radiate from the centre (bindu) symbolize the highest, the invisible and elusive centre from which the entire figure and cosmos expand.

Our brand represents a cosmos in itself, where two worlds meet. One, where we together strive to grow and expand and the other, where we strive to make possibilities infinite for our customers.

It is the confluence of these two thoughts, represented by the age-old symbol of converging powers that stands as the face of the brand.

The new logo has been designed to ensure an optimal and consistent brand impression in every engagement with our customers and stakeholders and thereby support the brand

# DISTINGUISHED LEGACY



## **NIRMAL JAIN**, Founder, IIFL Group

- He founded Probity Research and Services Pvt. Ltd., later re-christened India Infoline, in 1995; perhaps the first independent equity research Company in India.
- His work set new standards for equity research in India. Mr. Jain was one of the first entrepreneurs in India to seize the internet opportunity, with the launch of [www.indiainfoline.com](http://www.indiainfoline.com) in 1999.
- He started his career in 1989 with Hindustan Lever Limited, handling a variety of responsibilities, including export and trading in agrocommodities. He contributed immensely towards the rapid and profitable growth of Hindustan Lever's commodity export business.
- Mr. Jain holds a Bachelor in Commerce from the University of Mumbai and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM), Ahmedabad. He is also a Fellow Member of the Institute of Chartered Accountants of India (held the 2nd rank) and a Cost Accounting rank-holder.
- He was instrumental in steering the group's foray into various financial sector activities that have grown over the years in to significant businesses in terms of networth and profitability.
- Under his leadership, IIFL Group has attained its position as a dominant and diversified player in the financial services space over the last 24 years.



## **R. VENKATARAMAN**, Co-Promoter, IIFL Group

- He possesses diverse experience of more than 23 years in the financial services sector.
- Before joining the Board of IIFL in July 1999, he has held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US, BZW and Taib Capital Corporation Limited.
- He has also served as the Assistant Vice President of G E Capital Services India Limited in their private equity division.
- Mr. Venkataraman holds a Bachelor in Technology (B.Tech) in Electronics and Electrical Communications Engineering from the renowned Indian Institute of Technology (IIT), Kharagpur and a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore.

# CORPORATE SOCIAL RESPONSIBILITY

While India is making its mark on global economic and cultural platforms, its performance in the sports arena continues to be dismal. According to a recent study, less than 2% of Indians participate in sporting activities<sup>1</sup>. This is quite worrying – given that 40% of India's population is under the age group of 20 years<sup>2</sup>. At IIFL Wealth & Asset Management, we believe, the young demographic needs to be channelised into diverse sporting pursuits.

India has all the ingredients for becoming a great sporting nation. We also know that grassroots sports development is a responsibility that cannot be addressed by a single entity alone. A majority of our corporate social responsibility (CSR) initiatives, routed through the IIFL Foundation, are aimed at providing better facilities to budding players from underprivileged backgrounds.

Beyond sports, our CSR initiatives also facilitate better education and healthcare to members of the marginalized communities. We also work in the areas of tribal development and women entrepreneurship. Besides our contributions through the IIFL Foundation, our team members also work towards the betterment of society in their individual capacities. Together, we aim to foster a brighter future for our country with more equal opportunities for all its citizens.

## HERE ARE THE HIGHLIGHTS OF OUR CSR INITIATIVES DURING THE PREVIOUS FISCAL:

### EKA

Under the banner of EKA (pronounced Ek or One), a first-of-its-kind platform in India, the single-minded objective is to build sustainable platforms to empower the future sportspersons of our country and to provide young Indian sportspersons the much-needed spring board to participate actively in sports such as Chess and Golf in Asian and global tournaments. At IIFL Wealth & Asset Management & Asset Management, we feel very strongly about sports and believe in its power to uplift and bind the society. Executing EKA in association with state, national and international federations is part of our endeavour to give participants their due recognition and further their career.

<sup>1</sup> <https://bridgesofsports.org/2019/01/28/reality-of-indian-sports/>

<sup>2</sup> <https://www.firstpost.com/india/latest-census-data-shows-youth-surge-nearly-41-of-indias-population-is-below-the-age-of-20-2581730.html>

## CHESS

Tournament winners received a prize purse of Rs.15 lakhs and Rs.10 lakhs under the Open and U-13 categories respectively. In fact, the U-13 Championship is the world's richest chess tournament. The championship kicked off on December 30th 2018 at Mumbai's World Trade Centre. Being conducted under the auspices of All India Chess Federation (AICF), All Marathi Chess Association (AMCA) & Mumbai Suburban District Chess Association (MSDCA), the tournament allowed participants to play as per the FIDE Laws of chess for a total of 09-rounds in a Swiss-League format. The U-13 Category is open to all junior players, irrespective of their ratings, true to the spirit of EKA. The Open category is limited to FIDE-rated players. This year's edition attracted the cream of grandmasters from more than 25 countries, which includes Grandmaster Karen Movsesian who has been crowned as World Seniors Champion.

Patron and friend of the event, multiple World Champion, Viswanathan Anand said, "It has now established itself as one of the premier opens in Asia, and what I found especially interesting is the fact that lots of strong players come from abroad to play in this competition along with a large contingent of strong Indian players, which gives a lot of opportunities to young juniors and sub juniors to test their skills against the best, this makes for a very interesting open."







## GOLF

The Golf Invitational Faldo Series India, hosted by IIFL Wealth & Asset Management under their CSR platform EKA, is a first-of-its-kind in India. It has been organized in association with the internationally renowned Nick Faldo series to facilitate world-class exposure for amateur Indian golfers.

It was hosted at the award-winning Jaypee Greens Golf Resort from 9th to 12th January 2019. The tournament presented an opportunity to play alongside some of India's best junior Golfers. Featuring five categories: U-21, U-18 and U-16 for boys and U-21 and U-16 for girls, winners were awarded a direct entry into the Asian Finals of the Faldo Series which was held in Vietnam in March 2019.

Over the next few years, EKA will continue to focus on creating more such opportunities for budding golfers to advance their career in an international arena.



# EVENTS

## RISE 2018

RISE 2018 – Real Investments in Successful Entrepreneurs, is a flagship event organised by IIFL Wealth & Asset Management to celebrate the entrepreneurial culture in our country. Wealth creation and entrepreneurship in India have evolved over the years with the axis shifting from traditional business houses to professional entrepreneurs. The event presented companies and professional entrepreneurs who are riding the India wave. RISE is posed to be a salute to the professional entrepreneurship gaining momentum in our country.



## DIVE 2018

DIVE is a unique event for young future leaders and next-gen entrepreneurs to come together, exchange ideas and gain insights from India's Best Innovators, Entrepreneurs, Technologists and Business leaders. DIVE 2018, our second edition was replete with exciting entrepreneurial stories and real-life experiences, networking opportunities, soul searching and direction seeking conversations, fun and entertainment. Industry leaders shared their journey, experiences and insights on the challenges and opportunities that lie ahead for young trailblazers eager to take the lead. The topics covered varied from cyber security, entrepreneurial journeys, financial well-being, philanthropy, digital experiences and many more.



## HERSELF 2018

Herself 2018 was the first edition of IIFL Wealth & Asset Management's three-day flagship event for womenfolk in our client community. An initiative intended to optimise her financial awareness and knowledge through a combination of networking sessions, interaction with speakers from various domains. From jewellery to jet, from yoga to Fin and from art to heart, we saw our speakers leave a mark. The participants also spent a day at the Kochi Biennale, to experience 'art'. The Kochi-Muziris Biennale is an art exhibition and festival - the largest of its kind in South Asia.



## IIFL-AMEX CARD LAUNCH

IIFL Wealth & Asset Management partnered with American Express, to distribute American Express Platinum Cards to meet the needs of its high value clients. The metal charge card is offered on 'invite-only' basis by IIFL Wealth & Asset Management to its client-base. This is a premium card offering with no pre-set spending limit, and is tailored to enable and enhance lifestyle needs of HNIs. The card gives access to attractive benefits that span built-in insurance, elite hotel programmes, lifestyle experts, concierge services and by-invitation events. Clients of IIFL-ONE receive the American Express Platinum Card, which offers the powerful backing of American Express' Membership Rewards program and access to a worldwide network of millions of merchants spread across 200 countries.







## OTC

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



# MEDIA

## WEALTH CREATORS PAR EXCELLENCE

THE ECONOMIC TIMES



Source: *Economic Times*, April 27, 2018

Karan Bhagat shares his view on the technological disruption taking place in the wealth management industry and how IIFL Wealth & Asset Management is poised to take on the challenge.

## IIFL WEALTH & ASSET MANAGEMENT GEARED FOR POST-RAISE EXPANSION

ASIAN PRIVATE BANKER 



Source: *Asian Private Banker*, July 16, 2018

Karan Bhagat discloses that the investment would provide the firm with additional means to expand across geographies.

## THE FINAL WORD

ASIAN PRIVATE BANKER 



Source: *Asian Private Banker*, December 5, 2018

Karan Bhagat shares his views in a ten-part series where the industry's leaders share their thoughts and opinions on key issues around industry trends, business performance, investment solutions, regulations and compliance, and technology.

## KARAN BHAGAT, A FINALIST OF THE 20TH EY ENTREPRENEUR OF THE YEAR AWARDS PROGRAM

THE ECONOMIC TIMES



Source: *The Economic Times*

Karan Bhagat is shortlisted as one of the 16 finalists at the 20th EY Entrepreneur of the Year award.

## HOW ARE INDIA'S BILLIONAIRES CREATING WEALTH



Source: Bloomberg Quint, Dec 13, 2018

Yatin Shah, Executive Director, IIFL Wealth & Asset Management speaks about the findings of the IIFL Wealth & Asset Management Index, the first comprehensive report on HNIs and UHNIs in India.

**Bloomberg**  
**Quint**

## THE UPPER CREST



Source: Outlook Business, November 1, 2018

Yatin Shah, Executive Director, IIFL Wealth & Asset Management shares his wisdom at the seventh Outlook Business private wealth annual roundtable in Mumbai.

**OUTLOOK**  
**BUSINESS**

## ADVANTAGE MARKET CAPITALISATION



Source: Outlook Money, August 1, 2018

Anirudha Taparia, Executive Director, IIFL Wealth & Asset Management says the Indian markets have been in a structural bull run since 2014. This is expected to continue for the next decade. However, the bull run will not be linear in nature and we will see periods of consolidation and volatility.

**Outlook**  
**MONEY**

## INDIA ON BRINK OF QUANTUM LEAP IN WEALTH GENERATION



Source: Moneycontrol, January 25, 2019

Anirudha Taparia said according to the IIFL Wealth & Asset Management Index, investment funds make up almost one-third of the total assets held by the super wealthy.

**moneycontrol**

## BAITING THE BULL



Source: Forbes, October 24, 2018

This is a market where we have both January 2008 as well as March 2009 valuations at the same time says Anup Maheshwari, joint CEO and CIO of IIFL Asset Management.

## A SECTION OF THE MARKET IS OVERESTIMATING THE PROBLEMS



Source: ET Wealth, November 5, 2018

Prashasta Seth, Senior Managing Partner, IIFL Asset Management said that though a section of the market is in panic mode, investors have the opportunity to make money from a lot of stocks as valuations have corrected significantly.

## HNI INVESTORS MUCH BETTER OFF IN THIS SELLOFF



Source: ET Now, October 12, 2018

Umang Papneja, Senior Managing Partner and CIO of IIFL Wealth & Asset Management gives his views on market behaviour and how he sees things pan out over the next few weeks.

## WEALTH MANAGEMENT – MAKING A LEAP FROM PRODUCTS TO PROPOSITIONS



Source: BW Businessworld, August 27, 2018

Vinay Ahuja, Senior Managing Partner, IIFL Wealth & Asset Management pens a column on how a wealth manager can help individuals define their objectives and create an investment plan for their wealth, so that their myriad objectives can be met.



INVOLVE A FAMILY MEMBER



Source: Business Standard, May 14, 2018

In the wake of the deal with Walmart, Sandeep Jethwani, Managing Partner and Head of Advisory, IIFL Wealth & Asset Management, provides suggestions on how Flipkart employees should invest their new-found wealth and the mistakes they should avoid.



DAZZLE YOUR WAY TO A NEW JOB



Source: Mumbai Mirror, August 13, 2018

Anirban Banerjee, Chief People Officer of IIFL Wealth & Asset Management, says it's not enough for potential hires to be good at their job, or have domain expertise. They must have a 'feel' for the business too.



HOW IIFL WEALTH & ASSET MANAGEMENT MANAGEMENT CAPITALIZED ON AI FOR DELIVERING PORTFOLIO STATEMENTS TO HNI CUSTOMERS



Source: ET CIO, November 23, 2018

Chief Technology Officer, Abhishek Chandra leveraged AI as a customer service enhancing tool while hammering home the company's customer commitment.



# AWARDS

MORE REASONS TO  
LEAVE THE INVESTING TO US



YEAR	AWARD	INSTITUTION
2019	FINANCIAL SERVICES COMPANY OF THE YEAR	▶ VCCircle awards 2019
2018	SUCCESSION PLANNING ADVICE AND TRUSTS	▶ Euromoney Private Banking and Wealth Management
	BEST PERFORMER IN ACCOUNT GROWTH RATE	▶ NSDL Star Performer Award 2018
	EXCELLENCE IN WEALTH MANAGEMENT - INDIA DOMESTIC	▶ Asian Private Banker Awards for Distinction 2018
	BEST ARTIFICIAL INTELLIGENCE	▶ 2018 DMAASIA ECHO AWARDS
	BFSI INNOVATION TRIBE AWARDS (VIDEO STATEMENTS)	▶ The Economic Times, 2018
	SANDEEP JETHWANI - OVERALL SHAJI KUMAR - TEAM EFFECTIVENESS COMPANY WITH GREAT MANAGERS 2018	▶ People in Business India Pvt Ltd
	INDIA'S GREATEST BRANDS 2017-18 GLOBAL INDIAN OF THE YEAR 2017-18	▶ URS Asia One, 2018
	BEST WEALTH MANAGEMENT COMPANY WEALTH MANAGEMENT THOUGHT LEADER OUTSTANDING INITIATIVE (CSR)	▶ The India Wealth Awards 2018
	BEST PRIVATE BANK, INDIA	▶ The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards, 2018
	BEST EMPLOYEE ENGAGEMENT IN NON-BANKING SECTOR BEST-IN-CLASS TALENT MANAGEMENT AWARD	▶ Employee Engagement Leadership Awards, 2018
	BEST DIGITAL WEALTH MANAGEMENT EXPERIENCE, INDIA	▶ The Asset Triple A Digital Awards 2017
	BFSI BEST BRANDS	▶ The Economic Times, 2018
	ASIA'S GREATEST BRANDS 2017	▶ URS Asia One, 2017
	BEST FAMILY OFFICE SERVICES, INDIA RESEARCH AND ASSET ALLOCATION ADVICE, INDIA BEST SUCCESSION PLANNING ADVICE AND TRUSTS, INDIA	▶ Euromoney Private Banking and Wealth Management Survey, 2018
BEST PRIVATE BANK IN INDIA	▶ Global Finance Best Private Bank Awards, 2018	

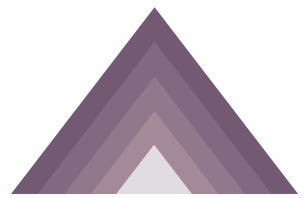
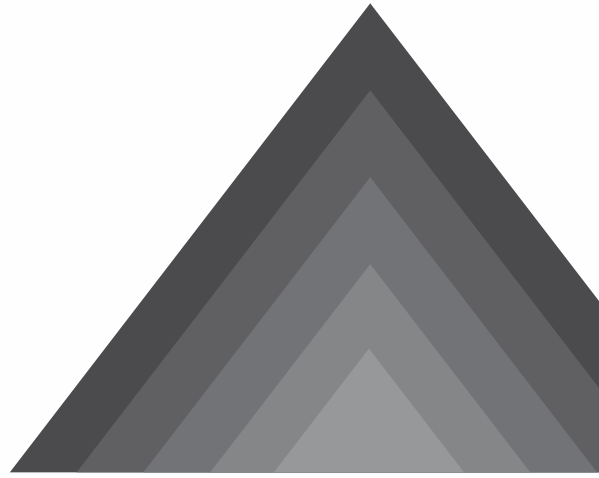
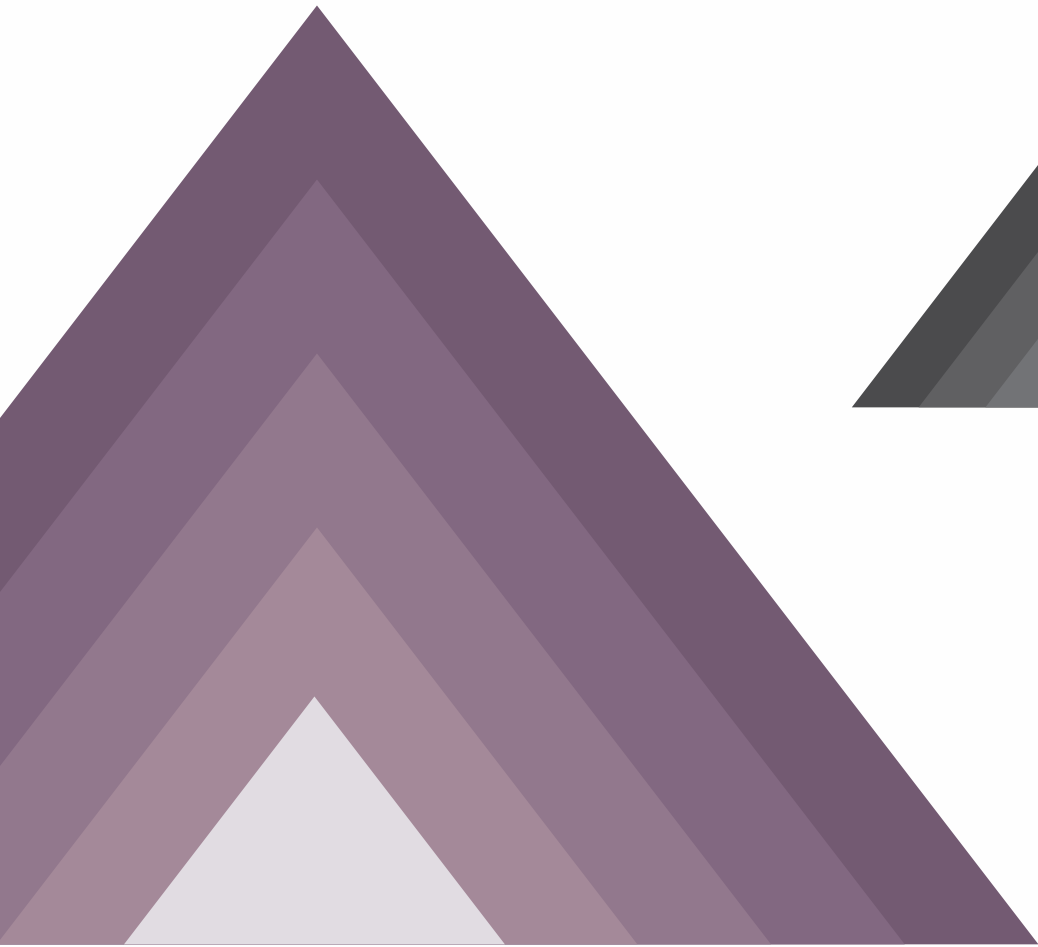
YEAR	AWARD	INSTITUTION
<b>2018</b>	BEST WEALTH MANAGER - INDIA DOMESTIC	▶ Asian Private Banker Awards for Distinction, 2017
<b>2017</b>	BEST PRIVATE BANK - INDIA	▶ Asiamoney Best Bank Awards 2017: India
	BEST PRIVATE BANK, INDIA	▶ The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards, 2017
	BEST PRIVATE BANKING SERVICES OVERALL	▶ Euromoney Private Banking and Wealth Management Survey, 2017
	BEST NET-WORTH-SPECIFIC SERVICES (US\$ 5 MN TO 30 MN)	
	BEST FAMILY OFFICE SERVICES	
	BEST RESEARCH AND ASSET ALLOCATION ADVICE	
	BEST SUCCESSION PLANNING ADVICE AND TRUSTS	
	BEST INNOVATIVE TECHNOLOGY - BACK OFFICE SYSTEMS	
	BEST PRIVATE BANK, INDIA	▶ Global Finance Best Private Bank Awards 2017
<b>2016</b>	BEST ONLINE WEALTH MANAGEMENT EXPERIENCE, INDIA	▶ The Asset Triple A Digital Awards 2016
	BEST WEALTH MANAGER - INDIA DOMESTIC	▶ Asian Private Banker Awards for Distinction
	BEST PRIVATE BANK, INDIA	▶ The Asset Triple A Banking, Wealth Management and Investment Awards 2016
	BEST PERFORMING NATIONAL FINANCIAL ADVISOR WEALTH DISTRIBUTOR	▶ UTI MF & CNBC-TV18 Financial Advisor Awards
	BEST INDEPENDENT WEALTH MANAGEMENT TEAM, INDIA	▶ Capital Finance International Awards
	BEST PRIVATE WEALTH MANAGER, INDIA	▶ Alternative Investment Awards
	BEST INDIA START-UP FUND: SEED VENTURE FUND	
	BEST ONLINE WEALTH MANAGEMENT EXPERIENCE	▶ The Asset Triple A Digital Enterprise Awards 2016
	BEST PRIVATE BANKING SERVICES OVERALL, INDIA	▶ Euromoney Private Banking and Wealth Management Survey 2016
	BEST RESEARCH AND ASSET ALLOCATION ADVICE, INDIA	
	BEST NET-WORTH-SPECIFIC SERVICES, INDIA	
	BEST FAMILY OFFICE SERVICES, INDIA	
	BEST WEALTH MANAGEMENT FIRM, INDIA	▶ APAC Insider Investment Awards
BEST DOMESTIC PRIVATE BANK, INDIA	▶ Asian Private Banker Awards of Distinction, 2015	

YEAR	AWARD	INSTITUTION	
2015	OUTSTANDING PRIVATE BANK,- SOUTH ASIA (HIGHLY COMMENDED)”	▶ Private Banker International (PBI) Global Wealth Awards	
	BEST PRIVATE BANK , INDIA	▶ The Asset Triple A Digital Enterprise Awards	
	BEST WEALTH MANAGEMENT ADVISORY FIRM	▶ International Finance Magazine (IFM) Awards	
	BEST PRIVATE BANK FOR INNOVATION IN TECHNOLOGY, INDIA		
	BEST PRIVATE BANK FOR RESEARCH AND ASSET ALLOCATION	▶ Euromoney Private Banking and Wealth Management Survey	
	BEST PRIVATE BANK FOR HIGH NET WORTH CLIENTS		
	BEST DOMESTIC PRIVATE BANK IN INDIA-OVERALL	▶ Asiamoney Private Banking Poll	
	BEST DOMESTIC PRIVATE BANK IN INDIA >\$25 MILLION		
2014	BEST PRIVATE BANK FOR INNOVATION IN TECHNOLOGY IN ASIA	▶ Euromoney Innovations in Wealth Management Technology Awards	
	BEST WEALTH MANAGEMENT SPECIALIST - ASIA	▶ The Asset Triple A Digital Enterprise Awards	
	BEST WEALTH MANAGER, INDIA		
	BEST PRIVATE BANKING SERVICES OVERALL, INDIA	▶ Euromoney Private Banking & Wealth Management Survey	
	BEST RELATIONSHIP MANAGEMENT		
	RANGE OF INVESTMENT PRODUCTS		
	SPECIALIZED SERVICES - FOR ENTREPRENEURS		
	FIXED INCOME PORTFOLIO MANAGEMENT		
	REAL ESTATE INVESTMENT		
	CORPORATE ADVISORY FOR PRIVATE BANKING CLIENTS		
	MANAGED FUTURES		
	HEDGE FUND INVESTMENT		
	BEST PERFORMING NATIONAL FINANCIAL WEALTH DISTRIBUTOR		▶ UTI & CNBC, TV18 Financial Advisor Awards

YEAR	AWARD	INSTITUTION
<b>2013</b>	THE BEST WEALTH MANAGEMENT HOUSE, INDIA	▶ The Asset Triple A Digital Enterprise Awards
	FASTEST GROWING WEALTH MANAGEMENT COMPANY IN INDIA	▶ UTI MF & CNBC-TV18 Financial Advisor Awards
	BEST WEALTH MANAGEMENT COMPANY (>50 EMPLOYEES) , INDIA	▶ Wealth Briefing Asia Awards
	HIGHLY COMMENDED PRIVATE BANK, INDIA	
	DISTRIBUTOR OF THE YEAR	▶ Wealth Forum Advisors Awards
	HIGHEST ASSET GROWTH CHAMPION	
	NET SALES CHAMPION - FIXED INCOME INVESTMENTS	
	BEST COMMODITIES INVESTMENT IN INDIA	▶ Euromoney Private Banking & Wealth Management Survey
	BEST REAL ESTATE INVESTMENT IN INDIA	
	BEST EQUITY PORTFOLIO MANAGEMENT IN INDIA	
<b>2012</b>	BEST FIXED INCOME PORTFOLIO MANAGEMENT, INDIA	▶ Euromoney Private Banking & Wealth Management Survey
	BEST COMMODITIES INVESTMENT IN INDIA	
	THE BEST WEALTH MANAGEMENT HOUSE	▶ The Asset Triple A Digital Enterprise Awards
	OUTSTANDING PRIVATE BANK - SOUTH ASIA	▶ Private Banker International
<b>2011</b>	THE BEST WEALTH MANAGEMENT HOUSE IN INDIA	▶ The Asset Triple A Digital Enterprise Awards
	BEST NET SALES EQUITY FUNDS	▶ Wealth Forum Advisors Awards
	BEST NATIONAL DISTRIBUTORS	







# DIRECTORS' REPORT

To the Members of IIFL Wealth Management Limited,

Your Directors have pleasure in presenting the Twelfth Annual Report of IIFL Wealth Management Limited ("the Company") together with the Audited Financial Statements for the year ended March 31, 2019.

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

### STANDALONE FINANCIAL RESULTS -

(₹ in million)

PARTICULARS	2018 - 2019	2017 - 2018
Gross Total Income	5,932.10	7,187.78
Less: Expenditure	3,959.75	5,109.18
Profit/(Loss) Before Taxation	1,972.35	2,078.60
Less: Taxation - Current	479.03	508.37
- Deferred	(24.51)	(12.85)
<b>Net Profit / (Loss) After Tax</b>	<b>1,517.83</b>	<b>1,583.08</b>
Other Comprehensive Income	(1.97)	(13.09)
<b>Total comprehensive income for the year(Comprising profit and other comprehensive income for the year)</b>	<b>1,515.86</b>	<b>1,569.99</b>

### CONSOLIDATED FINANCIAL RESULTS -

(₹ in million)

PARTICULARS	2018 - 2019	2017 - 2018
Gross Total Income	15,771.88	17,148.10
Less: Expenditure	10,392.57	12,247.34
Profit/(Loss) Before Taxation	5,379.31	4,900.76
Less: Taxation - Current	1,642.20	1,134.04
- Deferred	(8.36)	(34.97)
<b>Net Profit / (Loss) After Tax</b>	<b>3,745.47</b>	<b>3,801.69</b>
Other Comprehensive Income	98.10	6.71
<b>Total comprehensive income for the year(Comprising profit and other comprehensive income for the year)</b>	<b>3,843.57</b>	<b>3,808.40</b>

## 2. REVIEW OF BUSINESS AND OPERATIONS:

Total Wealth Client Assets grew by 17.22% YoY and the Company now manages around ₹ 1,30,000 Crore in Client assets.

The Asset management business manages over ₹ 20,772.56 crore of Assets which comprises of ₹ 15,661.39 Crore in AIF Assets, Rs. 3624.82 crore in PMS assets and ₹ 1,486.35 crore in Mutual Fund Assets.

Amidst volatile market conditions, IIFL Wealth Finance Limited closed the FY 18-19 loan book of over INR 4,800 crore; while average loan assets increased by 5%, EOP loan assets declined by 28% over the previous year. The book is diverse with healthy flows from Loan Against Shares, IPO

financing and to a very small extent margin funding and Loan Against Property.

## 3. MACROECONOMIC OVERVIEW:

### Equity:

**2019 - the year of lower growth and interest rates:** The year 2019 is expected to be a year of slowing growth, low inflation, weakening commodity prices and steep decline in interest rates. Credit markets are clearly pointing towards worsening macro environment and higher odds of recession. The difference between the yield on three-month Treasury bills and the benchmark 10-year bond, which has turned negative or "inverted" before almost every US recession over the past 50

years, widened to a level last seen before 2008 crisis. About \$15 trillion of government bonds worldwide, or 25% of the market, now trade at negative yields. This number has nearly tripled since October 2018. In Germany, 30-year government bond went negative for the first time ever recently. Central banks across the board are likely to surprise markets with the extent of interest rate cuts. While aggressive rate cuts in emerging markets make a case for stronger dollar, US Fed too may eventually increase the pace of easing to keep dollar under check. Ongoing delays to trade talks may also lead to lower trade volumes and GDP growth

**India - dimming macro indicators, bottoming capex and earnings:**

Indian markets reversed the election supported gains in May and has since been weighed on by increasing signs of slowdown, lagging indicators and the unmet expectations from the budget presented last month. Weak macros and tight liquidity conditions are taking a toll on India corporate earnings. It's a known fact now that the economic growth has faltered in India as both the drivers of growth – consumption & investment are slowing down. We have seen weakness in consumer demand and that is visible in the weak earnings growth across segments such as auto & auto-ancillaries, FMCG, Consumer Durables, Capital Goods. The slump in the auto sector, which accounts for nearly half of India's manufacturing output, has been a major factor behind the slide in economic growth to a five-year low earlier this year. Last and not the least, the aggravation of all sectors is borne by the banking sector, which had to battle through liquidity crisis and stifling demand amid lost confidence and crisis in the NBFC space. Demand slowdown across sectors is also because the household savings rate has been declining on the back of low income growth.

**The Budget and India:** The government's approach to adopt a prudent fiscal approach does deserve some credit. There were some notable positives with tax cuts for small businesses and a further injection of funds into state owned banks as well. However, announcements such as super rich tax surcharge (incl FPIs), tax on buybacks, likely

reduction in free float of listed stocks and lack of stimulus have hurt investor sentiments. Post budget, we have seen around \$ 2.5 bn of FII outflows, one of the steepest in recent years. The intention to increase the minimum public shareholding (from 25% to 35%) could lead to around \$ 50 bn of fresh supply of equity. In the long term, the policy could have a far-reaching impact on India's representation in offshore indices and higher resulting flows. We expect the government to gradually implement few of these decisions to help equities maintain its appeal as a long-term asset class.

**Outlook:** Currently, corporate profitability to GDP is at its lowest levels (~2-2.2%), and offers a large scope for recovery. On the other hand, monetary policy continues to be in the easing mode with continued rate cuts and large infusion of liquidity which should aid improvement in earnings. Indian economy is still expected to be the fastest growing major economy in the world (~7%). In the trade war period, India is the only Asian economy with a positive change in share of exports. Equity valuations seems to be pricing in the near-term concerns and offer good risk-reward over a long-term horizon. India's Bond Yield-Earnings Yield (BY-EY) gap has dropped sharply to levels last seen during demonetization (Dec' 2016) and market lows in Aug 2013. Historically, equities deliver good returns for the next two years from such levels. Market cap to GDP is ~76%, lower than long term averages (78% for the last 12 years). We believe that it is extremely difficult to time the exact bottom of the market and the current valuations are starting to get reasonable. Investors should start investing in equity in staggered manner over the next 6 - 12 months.

**Fixed Income:**

Debt markets have witnessed heightened volatility in the recent months. The recent bond rally of ~100 bps over the past 10 weeks is one of the best rallies across the globe. Most

of this was on the accounts of better fiscal prudence, benign core inflation, steady GDP growth expectations, range bound crude and surplus liquidity in the banking system which would keep OMOs at the back stage.

Post the rate cut in bi-monthly policy meet of RBI on Aug 7, 2019 amid low inflation and slowing growth, further rate actions looks to be more data dependent. The RBI softening stance is accommodative of more rate cuts, but the urgency and pace of the cuts shall depend on domestic as well as global economic data. Developments surrounding the government's planned sovereign bond issue will also be closely tracked as the discussion on the same is yet to start. As the monsoon seems to be correcting its course and mitigating initial deficits, market participants will closely watch it from rural demand perspective.

RBI is committed to maintain liquidity in the market, currently we are in a huge surplus of about INR 90,000 Cr. Liquidity surplus situation is expected to remain the same in near future. With the budgeted capital infusion for PSU Banks, partial credit guarantee to PSBs for NBFCs creating INR 1.34 Lakh crores of incremental capital for banks to lend to NBFCs, stable credit growth of 12-14% and some visible risk aversion in lending, banks may remain healthy in at least the short run. The healthy spread of ~130-140 bps being offered by quality AAA rated credit over similar maturity G-secs, appears to be a good opportunity for returns. Subsequent yield compression which may extend from AAA/PSU to lower rated debt instruments may fuel another leg of gains from fixed income. In this scenario of changing market conditions, we continue our view of positioning at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile.

#### **Future business outlook:**

- The focus of the year has been on strategy and transformation. The firm worked with Boston Consulting Group (BCG) and McKinsey and Co. for defining a clear strategic growth path for the next 10 years in the AMC and the Wealth businesses. On the AMC side, the vision is to be the premier investment

provider for Alternates in India, especially on the unlisted and listed equity space, special private debt, and selective real estate asset classes.

- On the Wealth Management front, the path is to transform to a steadier and predictable income stream from train/fee income with minimum reliance on upfront/transactional income, and the firm will determinedly move to that model over the next few years. We acquired Wealth Advisors India Pvt Ltd, a premier Chennai based advisory firm with majority of trail/fee income as a step in the right direction.
- The business closed with assets of Rs. 167,745.56 Crore and 300+ sales staff.
- The analytics platform of the Company got enhanced with the addition of Altiore and Caliber technology platforms. Altiore provides latest analytics for client portfolios including their held away assets; Caliber strengthens our control on our core transaction and reporting system by removing vendor dependency and delinquency. The firm also engaged with Nihilent Tech in Pune to build a data warehouse and MIS dashboard system for accurate real time information to management to enable agile decision making .
- With a closing loan book of over Rs. 4,798.29 Crore, the NBFC subsidiary continues to enable our HNI clients to invest in our Wealth ideas, with help of leverage if they so desire.

IIFL Holdings and its subsidiaries decided to reorganize their corporate structure, through a composite scheme of arrangement, resulting in three separate entities; each proposed to be listed on stock exchanges in India, i.e. one for each branch of the business currently being undertaken by IIFL Holdings, i.e., 1. Loans and Mortgages; 2. Wealth and Asset Management; and 3. Capital Markets. The draft Information Memorandum along with the listing

application have been filed with the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") on July 6, 2019 post receipt of the approval of the National Company Law Tribunal, Mumbai Bench ("NCLT") on the NCLT order for the implementation of the composite scheme of arrangement.

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

During the period under review, your Company has declared an interim dividend of Rs. 5/- each on October 31, 2018 and January 29, 2019, per equity share with face value Rs.2/- each, involving a total outlay of Rs. 84,79,06,100/- (including dividend distribution tax). Your Directors recommend that said interim dividend be considered as final dividend on Equity shares of the Company.

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

During the financial year 2018-19, the Authorised Share Capital of the Company was altered and increased from Rs. 17,00,00,000 to Rs. 20,00,00,000 divided into 10,00,00,000 shares of Rs. 2/- each.

During the year, your Company allotted 2,78,361 equity shares arising out of the exercise of Employee Stock Options and 44,89,500 preferential allotment(s). Post allotment of equity shares the paid-up share capital of the Company has increased from Rs. 15,95,06,926 to Rs. 16,90,42,648/- (divided into 8,45,21,324 equity shares of Rs. 2/-each).

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

During the FY 2018-19, the Company has not transferred any amount to General Reserve.

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

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

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

In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report, have been prepared and are available on the website of the Company. You may refer to the Annexure to the

consolidated financial statements of the Company, which contains the statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1.

During the year under review, the Company incorporated, a wholly owned subsidiary namely IIFL Wealth Securities IFSC Limited on June 22, 2018. The Company acquired two companies named Altiore Advisors Private Limited and Wealth Advisors (India) Private Limited on November 05, 2018 and November 22, 2018 respectively.

During the year, IIFL Private Wealth (Suisse) S.A. ceased to be the subsidiary of the Company.

As at March 31, 2019, your Company has seventeen (17) subsidiaries as listed below:

##### **Domestic Subsidiaries:**

- i. IIFL Wealth Finance Limited,
- ii. IIFL Distribution Services Limited,
- iii. IIFL Asset Management Limited,
- iv. IIFL Investment Adviser and Trustee Services Limited,
- v. IIFL Alternate Asset Advisors Limited,
- vi. IIFL Trustee Limited,
- vii. IIFL Wealth Securities IFSC Limited,
- viii. IIFL Altiore Advisors Limited (formerly known as Altiore Advisors Private Limited),
- ix. IIFL Wealth Advisors (India) Limited (formerly known as Wealth Advisors (India) Private Limited),

##### **International Subsidiaries:**

- i. IIFL Asset Management (Mauritius) Limited,
- ii. IIFL Private Wealth Management (Dubai) Limited,
- iii. IIFL (Asia) Pte. Limited,
- iv. IIFL Private Wealth Hong Kong Limited\*\*,
- v. IIFL Inc.,
- vi. IIFL Capital (Canada) Limited,



- vii. IIFL Capital Pte. Limited, **(step down subsidiary);**
- viii. IIFL Securities Pte. Limited **(step down subsidiary)**

\*\*The company is in process of winding up.

The Annual Report which consists of the financial statements of your Company on standalone basis as well as consolidated financial statements of the group for the year ended 31st March 2019, is being sent to all the members of your Company.

Web link of the Annual Report is sent to all members whose email IDs are registered with the Company/Depository Participant(s). For members who have not registered their email IDs, physical copies of the Annual Report are sent. It does not contain Annual Reports of your Company's subsidiary companies. Your Company will make available the Annual Report either in a hard or soft copy depending upon request by any member of your Company. These Annual Reports will be available on your Company's website viz. URL: [www.iiflwealth.com](http://www.iiflwealth.com) and will also be available for inspection by any member at the Registered Office of your Company during working hours.

## 9. CORPORATE GOVERNANCE:

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), a separate section entitled 'Report on Corporate Governance' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

## 10. ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2019 once prepared shall be disclosed on your Company's website [www.iiflwealth.com](http://www.iiflwealth.com).

An extract of the Annual Return as on March 31, 2019 in Form MGT-9 is annexed as **Annexure - IV** to this Report.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a. Directors:

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

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

### Directors retiring by rotation

Mr. Sandeep Naik and Mr. Shantanu Rastogi retires by rotation at the Twelfth Annual General Meeting (AGM) of the Company and are eligible for reappointment.

### Appointment / Re-appointment:

Mr. Nilesh Vikamsey has been appointed as a Chairman of the Board w.e.f. June 25, 2019.

\*The Board of Directors of the Company, at its meeting held on June 25, 2019, based on the recommendation of the Nomination and Remuneration Committee (NRC) appointed Mr. Subbaraman Narayan (DIN: 00094081), as the Independent Director of the Company for a term of 5 years commencing from June 25, 2019 to June 24, 2024 subject to approval of shareholders of the Company.

The Board of Directors of the Company, at its meeting held on August 21, 2019, based on the recommendation of the Nomination and Remuneration

Committee (NRC) and the results of the performance evaluation, re-appointed:

- a) Mr. Nilesh Vikamsey (DIN: 00031213), as an Independent Director for a second term of 5 (five) years from August 25, 2019 to August 24, 2024,
- b) Mr. Karan Bhagat (DIN: 03247753), as Managing Director for a term of 5 (five) years from July 27, 2020 to July 26, 2025;
- c) Mr. Yatin Shah (DIN: 03231090), as Whole-time Director for a term of 5 (five) years from July 27, 2020 to July 26, 2025;  
subject to the approval of the shareholders of the Company.

**Resignation / Cessation of Directors:**

Mr. Amit Shah (DIN - 06765300), Non-Executive Director, resigned from the Board of the Company with effect from January 24, 2019.

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

The Board met nine (9) times during the period under review to discuss and approve various matters including financials, appointment of auditor, declaration of interim dividend, review of audit reports and other board businesses.

**ii. Committees of the Board -**

In accordance with the Companies Act, 2013, the Board has constituted following Committees as per the applicable provision of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee.
- (iii) Corporate Social Responsibility Committee.
- (iv) Stakeholders' Relationship Committee.

- (v) Risk Management Committee.

**(i) Audit Committee:**

The Audit Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur and Mr. Shantanu Rastogi. Ms. Geeta Mathur is the Chairperson of the Committee. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013, the SEBI (LODR) Regulations, 2015 and the internal policies. The Committee met 5 (five) times during the year under review and discussed on financials, audit issues and appointment of auditors. During the period under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

The details including the meetings, role, terms of reference, etc. of the Audit Committee are provided in the Corporate Governance Report.

**(ii) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee ("NRC") comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur, Mr. Nirmal

Jain and Mr. Sandeep Naik. As per the provisions of Section 178 of the Companies Act, 2013, the NRC had formulated a nomination and remuneration policy. The same is annexed as an **Annexure I** to this Report.

The details including the meetings, role, terms of reference, etc. of the Nomination and Remuneration Committee are provided in the Corporate Governance Report.

**(iii) Corporate Social**

**Responsibility Committee:**

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

The details of the CSR Committee are provided in the Corporate Governance Report.

**(iv) Stakeholders’ Relationship Committee**

Stakeholders’ Relationship Committee comprises of Mr. Venkataraman Rajamani,

Non-Executive Director, Ms. Geeta Mathur, Independent Director, and Mr. Yatin Shah, Executive Director.

The details including the meetings, role, terms of reference, etc. of the Stakeholders’ Relationship Committee are provided in the Corporate Governance Report.

**(v) Risk Management Committee:**

Risk Management Committee comprises of Mr. Venkataraman Rajamani, Non-Executive Director, Ms. Geeta Mathur, Independent Director, Mr. Karan Bhagat, Executive Director, Mr. Shantanu Rastogi, Non-Executive Director and Mr. Nilesh Vikamsey, Independent Director.

The objective of the Risk Management Committee is to oversee the Risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risk.

The details including the role, objectives/ terms of reference of the Risk Management Committee are provided in the Corporate Governance Report.

**iii. Separate meeting of Independent Directors:**

In compliance with provisions of the Companies Act, 2013, a separate meeting of Independent Directors was held on March 22, 2019 inter alia, to discuss the following:

- a) to review the performance of non-independent directors and the Board as a whole;
- b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the Company management and the Board/ Committees of the Board from time to time.

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

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

**v. Declaration by Independent Directors -**

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/ she meets the criteria of independent laid down in section 149(6) of the Companies Act, 2013.

**b. Key Managerial Personnel:**

The following officials of the Company continue to be the "Key Managerial Personnel" pursuant to the provisions of Section 203 of the Companies Act, 2013 and the applicable provisions of the SEBI (LODR) Regulations, 2015:

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

**12. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects, refer Annexure II for Annual Report on CSR activities annexed with this report.

All CSR efforts have been directed towards identifying and undertaking projects that hold the potential to create long-term social impact, to empower marginalized communities and enhance their quality of life. In alignment with this objective, in FY18-19, the Company undertook a number of projects in the core areas of woman empowerment, sanitation, ensuring environmental sustainability, healthcare and education.

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

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

### 13. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the financial year 2018-19 is available for inspection at the registered office of the Company. Any shareholder interested

The details of options granted, vested, exercised, etc. are as follows:

A	Options granted during the year	1,70,028
B	Exercise Price (per share)	2260 @ Rs. 19/- 2130 @ Rs. 16/- 110477 @ Rs. 282/- 131868 @ Rs. 339/- 31626 @ Rs. 417/-
C	Options Vested during the year	9,22,484
D	Options Exercised during the year	2,78,361
E	Total no. of shares arising as result of exercise of Options	2,78,361
F	Options lapsed (Reallocable)	1,65,368
G	Variation in terms of Options	NIL
H	Money realised by exercise of Options (In Rs.)	8,91,22,828
I	Total number of options in force	34,91,631
J	Employee wise details of options granted to:	
	- Key Managerial Personnel	
	Name	Options
	Mihir Nanavati, Chief Financial Officer	None
	Ashutosh Naik, Company Secretary	None
	Karan Bhagat, Managing Director	None
	Yatin Shah, Whole-time Director	None
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	
	Name	Options
	Pramod Kumar A	95,590
	Abhay Amrite	37,633
	Vivek Banka	15,051
	Srikumar R	9,623
	- identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant	
	Name	Options
	-	-

in obtaining a copy of the said information may write to the Company Secretary at the registered office of your Company.

Further, Disclosures pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as an **Annexure III**

### 14. EMPLOYEE STOCK OPTION/ PURCHASE SCHEME:

The stock options granted to the employees of the Company and its subsidiaries currently operate under the following Schemes:

- IIFL Wealth Employee Stock Option Scheme - 2012
- IIFL Wealth Employee Stock Option Scheme - 2015

The disclosure requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP Schemes, in respect of the year ended March 31, 2019, are disclosed on the Company's website [www.iiflwealth.com](http://www.iiflwealth.com)

**15. RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY:**

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

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

**16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND THE COMPANY'S FUTURE OPERATIONS:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

**17. AUDITORS:**

At the Annual General Meeting held on July 27, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2020.

**18. FEMA COMPLIANCE:**

With reference to Circular No.D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 ("FDI Policy") relating to Foreign Direct Investment Policy, the

Company complied with FDI Policy and various circulars issued by Reserve Bank of India from time to time.

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

There are no qualifications, reservations or observations by the Statutory Auditors in their report for the financial year ended March 31, 2019. The Statutory Auditors have not reported any incident of fraud under Section 143 (12) of the Companies Act, 2013 to the Audit Committee of the Company in the year under review.

**20. SECRETARIAL AUDIT:**

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

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

The details of loans, guarantees or investments made are provided in the standalone financial statement (Please refer Note No. 7 and 8).

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

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company except the transaction stated in the Form AOC-2 annexed as **Annexure - VI** pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 to be reported under Section 188(1) of the Companies Act, 2013. However, all the related party transactions were on arms' length basis. No contract/ arrangement has been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. The transactions



with related party are disclosed by way of notes to accounts vide note no. 33 in the standalone financial results of the Company for the financial year ended March 31, 2019.

The Company's policy on dealing with the Related Party Transactions is available on the Company's website: [www.iiflwealth.com](http://www.iiflwealth.com).

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

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended below:

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

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

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

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

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

The management understands the importance of technology in the business segments it operates and lays utmost emphasis on system development and use of best technology available in the industry. The management keeps itself abreast of technological advancements in the industry and ensures continued and sustained efforts towards

absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

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

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

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

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

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

Your Directors further state that your

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

## 25. DIRECTORS RESPONSIBILITY STATEMENT:

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

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

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

The Annexure(s) referred to in this Report and

other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- Nomination and Remuneration Policy of the Company as Annexure I.
- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19– Annexure - II.
- Disclosures pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as an Annexure III.
- Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 (1) of Companies (Management & Administration) Rules, 2014. – Annexure IV
- Secretarial Audit Report for the financial year ended March 31, 2019 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 – Annexure – V;
- Form AOC-2 for disclosure of material related party transactions as an Annexure VI

## ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from regulatory agencies. Your Directors acknowledge the support of the members and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism.

For and on behalf of the Board of Directors

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Venkatraman Rajamani**  
Director  
DIN: 00011919

Date: August 21, 2019

Place: Mumbai

# ANNEXURES TO THE DIRECTORS' REPORT

## ANNEXURE I

### NOMINATION AND REMUNERATION POLICY

#### **I. OBJECTIVE:**

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

#### **II. DEFINITIONS:**

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
  - Managing Director, or Chief Executive Officer or Manager
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context other wise requires, words and expressions used in this policy and not defined here in but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them there in.

#### **III. ROLE OF COMMITTEE:**

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

Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.

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

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

- a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.

##### **b) Independent Director:**

###### **(i) Qualifications of Independent Director:**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

###### **(ii) Positive attributes of Independent Directors:**

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide

manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

## 2. **Removal:**

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

## 3. **Retirement:**

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

# V. **REMUNERATION:**

## A. **Directors:**

### a. **Executive Directors (Managing Director, Manager or Whole Time Director):**

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

long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

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

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

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

commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

- (v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- (vi) The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

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

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

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

**C. Research Analysts:**

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee
- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have

happened because of the services of the Research Analyst; and

- b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

**VI. EVALUATION:**

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

**VII. OTHER DETAILS:**

**Membership**

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

**Frequency of Meetings**

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

**Secretary**

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

For and on behalf of the Board of Directors

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Venkatraman Rajamani**  
Director  
DIN: 00011919

Date: August 21, 2019  
Place: Mumbai

ANNEXURE II

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
FOR THE FINANCIAL YEAR 2018-19**

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The CSR Policy and projects of IIFL Wealth Management Ltd. are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarized in one acronym – GIFTS, which stands for:</p> <ul style="list-style-type: none"> <li>• Growth</li> <li>• Integrity</li> <li>• Fairness</li> <li>• Transparency</li> <li>• Service Orientation</li> </ul> <p>By applying these values to the CSR projects, IIFL Wealth Management Limited undertakes initiatives that create sustainable growth and empowers underprivileged sections of society.</p> <p>The focus areas prioritized by IIFL Wealth Management Limited in its CSR strategy are given below:</p> <ul style="list-style-type: none"> <li>• Support to the Differently - Tamil Nadu, Maharashtra.</li> <li>• Promotion of Education for underprivileged - North India</li> <li>• Sapling Plantation</li> <li>• Medical camps for the lesser privileged - Karnataka</li> <li>• Gender Empowerment – Financial Literacy</li> <li>• Development of National Level Sports</li> <li>• Health</li> <li>• Education</li> </ul> <p>*The CSR Policy adopted by IIFL Group of companies is available on <a href="https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf">https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf</a></p>
2. The Composition of the CSR Committee	<p>CSR Committee of the Company comprises of:</p> <p>(i) Mr. Nilesh Vikamsey, (ii) Mr. Nirmal Jain, (iii) Mr. Karan Bhagat, and (iv) Mr. Sandeep Naik</p>
3. Average net profit of the company for last three financial years	INR 1,57,69,41,779/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 3,15,38,836/-
5. Details of CSR spent during the financial year	<p>a) Total amount to be spent for the financial year; INR 3,15,38,836/-</p> <p>b) Amount Spent; and INR 3,15,38,836 /-</p> <p>c) Amount unspent, if any. NIL</p>

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

SR. NO	PROJECTS/ ACTIVITIES	SECTOR	LOCATIONS	AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE (INR)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS (INR)	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD (INR)	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY (INR)
1	Support to the Differently	Differently Abled	Chennai (Tamil Nadu), Pune Mumbai (Maharashtra)	36,15,000/-	Direct - 36,15,000/-	36,15,000/-	36,15,000/- Through India Infoline Foundation
2	Promotion of Education for underprivileged	Education	Uttarakhand Chhattisgarh Jharkhand Haryana Himachal Pradesh Uttar Pradesh	1,25,00,000/-	Direct - 1,25,00,000/-	1,25,00,000/-	1,25,00,000/- Through India Infoline Foundation
3	Sapling Plantation	Environment	Maharashtra	4,25,000/-	Direct - 4,25,000/-	4,25,000/-	4,25,000/- Through India Infoline Foundation
4	Medical camps for the lesser privileged	Health	Bangalore (Karnataka)	36,50,000/-	Direct - 36,50,000/-	36,50,000/-	36,50,000/- Through India Infoline Foundation
5	Gender Empowerment – Financial Literacy	Education & Women Empowerment	West Bengal Karnataka Uttar Pradesh	20,62,500/-	Direct - 20,62,500/-	20,62,500/-	20,62,500/- Through India Infoline Foundation
6	Development of National Level Sports	Promotion of Sports	Across India	33,15,790/-	Direct - 33,15,790	33,15,790/-	33,15,790/- Through India Infoline Foundation
7	Construction of Sanitation Facility at Govt. Schools	Health	Uttar Pradesh Tamil Nadu	16,37,382/-	Direct - 16,37,382/-	16,37,382/-	16,37,382/- Through India Infoline Foundation
8	Developmental support to children with special needs	Differently Abled	Chennai Erode Tirunelveli (Tamil Nadu)	13,00,000/-	Direct - 13,00,000/-	13,00,000/-	13,00,000/- Through India Infoline Foundation
9	Promotion of Education to school dropout children	Education	Rajasthan	30,33,164/-	Direct - 30,33,164/-	30,33,164/-	30,33,164/- Through India Infoline Foundation



**Brief description of key projects:****1) Support to the Differently Abled – Impaired Vision:**

Interventions were done primarily at Chennai Pune and Mumbai, by setting up free eye check-up camps. The patients were screened and then, accordingly offered further treatment viz. provision of spectacles, cataract operations, etc.

**2) Promotion of Education for underprivileged:**

The initiative aims to ensure optimal Math and English education using innovative teacher training and pedagogy, enabling teachers to deliver better quality education to children in the primary grades studying in the government school system. The focus is over primary education in government schools to improve the overall learning outcomes.

**3) Sapling Plantation:**

Activities to transform the village into 'Green' by engaging the adolescent population to plant and conserve trees. The intervention was strengthened through active participation by the communities, as the sarpanch, ward-panch and local bodies joined the drive to sustain the activity in coming time.

**4) Medical camps for the lesser privileged:**

Medical camps addressing multiple facets to better health were conducted across the year. Along with the provision of medical treatment, a special emphasis was over creating awareness through touching topics as – Early Cancer Detection, Diet education for diabetic, CPR, First Aid, Yoga, etc.

**5) Gender Empowerment – Financial Literacy:**

Educating women from self-help groups from various urban and rural locations, to understand the nuances of financial discipline, savings & investments. The initiative also helped to spread awareness amongst the illiterate and economically poor people about the government welfare schemes so to protect them not only from deprivation but also get access to the benefits of such schemes. They are also made aware about the benefit of Right To Information (RTI) Act through which they can raise their queries if there is any occurrence of inconvenience.

**6) Development of National level Sports:**

India has always lacked behind in sports despite having no dearth of talent and people. What is needed is adequate exposure, proper coaching and support to the players. India Infoline Foundation organizes grass root level yet International class sports tournaments to not only identify but nurture talent and provide necessary platform for the budding sports enthusiast to excel and move up the charts.

**7) Construction of Sanitation Facility at Govt. Schools:**

Providing access to toilets in schools by constructing new toilets or renovating existing facilities. The initiative included clubbing the construction of toilets with comprehensive health and hygiene education to ensure awareness among the community and the children, alike.

**8) Developmental support to children with special needs:**

Children with brain damage have difficulty developing on par with their neuro-typical peers in all categories of development, e.g. mental, intellectual, physical and emotional. As a result, they need external support and stimulus to develop these skills. The designed intervention helps to create self-awareness in the child; builds social skills, communication and cognition. The target group comprised of Children with special needs with developmental age less than 5 years old. The focus was early intervention and Mother's Skill Development, by providing the right environment to bring the child up to the mental age of 5 years, to enable them to lead as independent a life as possible.

**9) Promotion of Education to school dropout children:**

It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of

Rajasthan. India Infoline Foundation has vowed to change this in next few years through starting community schools which are multi grade multi-level schools started in the villages as per the convenience of the girls to enable them to get educated. With 1156 such schools called “Sakhion ki Baadi” across 10 districts, India Infoline foundation has already brought back over 34,452 girls into the fold of education. By 2020, we are aiming towards 100% eradication of Illiteracy from Villages that we work at.

#### **Responsibility statement of the CSR Committee**

Through this report, IIFL Wealth Management Limited seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for

marginalized segments of society. The company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the company has also established a monitoring mechanism to track the progress of its CSR projects.

For and on behalf of the Board of Directors

**Karan Bhagat**

Chairman, CSR

Committee & Director

DIN: 0010535

Date: August 21, 2019

Place: Mumbai

**Nirmal Jain**

Director

DIN: 03247753

**\*NOTE:** The Company has adopted the Policy on Corporate Social Responsibility (“CSR Policy”) on June 25, 2019 applicable for IIFL Wealth group companies and is available on the Company’s website –<https://www.iiflwealth.com/Corporate-Governance>

**ANNEXURE III**

Disclosures pursuant to Rule 5 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014:

**1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

S/n.	Name of Director	Designation	Ratio
1.	Mr. Karan Bhagat	Managing Director	27
2.	Mr. Yatin Shah	Whole-time Director	21
3.	Mr. Nirmal Jain	Non-Executive Director and Chairman	NA
4.	Mr. Venkataraman Rajamani	Non-Executive Director	NA
5.	Mr. Shantanu Rastogi	Non-Executive Director	NA
6.	Mr. Sandeep Naik	Non-Executive Director	NA
7.	Mr. Nilesh Vikamsey	Independent Director	NA
8.	Ms. Geeta Mathur	Independent Director	NA
9.	Mr. Amit Shah*	Non-Executive Director	NA

\*Mr. Amit Shah resigned w.e.f January 24, 2019.

**2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

S/n.	Name of Director	Designation	% increase in Remuneration
1.	Mr. Karan Bhagat	Managing Director	8%
2.	Mr. Yatin Shah	Whole-time Director	9%
3.	Mr. Mihir Nanavati	Chief Financial Officer	*82%
4.	Mr. Ashutosh Naik	Company Secretary	17%

\*Mr. Mihir Nanavati, Chief Financial Officer was appointed in December 2016 and accordingly his remuneration for Fy2017-18 was for a part of the year. His remuneration for FY 2018-19 is for the full year (including bonus) and accordingly the increase has been calculated.

**3. Percentage increase in the median remuneration of employees in the financial year:**

For employees who were in employment for the whole of FY 2017-18 and FY 2018-19 increase in median remuneration is 37%

**4. Number of permanent employees on the rolls of company at the end of the year : 599**

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

For employees other than managerial personnel who were in employment for the whole of FY 2017-18 and 2018-19 the average percentile increase is 11% and 9% excluding ESOP's.

**6. Affirmation that the remuneration is as per remuneration policy of the Company:**

The Company is in compliance with its Nomination and Remuneration Policy.

For and on behalf of the Board of Directors

**Karan Bhagat**

Managing Director

DIN: 03247753

**Venkataraman Rajamani**

Director

DIN: 00011919

Date: August 21, 2019

Place: Mumbai

**ANNEXURE IV****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:	U74140MH2008PLC177884
ii) Registration Date	17/01/2008
iii) Name of the Company	IIFL Wealth Management Limited
iv) Category/ Sub-Category of the Company	Non- Government Public Company Limited by shares
v) Address of the Registered office and contact details	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Tel No.: 022-48765600, Fax No.: 022-46464706
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link In time India Private Limited C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 49186000 Fax: +91 22 2594 6969 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES	NIC CODE OF THE PRODUCT/ SERVICE *	% TO TOTAL TURNOVER OF THE COMPANY
Distribution fees, Commission and related Income	6619	98.93%

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

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

SR. NO.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IIFL Holdings Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	L74999MH1995PLC093797	Holding Company	53.24	2(46)
2	IIFL Asset Management Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U74900MH2010PLC201113	Subsidiary Company	100	2(87)
3	IIFL Trustee Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U74990MH2009PLC193063	Subsidiary Company	100	2(87)

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION	
4	IIFL Investment Adviser and Trustee Services Limited	IIFL Centre, Kamala Mills, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013 IN	U74990MH2010PLC211334	Subsidiary Company	100	2(87)
5	IIFL Distribution Services Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel Mumbai-400013 IN	U45201MH1995PLC228043	Subsidiary Company	100	2(87)
6	IIFL Alternate Asset Advisors Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai- 400013	U74120MH2011PLC219930	Subsidiary Company	100	2(87)
7	IIFL Wealth Finance Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U65990MH1994PLC080646	Subsidiary Company	100	2(87)
8	IIFL Wealth Securities IFSC Limited	412, Building No. 13-B, Block No.-13, Zone-1, Road 1C, GIFT SEZ, GIFT City, Gandhinagar- 382355	U65999GJ2018PLC102974	Subsidiary Company	100	2(87)
9	IIFL Wealth Advisors (India) Limited	Lemuir House, 10, G.N. Chetty Road, T. Nagar, Chennai 600017	U74140TN2004PLC053285	Subsidiary Company	100	2(87)
10	IIFL Altiore Advisors Private Limited	Plot No.11B, Survey No.40/9, Devasandra, Industrial Area, 2nd Stage, K.R. Puram, Bangalore 560048	U74999KA2016PTC097306	Subsidiary Company	100	2(87)
11	IIFL Private Wealth Management (Dubai) Limited	Unit 808, Level 8, Liberty House, Dubai International Financial Centre, Dubai, 115 064, United Arab Emirates	Not Applicable	Subsidiary Company	100	2(87)
12	IIFL Inc	1120 Avenue of the Americas, Suite 1502, New York, NY 10036, United States of America	Not Applicable	Subsidiary Company	100	2(87)
13	IIFL Private Wealth Hong Kong Ltd	Room 902, 9/F, Wilson House, 19-27 Wyndham Street, Central, Hong Kong	Not Applicable	Subsidiary Company	100	2(87)
14	IIFL Asset Management (Mauritius) Limited	5th Floor, Barkly Wharf Le Caudan Waterfront Port Louis, Mauritius	Not Applicable	Subsidiary Company	100	2(87)
15	IIFL (Asia) Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
16	IIFL Capital Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
17	IIFL Securities Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
18	IIFL Capital (Canada) Limited	Regus First Canadian Place, 100 King St W Suite 5600, Toronto, ON M5X 1E3, Canada	Not Applicable	Subsidiary Company	100	2(87)

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

##### i) Category-wise Shareholding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1ST APRIL 2018)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2019)				% CHANGE DURING THE YEAR	
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	0	0	0	0.00	93,02,401*	0	93,02,401*	11.01*	11.01*	
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corp.	4,50,00,000	0	4,50,00,000	56.42	4,50,00,000	0	4,50,00,000	53.24	-3.18	
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00	
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (A)(1):-</b>	<b>4,50,00,000</b>	<b>0</b>	<b>4,50,00,000</b>	<b>56.42</b>	<b>5,43,02,401</b>	<b>0</b>	<b>5,43,02,401</b>	<b>64.25</b>	<b>7.83</b>	
<b>(2) Foreign</b>										
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4,50,00,000</b>	<b>0</b>	<b>4,50,00,000</b>	<b>56.42</b>	<b>5,43,02,401</b>	<b>0</b>	<b>5,43,02,401</b>	<b>64.25</b>	<b>7.83</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00	
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00	
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
f) Insurance Companies	0	0	0	0.00	3,00,000	0	3,00,000	0.35	0.35	
g) FIs	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,00,000</b>	<b>0</b>	<b>3,00,000</b>	<b>0.35</b>	<b>0.35</b>	
<b>2. Non-Institutions</b>										
a) Bodies Corp.	0	0	0	0	0	0	0	0	0	
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00	
ii) Overseas	18053050	0	18053050	22.64	2,22,42,550	0	2,22,42,550	26.31	3.67	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1224109	Nil	1224109	1.53	14,21,918	Nil	14,21,918	1.68	0.15	

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1ST APRIL 2018)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2019)				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15476304	Nil	15476304	19.42	62,54,455	Nil	62,54,455	7.39	(12.03)
c) Others (specify)	0	0	0	0.00	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>34,75,3463</b>	<b>Nil</b>	<b>34,75,3463</b>	<b>43.59</b>	<b>2,99,18,923</b>	<b>Nil</b>	<b>2,99,18,923</b>	<b>35.39</b>	<b>(8.20)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>34,75,3463</b>	<b>Nil</b>	<b>34,75,3463</b>	<b>43.59</b>	<b>3,02,18,923</b>	<b>Nil</b>	<b>3,02,18,923</b>	<b>35.75</b>	<b>(7.84)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>79753463</b>	<b>0</b>	<b>79753463</b>	<b>100</b>	<b>8,45,21,324</b>	<b>0</b>	<b>8,45,21,324</b>	<b>100</b>	<b>0</b>

\*Note: Mr. Karan Bhagat and Mr. Yatin Shah were re-classified as the promoters of the Company w.e.f June 19, 2018.

## ii) Shareholding of Promoters

SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR (1ST APRIL 2018)			SHAREHOLDING AT THE END OF THE YEAR (31ST MARCH 2019)			% CHANGE IN SHAREHOLDING DURING THE YEAR
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / OF THE ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / OF THE ENCUMBERED TO TOTAL SHARES	
IIFL Holdings Limited*	45,00,0000	56.42	0	45,00,0000	53.24	0	(3.18)
Karan Bhagat**	0	0	0	59,91,875	7.09	0	7.09
Yatin Shah**	0	0	0	33,10,526	3.92	0	3.92
<b>Total</b>	<b>45,00,0000</b>	<b>56.42</b>	<b>0</b>	<b>5,43,02,401</b>	<b>64.25</b>	<b>0</b>	<b>7.83</b>

\*Note: \* The shareholding of IIFL Holdings Limited in the Company provided herein above is as per Benpos dated March 30, 2019. Please refer Note no.20 Share Capital and Note no.2.1 Basis of Preparation and Presentation, of the Audited Standalone Financial Statements of the Company for the Financial Year 2018-19, for impact on shareholding post effect of the Composite Scheme of Arrangement amongst the Company, IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders.

\*\*Mr. Karan Bhagat and Mr. Yatin Shah were re-classified as the promoters of the Company w.e.f June 19, 2018.



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

	SHAREHOLDING AT THE BEGINNING OF THE YEAR (AS ON 01-04-2018)		CUMULATIVE SHAREHOLDING DURING THE YEAR (31-03-2019)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
At the beginning of the year*	4,50,00,000	56.42	4,50,00,000	56.42
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):**				
Re-classification of promoters of the Company by including Mr. Karan Bhagat and Mr. Yatin Shah as the promoters of the company in addition to IIFL Holdings Limited on 19.06.2018	93,02,401	11.01	5,43,02,401	64.25
Decrease in the percentage of shareholding of IIFL Holdings Limited The decrease in shareholding is due to the allotment of equity shares by the Company on preferential allotment basis on June 22, 2018.		(3.18)		64.25
At the end of the year	5,43,02,401	64.25	5,43,02,401	64.25

\*The shareholding of IIFL Holdings Limited in the Company provided herein above is as per Benpos dated March 30, 2019. Please refer Note no.20 Share Capital and Note no.2.1 Basis of Preparation and Presentation, of the Audited Standalone Financial Statements of the Company for the Financial Year 2018-19, for impact on shareholding post effect of the Composite Scheme of Arrangement amongst the Company, IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders.

\*\*Mr. Karan Bhagat and Mr. Yatin Shah were re-classified as the promoters of the Company w.e.f June 19, 2018.

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

SR. NO.	FOR EACH OF TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	<b>General Atlantic Singapore Fund Pte. Ltd</b>				
	At the beginning of the year	1,80,53,050	22.64	1,80,53,050	22.64
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	5,66,500 equity shares were allotted on August 10, 2018	0.67	1,86,19,550	22.02
	At the End of the year ( or on the date of separation, if separated during the year)	1,86,19,550	22.02	1,86,19,550	22.02

SR. NO.	FOR EACH OF TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
<b>2.</b>	<b>Amansa Holdings Private Limited</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotment of 10,92,000 equity shares on June 22, 2018	1.29	10,92,000	1.29
	At the End of the year ( or on the date of separation, if separated during the year)	10,92,000	1.29	10,92,000	1.29
<b>3.</b>	<b>WF Asian Reconnaissance Fund Limited</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotment of 10,92,000 equity shares on June 22, 2018	1.29	10,92,000	1.29
	At the End of the year ( or on the date of separation, if separated during the year)	10,92,000	1.29	10,92,000	1.29
<b>4.</b>	<b>Rimco (Mauritius) Limited</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotment of 10,92,000 equity shares on June 22, 2018	1.29	10,92,000	1.29
	At the End of the year ( or on the date of separation, if separated during the year)	10,92,000	1.29	10,92,000	1.29
<b>5.</b>	<b>Anirudha Taparua</b>				
	At the beginning of the year	5,28,000	0.66	5,28,000	0.66
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	5,28,000	0.62
	At the End of the year ( or on the date of separation, if separated during the year)	5,28,000	0.62	5,28,000	0.62
<b>6.</b>	<b>Jiten Surtani</b>				
	At the beginning of the year	4,23,070	0.53	4,23,070	0.53
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	ESOP Allotment dated September 27, 2018 of 13184 shares.	0.01	4,36,254	0.52
	At the End of the year ( or on the date of separation, if separated during the year)	4,36,254	0.52	4,36,254	0.52

SR. NO.	FOR EACH OF TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
7.	<b>Pravin Bhalerao</b>				
	At the beginning of the year	4,00,000	0.50	4,00,000	0.50
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	4,00,000	0.47
	At the End of the year ( or on the date of separation, if separated during the year)	4,00,000	0.47	4,00,000	0.47
8.	<b>Vinay Ahuja</b>				
	At the beginning of the year	4,00,000	0.50	4,00,000	0.50
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	4,00,000	0.47
	At the End of the year ( or on the date of separation, if separated during the year)	4,00,000	0.47	4,00,000	0.47
9.	<b>Sandeep Jethwani</b>				
	At the beginning of the year	3,10,464	0.39	3,10,464	0.39
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	3,10,464	0.37
	At the End of the year ( or on the date of separation, if separated during the year)	3,10,464	0.37	3,10,464	0.37
10.	<b>Umang Papneja</b>				
	At the beginning of the year	3,05,482	0.38	3,05,482	0.38
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	3,05,482	0.36
	At the End of the year ( or on the date of separation, if separated during the year)	3,05,482	0.36	3,05,482	0.36

**NOTE:** \* The changes in the % of the shareholding of the above shareholders was due to allotment of equity shares under ESOS to the employees and preferential issue during the year.

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

NAME	SHAREHOLDING		DATE	INCREASE/ (DECREASE) IN SHARE HOLDING*	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-18 TO 31-03-19)	
	NO. OF SHARES AT THE BEGINNING (01-04-18)/ END OF THE YEAR (31-03-18)	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY

## A. DIRECTORS:

1. Karan Bhagat, Managing Director	48,10,526	6.03				48,10,526	6.03
	11,75,819		14-06-2018	Increase in Shareholding	Shares Purchased	59,86,345	7.50
	5,530		27-07-2018	Increase in shareholding	Shares Purchased	59,91,875	7.15
2. Yatin Shah, Executive Director	33,10,526	4.15	-	-	-	33,10,526	3.92
3. Amit Shah, Non-Executive Director	27,18,421 (11,50,000)	3.41 (1.44)	14-04-2018	Decrease in shareholding	Shares sold	27,18,421 15,68,421	3.41 1.85
	15,68,421		-	-	-	15,68,421	1.85

## B. Key Managerial Personnel (KMP's)

1. Mr. Ashutosh Naik	6,654	0.01	-	-	-	6,654	0.008
	1,346	0.00	27-09-2018	Increase in shareholding	ESOP Allotment	8,000	0.009
	8,000	0.009				8,000	0.009
2. Mihir Nanavati	0	0	0	0	0	0	0

NOTE: \* The changes in the % of the shareholding of the above shareholders was due to allotment of equity shares under ESOS to the employees and preferential issue during the year.

## V. Indebtedness: Indebtedness of the Company including interest outstanding / accrued but not due for payments:

(Amounts in ₹)

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,337,468.00	-	4,000,000,000.00	4,016,337,468.00
ii) Interest due but not paid	-	-	(38,102,821.00)	(38,102,821.00)
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>16,337,468.00</b>	<b>-</b>	<b>3,961,897,179.00</b>	<b>3,978,234,647.00</b>
Change in Indebtedness during the financial year				
• Addition		38,714,795,592.00	177,000,000,000.00	215,714,795,592.00
• Reduction	6,720,520.00	(38,228,699,397.00)	(177,500,000,000.00)	(215,721,978,877.00)
<b>Net Change</b>	<b>(6,720,520.00)</b>	<b>486,096,195.00</b>	<b>(500,000,000.00)</b>	<b>(20,624,325.00)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	9,616,948.00	486,096,195.00	3,500,000,000.00	3,995,713,143.00
ii) Interest due but not paid		2,230,662.00	(26,707,697.00)	(24,477,035.00)
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>9,616,948.00</b>	<b>488,326,857.00</b>	<b>3,473,292,303.00</b>	<b>3,971,236,108.00</b>

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

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

PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER		TOTAL AMOUNT (RS.)
	KARAN BHAGAT	YATIN SHAH	
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,76,74,006.00	3,81,00,184.00	8,57,74,190.00
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2. Stock Option	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission			
- as % of profit	Nil	Nil	Nil
- others, specify	Nil	Nil	Nil
5. Others, please specify (PF)	25,04,641.06	19,78,662.42	44,83,303.48
<b>TOTAL (A)</b>	<b>5,01,78,647.06</b>	<b>4,00,78,846.42</b>	<b>9,02,57,493.48</b>
Ceiling as per the Act	₹ INR 20.65 Crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

## B. Remuneration to other directors:

PARTICULARS OF REMUNERATION	NAME OF DIRECTORS							TOTAL AMOUNT (₹)
	MR. NIRMAL JAIN	MR. R VENKATARAMAN	MR. NILESH VIKAMSEY	MS. GEETA MATHUR	MR. AMIT SHAH	MR. SANDEEP NAIK	MR. SHANTANU RASTOGI	
i. Independent Directors								
- Fee for attending board/ committee meetings	-	-	5,40,000	5,70,000	-	-	-	11,10,000
- Commission	-	-	1,00,000	5,00,000	-	-	-	15,00,000
- Others, please specify	-	-	-	-	-	-	-	-
<b>TOTAL (1)</b>	-	-	<b>15,40,000</b>	<b>10,70,000</b>	-	-	-	<b>26,10,000</b>
ii. Other Non-Executive Directors	-	-	-	-	-	-	-	-
- Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-
- Commission	-	-	-	-	-	-	-	-
- Others, please specify	-	-	-	-	-	-	-	-
<b>TOTAL (2)</b>	-	-	-	-	-	-	-	-
<b>TOTAL (B)= (1+2)</b>	-	-	<b>15,40,000</b>	<b>10,70,000</b>	-	-	-	<b>26,10,000</b>

Total Managerial Remuneration\*: ₹ 9,28,67,493.48/- (includes commission paid to other Director, i.e., Independent Directors)

Overall Ceiling as per the Act Ceiling for Total Managerial Remuneration – 10% of \*\*Net profit, i.e., ₹ 20.65 Crore.

Ceiling for Total Remuneration to other Directors – 1% of the \*\*Net Profit, i.e., ₹ 2.065 Crore.

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

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

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

PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		TOTAL AMOUNT (RS.)
	CFO (MIHIR NANAVATI)	COMPANY SECRETARY (ASHUTOSH NAIK)	
1. Gross salary			
a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,01,54,542	1,18,09,735	3,19,64,277
b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2. Stock Option	-	18,56,134	18,56,134
3. Sweat Equity	-	-	-
4. Commission			
- as % of profit			
- others, specify	-	-	-
5. Others, please specify	7,04,178	0	7,04,178
<b>TOTAL</b>	<b>2,08,58,720</b>	<b>1,36,65,869</b>	<b>3,45,24,589</b>

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

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

Date: August 21, 2019

Place: Mumbai

## ANNEXURE V

## Form MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**IIFL Wealth Management Limited**

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

**Lower Parel, West,**

**Mumbai - 400013**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the

extent of Foreign Direct Investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the period under review not applicable to the Company);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the period under review not applicable to the Company);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares)



Regulations, 2009 (during the period under review not applicable to the Company); and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (vi) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- (viii) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;
- (ix) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (x) The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;

We have examined compliance with the applicable clauses of the following:

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

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

#### **We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

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

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

1. The Board of Directors of the Company at the meeting dated June 19, 2018 approved the following: -
  - Re-classification of Promoters of the Company by including Mr. Karan Bhagat and Mr. Yatin Shah, Co-founders and Directors of the Company;
  - Commencement of Business as Investment Manager to Alternative Investment Funds.
2. Members of the Company at the Extra Ordinary General Meeting dated June 19, 2018 approved the following: -
  - To Increase the Authorised Share Capital of the Company from Rs. 17,00,00,000 (Rupees Seventeen Crores Only) consisting of 8,50,00,000 (Eight Crores Fifty Lakh) equity Shares of Rs. 2 (Two) each to Rs. 20,00,00,000 (Rupees Twenty Crores Only) consisting of 10,00,00,000 (Ten Crores Only) equity shares of Rs.2/- (Two) each;

- To offer and issue of 44,89,500 equity shares on preferential basis to the following: -

Name of the Shareholder	No. of Shares
Steadview Capital Mauritius Limited	274130
ABG Capital	41640
LTR Focus Fund	31230
RIMCO (Mauritius) Limited	1092000
HDFC Standard Life Insurance Company Limited	300000
Amansa Holdings Private Limited	1092000
WF Asian Reconnaissance Fund Limited	1092000
General Atlantic Singapore Fund Pte. Limited	566500

- To Amend the object clause in the Memorandum of Association of the Company to act as an Investment Manager.
- Members of the Company at the Annual General Meeting held on July 20, 2018 granted power to the Board to offer, issue and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Perpetual/ Subordinated/ Structured Products/ Market Linked/ Principal Protected/ Fixed Maturity Non-Convertible Debenture of the Company upto Rs. 100 Crore (Rupees One Hundred Crores Only) on Private Placement basis in one or more tranches during the financial year 2018-19.
  - Members of the Company at the Annual General Meeting held on July 20, 2018 approved the Alteration in the Article of Association of the Company pursuant to the Investment Agreement dated June 19, 2018.
  - The Board of Directors of the Company at the meeting dated August 28, 2018 approved the sale of 100% shares of IIFL Private Wealth (Suisse) SA, Wholly Owned Subsidiary of the Company to Anchor Markets Sarl at the price of CHF 500 per share at the total consideration of CHF 50,000.
  - The Nomination and Remuneration Committee had passed the following resolution by circulation for allotment equity shares under the provisions of IIFL Wealth Employees Stock Option Scheme - 2012 and IIFL Wealth Employee Stock Option Scheme - 2015:

Sr. No.	Date of the Resolution passed	Number of shares allotted
1	Circular Resolution dated June 13, 2018	86,914
2	Circular Resolution dated June 18, 2018	67,200
3	Committee meeting dated July 30, 2018	59,849
4	Circular Resolution dated September 27, 2018	40,481
5	Circular Resolution dated December 13, 2018	10,120
6	Circular Resolution dated December 28, 2018	13,797

7. The Board of Directors of the Company at its meeting dated September 21, 2018 and October 15, 2018 approved the acquisition of entire share capital of Altiores Advisors Private Limited and Wealth Advisors (India) Private Limited respectively.
8. The Board of Directors at its meeting dated October 31, 2018 approved interim dividend of Rs. 5 per share.
9. The Company has received approval from Stock Exchanges and NCLT for Scheme of Arrangement between IIFL Holdings Ltd and India Infoline Media & Research Services Ltd, IIFL Securities Ltd, IIFL Wealth Management Ltd, India Infoline Finance Ltd, IIFL Distribution Services Ltd and their respective shareholders. Pursuant to NCLT order dated October 22, 2018, a meeting of equity shareholders was convened on December 12, 2018 to take approval on the scheme of arrangement.
10. The Board of Directors at its meeting dated January 29, 2019 approved interim dividend of Rs. 5 per share.

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

**Atul Mehta**

**Partner**

**FCS No : 5782**

**CP No. : 2486**

Place : Mumbai

Date : August 21, 2019

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

## ANNEXURE A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the SEBI regulations referred to in points vi to x, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : Mumbai

Date : August 21, 2019

## ANNEXURE – V

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

IIFL Wealth Finance Limited

(Formerly: Chephis Capital Markets Ltd.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Wealth Finance Limited, having CIN: U65990MH1994PLC080646 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the IIFL Wealth Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by IIFL Wealth Finance Limited for the financial year ended on 31stMarch, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
  - b) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- vi. Other Laws specifically applicable to the Company
  - a) The Reserve Bank of India Act, 1934, as applicable to Non- Banking Financial Companies;
  - b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016,
  - c) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016,
  - d) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016,
  - e) Master Direction-Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - f) Master Direction - Know Your Customer (KYC) Direction, 2016; and
  - g) IRDA (Registration of Corporate Agents) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.
- ii) The Listing Agreements entered into by the Company with BSE Limited.

During the year under review and as per the explanations given and the representations made by the Management, the Company has complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

We further report that:

- (a) The company is the wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013 effective from 13.02.2016. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken with requisite majority.

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

We further report that during the audit year the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

- (a) The Company made issue and allotment of total 4,30,44,070 Equity shares of the face value of Rs. 10/- each to its holding company namely IIFL Wealth Management Limited during the year ended 31stMarch, 2019.
- (b) The Company made issue and allotment of Secured Market Linked/Perpetual/Subordinated Redeemable Non-Convertible Debentures amounting to Rs. 2867.68 crores in different series on private placement during the year ended 31stMarch, 2019.
- (c) The Company made issue of Commercial Paper and outstanding balance was Rs. 397.85 Crores as on 31stMarch, 2019.
- (d) Redeemable Non-Convertible Debentures were listed on Bombay Stock Exchange during the year ended 31stMarch, 2019.
- (e) During the year the company has passed the Resolutions for the following matters: (i) Special Resolution passed u/s 42 of the Act at the Extra Ordinary General Meeting (EGM) held on 2nd April, 2018 for issue of Non-Convertible Debentures (NCD) aggregating upto INR 2500 crores on private placement basis (ii) Ordinary Resolution passed under Section 61(1)(a) of the Act at the Annual General Meeting (AGM) held on 20th July, 2018 for increase in Authorised Share capital from INR 300 Crores to INR 350 crores; (iii) Special Resolution passed u/s 180 (i)(c) at the said AGM for borrowing by the company not exceeding INR 13000 crores; (iv) Special Resolution passed u/s 42 of the Act at the EGM held on 20th March, 2019 for increase in the limit from INR 2500 Crores to INR 3000 Crores for issue of NCD on private placement basis.

**For J. U. Poojari & Associates  
Company Secretaries**

**Place: Mumbai  
Date: May 13, 2019**

**Jayaram U Poojari  
FCS No: 8102 CP No: 8187**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## ANNEXURE VI

## Form No. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to**

**1. Details of contracts or arrangements or transactions not at arm's length basis :NOT APPLICABLE**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis**

S/n.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Name of Related Party: IIFL Facilities Services Limited Nature of Relationship: Group Company
(b)	Nature of contracts/arrangements/transactions	Purchase of premises situated at IIFL Centre, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	IIFL Wealth Management Limited acquired from IIFL Facilities Services Limited, the premises located at above mentioned location, at a consideration of INR 225 Crore.
(e)	Date(s) of approval by the Board, if any	January 29, 2019
(f)	Amount paid as advances, if any	Advance paid INR 170 Crore

For and on behalf of the Board of Directors

Date: August 21, 2019

Place: Mumbai

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Venkatraman Rajamani**  
Director  
DIN: 00011919



# Management Discussion & Analysis

## INDIAN ECONOMIC AND MACRO OVERVIEW

India was one of the fastest growing major economies in the world in FY19 and will so remain in FY20 as well, as per World Bank estimates. India's Real Gross Domestic Product (GDP) grew at 6.8% in FY19.

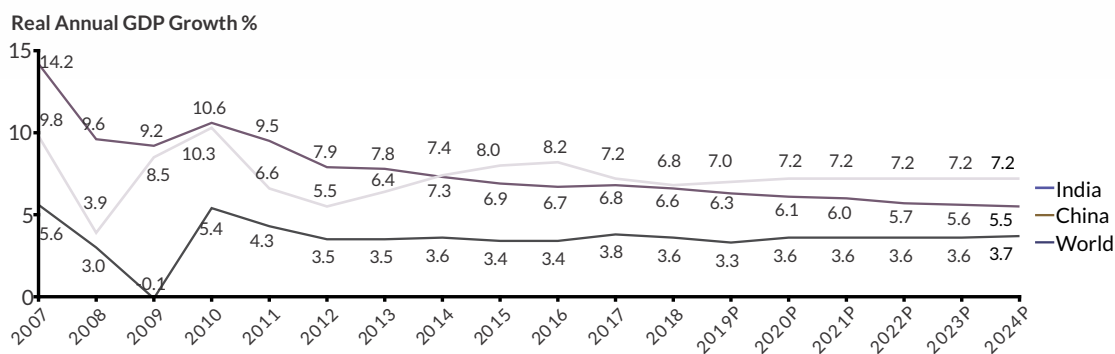
However, the calendar year 2019 is expected to be a period of slowing growth, low inflation, weakening commodity prices and steep decline in interest rates. Credit markets are clearly pointing towards a worsening macro environment and higher odds of recession. The difference between the yield on three-month Treasury bills and the benchmark 10-year bond, which has turned negative or "inverted" before almost every US recession over the past 50 years, widened to a level last seen before 2008 crisis, a clear sign of an impending slow-down.

India's economy hasn't been immune to increasing signs of slowdown, lagging indicators and the unmet expectations. Weak macros and tight liquidity conditions are taking a toll on India's corporate earnings. It's a known fact now that the economic growth has faltered in India as both the drivers of growth - consumption & investment are slowing down. We have seen weakness in consumer demand and that is visible in the weak earnings growth across segments such as auto & auto-ancillaries, FMCG, consumer durables and capital goods.

The slump in the auto sector, which accounts for nearly half of India's manufacturing output, has been a major factor behind the slide in economic growth to a five-year low earlier this year. Last and not the least, the aggravation of all sectors is borne by the banking sector, which is battling through a liquidity crisis and stifling demand amid lost confidence and crisis in the NBFC space. A demand slowdown across sectors is also because the household savings rate has been declining on the back of low income growth

The government's approach to adopt a prudent fiscal approach does deserve some credit. There were some notable positives in the budget with tax cuts for small businesses and a further injection of funds into state owned banks as well. In addition, the fact that the finance ministry has shown agility in coming up with a stimulus package by dropping the contentious surcharge on foreign portfolio investors (FPIs), doing away with the angel tax on start-ups and an immediate Rs 70,000 crore capital infusion into banks to kickstart credit flow, are all steps that will help boost the economy and perk up markets.

In addition to the above steps taken, there are some indicators that remain strong, price levels remained in line within RBI's target and headline inflation was largely at the same levels as last year.



(Fig. 1)<sup>1</sup>

<sup>1</sup> IMF GDP Projections: [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD;](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD;)

Economic Survey FY'19 GDP growth number: [https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01\\_vol2.pdf;](https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf;)

RBI Projections FY 2019-20: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=47818](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=47818)

IMF tempers growth projections: [https://www.business-standard.com/article/international/imf-scales-down-india-s-gdp-growth-rate-by-0-3-each-for-fy20-and-fy21-119072301227\\_1.html](https://www.business-standard.com/article/international/imf-scales-down-india-s-gdp-growth-rate-by-0-3-each-for-fy20-and-fy21-119072301227_1.html)

GDP growth is expected to remain around 7% in FY20 and then rise further to 7.2% FY21 onwards, as per IMF estimates. In FY19, Gross Value Added (GVA) at basic current prices from manufacturing grew 12.4% year-on-year to Rs 288.56 trillion (US\$ 395.89 billion).

As the IMF projections in Figure 1 depict, India's Real GDP growth clearly surpassed China's in 2018, and is expected to maintain a ~3.5% spread vs. the average Worldwide Real GDP growth through 2024.

"India has created one of the most effective institutional mechanisms for cooperative federalism - the GST Council", according to the Economic Survey of India, 2017-18. "At a time when international events have been marked by a retreat into economic nativism and the attendant seizing of control, Indian states and the center have offered up a refreshing counter-narrative, voluntarily choosing to relinquish and then pool sovereignty for a larger collective cause", the survey adds<sup>2</sup>

Key macroeconomic risks hovering over the Indian economy include a global slowdown, increase in commodity prices, fiscal slippage and monetary over-

stimulus. Rising commodity prices, especially of crude, could widen the current account deficit. That apart, geopolitical pressures in the immediate neighbourhood in South Asia, could worry global investors as the government has taken a more aggressive stance in dealing with cross-border terrorism. It is a policy that is likely to continue and will heighten tensions particularly along India's western and northern borders. India is now the world's 7th largest economy, per the World Bank<sup>3</sup>. India's success will be central to the world's collective ambition of ending extreme poverty and promoting shared prosperity, as well as for achieving the 2030 Sustainable Development Goals (SDGs), says a World Bank report highlighting the fact that the country remains in a period of unprecedented opportunity, challenge and ambition in its development. Over the next few years, "India is expected to grow at well over 7 percent per year, with progress being buttressed by dynamic reforms in the macroeconomic, fiscal, tax and business environments", the World Bank added<sup>4</sup>.

## World Bank GDP Rankings 2018

(₹ in million)

Rank	Flag	Country	GDP (US\$ Trillion)	Share of World GDP
		<b>World</b>	<b>80.68</b>	<b>100.0%</b>
1		United States	20.49	25.4%
2		China	13.61	16.9%
3		Japan	4.97	6.2%
4		Germany	4.00	5.0%
5		United Kingdom	2.83	3.5%
6		France	2.78	3.4%
7		India	2.73	3.4%
8		Italy	2.07	2.6%
9		Brazil	1.87	2.3%
10		Canada	1.71	2.1%

(Fig. 2)<sup>5</sup>

<sup>2</sup>Economic Survey 2017-18: <http://www.indiaenvironmentportal.org.in/files/file/economic%20survey%202017-18%20-%20vol.1.pdf>

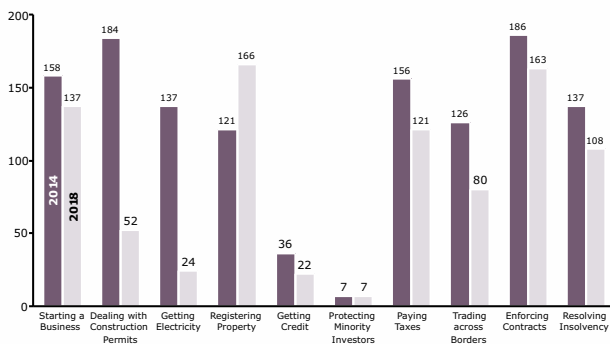
<sup>3</sup><https://thewire.in/macro/world-bank-report-gdp-ranking-india>

<sup>4</sup>World Bank report on India: <https://www.worldbank.org/en/country/india/overview>

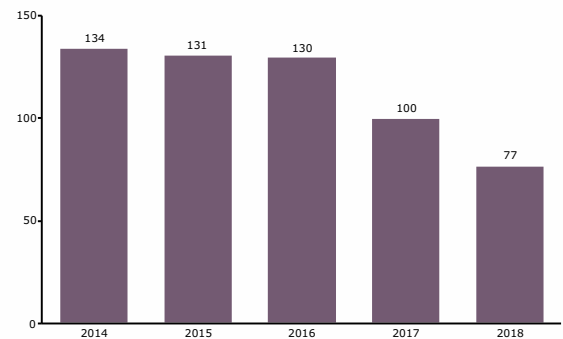
<sup>5</sup>World GDP Rank: <https://thewire.in/macro/world-bank-report-gdp-ranking-india>

On the ease of doing business rankings that capture the performance of 190 countries, India has showed an improvement in six of the 10 parameters, jumping higher to a record 77th position in the World Bank's latest report. In the last two years alone, India has jumped 53 spots – the sharpest by any country.

**Ease of Doing Business drivers - India**



**Ease of Doing Business Rank - India**

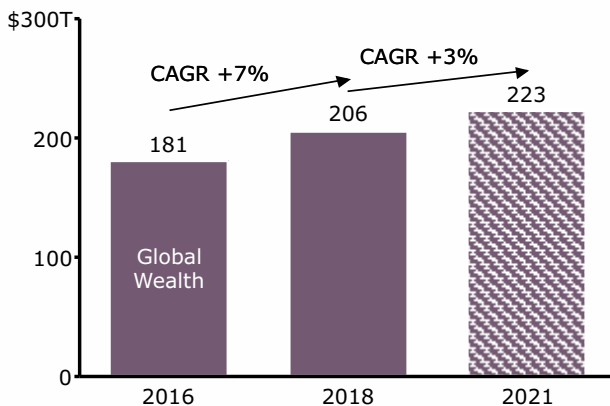


(Fig. 3)<sup>6</sup> (Fig. 4)<sup>7</sup>

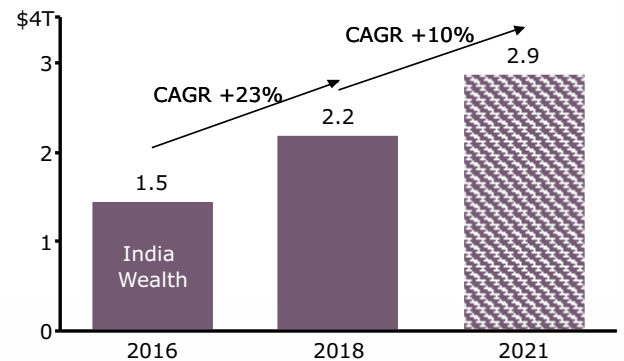
## INDUSTRY OVERVIEW

The global wealth management industry, estimated at \$205T in client assets, as of 2018, grew at ~7% per annum from 2016 through 2018, and is expected to grow at a much slower pace of 3% going forward through 2021. (Fig. 5). In contrast, the wealth management industry (Total HNI wealth) in India estimated at INR ~153 Lakh Crores in 2018 (\$2.2Tn), grew at a whopping 23% CAGR from 2016 and is poised to continue growing at nearly ~3x the global pace at ~10% CAGR through 2021, to reach INR ~188 Lakh Crores (\$ 2.89Tn). (Fig. 6). HNI is defined as individuals with a minimum total net-worth of INR 25 Crores.

**Global Financial Wealth Assets**



**India Financial Wealth Assets**



(Fig. 5)<sup>8</sup> (Fig. 6)<sup>9</sup>

<sup>6</sup> Ease of Doing Business Parameters

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=151967>; <http://www.doingbusiness.org/content/dam/doingBusiness/country/i/india/IND.pdf>

<sup>7</sup> Ease of doing business trends: <https://tradingeconomics.com/india/ease-of-doing-business>

<sup>8</sup> BCG Global Wealth reports 2012-18, Year 2021 Figures are Projected:

2018: [http://image-src.bcg.com/Images/BCG-Seizing-the-Analytics-Advantage-June-2018-R-3\\_tcm20-194512.pdf](http://image-src.bcg.com/Images/BCG-Seizing-the-Analytics-Advantage-June-2018-R-3_tcm20-194512.pdf);

2012: [https://www.researchgate.net/profile/Juan\\_Peramo/post/How\\_can\\_I\\_know\\_which\\_countries\\_are\\_included\\_in\\_Europe\\_in\\_some\\_Boston\\_Consulting\\_Groups\\_Global\\_Wealth\\_Reports/attachment/59d621426cda7b8083a1aa19/AS%3A273742821822478%401442276782648/download/BCG+-+2012.pdf](https://www.researchgate.net/profile/Juan_Peramo/post/How_can_I_know_which_countries_are_included_in_Europe_in_some_Boston_Consulting_Groups_Global_Wealth_Reports/attachment/59d621426cda7b8083a1aa19/AS%3A273742821822478%401442276782648/download/BCG+-+2012.pdf);

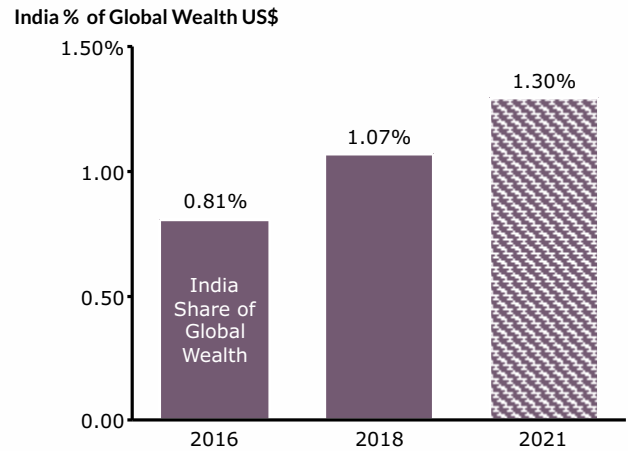
2017: <https://www.bcg.com/publications/2017/asset-wealth-management-financial-institutions-global-wealth-2017-transforming-client-experience.aspx>

<sup>9</sup> IIFL Wealth Index 2018, in partnership with WealthX, Year 2021 Figures are Projected: <https://www.iiflwealth.com/wealth-x-2018>

Given the statistics above, India is one of the fastest growing wealth management markets in the world and is primarily driven by a rapidly expanding economy and the other factors including the rapid leaps in the 'Ease of Doing Business Rankings' (reference Fig. 3 & 4), discussed in the Economic Outlook section previously.

This rapid growth, under-pinned by strong economic fundamentals, is allowing the Indian wealth management industry to gain share versus other regions. (Fig. 7)

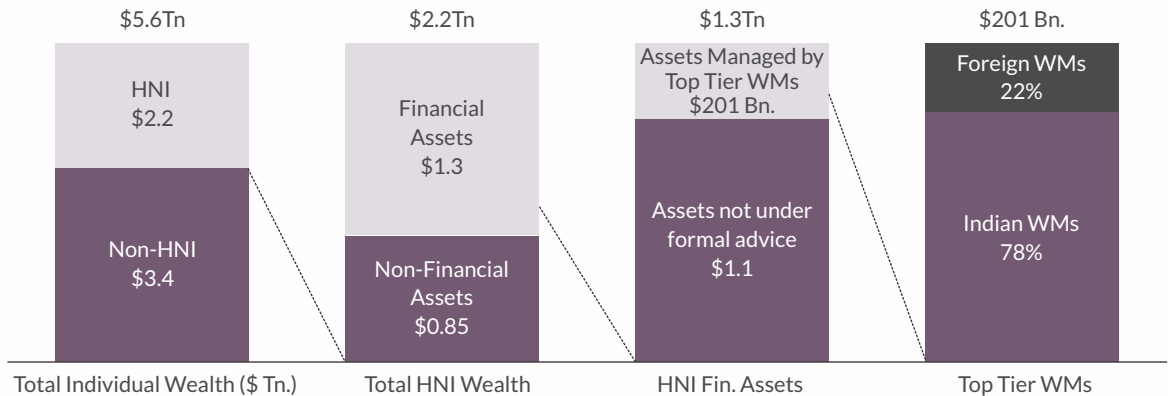
The total Indian High Net Worth Individuals' (HNI) financial assets stand at \$2.2Tn, of these, only \$1.3Tn (~60%) are financial (investible) assets. As explained in (Fig. 8), below, of the \$1.3Tn total estimated HNI financial assets, only 15% or \$201Bn is managed by the Top 25 wealth managers in India. 85% of the estimated financial assets are still either self-managed or held as



(Fig. 7)<sup>10</sup>

promoter stock, leaving a massive scope for formal industry players to continue penetrating the market further.

**ASSETS UNDER ADVICE ARE LESS THAN 10% OF THE TOTAL ESTIMATED HNI WEALTH IN 2018**



(Fig. 8)<sup>11</sup>

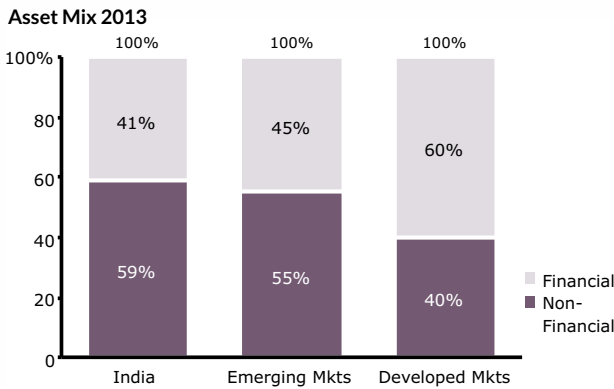
**OPPORTUNITIES AND INDUSTRY GROWTH DRIVERS:**

**1. Financialization of savings:** The sustained economic expansion over the last 10-years, since 2008 (reference Fig. 1), above global GDP growth averages, has created pools of wealth in India, which have traditionally been held in assets classes like gold and real estate.

The historical over-indexation to non-financial asset classes vis-à-vis global benchmarks (Fig.9) has begun to change (Fig. 10) rapidly due to primarily two factors. Firstly, the prolonged slump in real-estate led to a move away from a sector that had traditionally been the default 'go-to' asset class, a few years ago. Secondly, post-demonetisation, with a greater share of assets already formalized and 'in the bank', more of these assets have been 'put to work' in mutual funds.

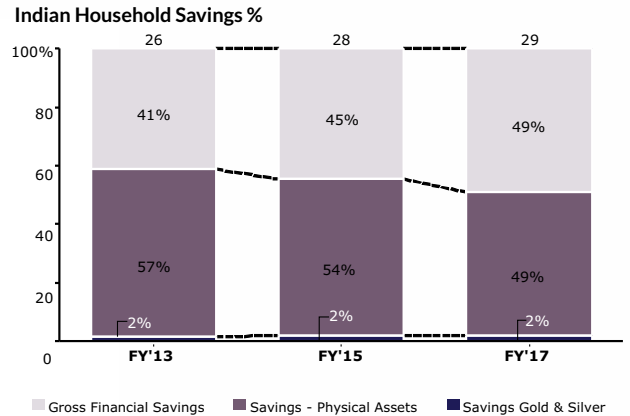
<sup>10</sup> IIFL Wealth Index 2018, in partnership with WealthX and BCG Global Wealth Reports 2012-18, Year 2021 Figures are Projected

<sup>11</sup> IIFL Wealth Analysis and Triangulations – Kotak Wealth Report, 2018; Karvy Wealth Report 2018; Asian Private Banker 2019

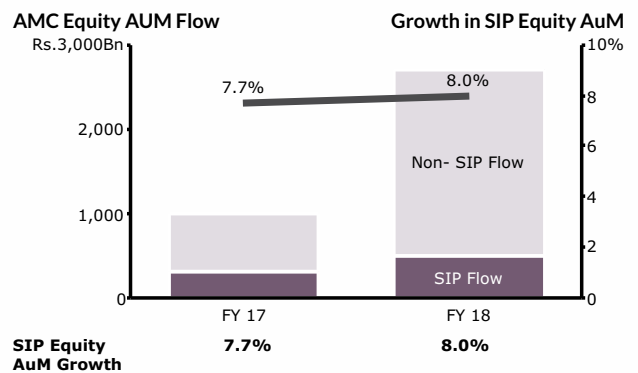


(Fig. 9)<sup>12</sup>

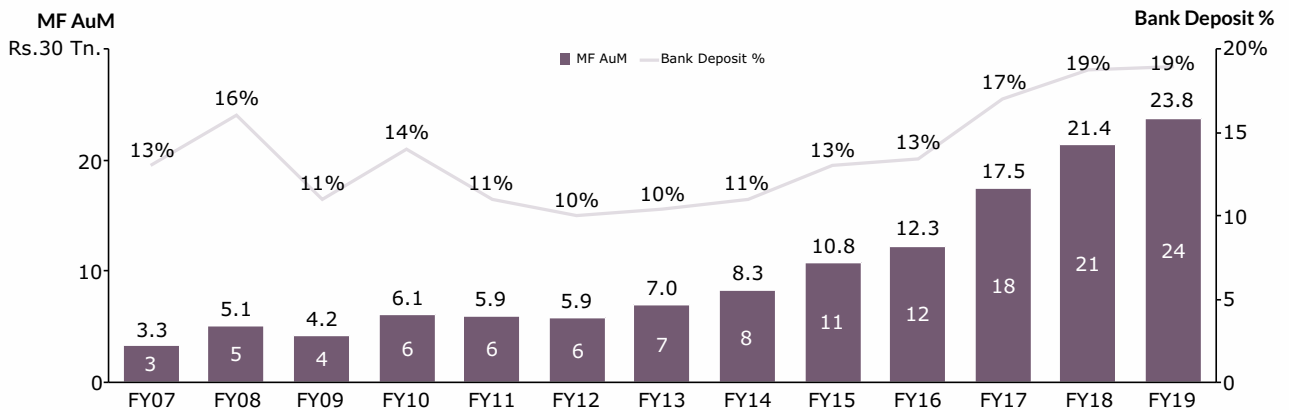
How deep the culture of financialization has seeped into India, is demonstrated by the accelerating growth of SIP (Systematic Investment Plans) as a disciplined investment product (Fig. 11), being adopted by households, and the emergence of newer instruments like AIFs.



(Fig. 10)<sup>13</sup>



(Fig. 11)<sup>14</sup>



(Fig. 12)<sup>15</sup>

This has driven the steep growth of MF AuM over the last two years immediately post November 2016, from INR 12.3 Lakh Crores in FY16 to INR 23.8 Lakh Crores at the close of FY19 (Fig.12).

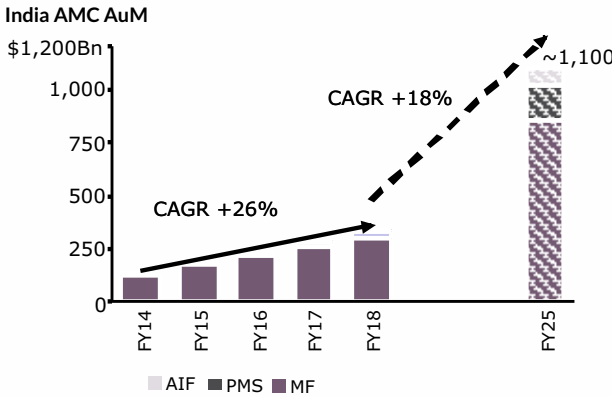
<sup>12</sup> Asset Mix India: IIFL Annual Report 2017-18, Page 78: Chart: Asset Mix%: <https://www.iifl.com/sites/default/files/reports/IIFL%20Holdings%20AR%20%28Locked%29.pdf>

<sup>13</sup> Ministry of Statistics, CRISIL Research, HD: <https://www.equitymaster.com/5minWrapUp/charts/index.asp?date=07/26/2018&story=1&title=Is-India-Moving-Towards-Financialization-of-Household-Savings>

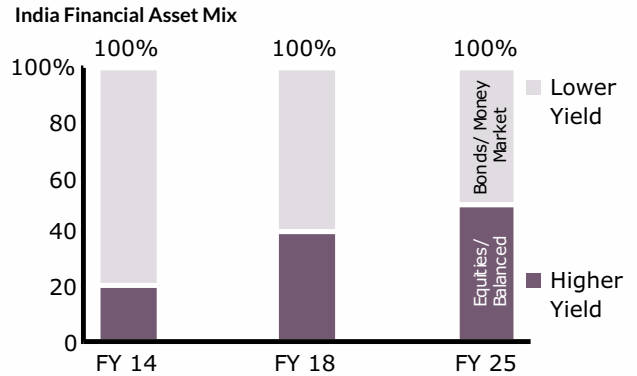
<sup>14</sup> AMC AuM India and SIP Equity Flow: IIFL Annual Report 2017-18, Page 78: Chart: AMC Equity AuM Flow: <https://www.iifl.com/sites/default/files/reports/IIFL%20Holdings%20AR%20%28Locked%29.pdf>

**2. Increasing sophistication towards investing:** Wealth managers typically grow their book of business, by offering a broader, and a more sophisticated range of products to their clients. In this regard, wealth managers typically rely on asset management companies (AMCs) to create some of these product offerings. Driven primarily by Mutual funds (MF) (Fig. 12), the AMC AuM in India has been growing at a scorching 26% CAGR over the past 5-years and is expected to continue growing at an 18% CAGR till FY25 to reach \$1.1Tn in AUM, (Fig.13), topped-up additionally by higher adoption of PMS and AIF.

Asset managers expect the affinity towards riskier assets, like equities, to continue, (Fig.14) albeit at a slightly slower pace, given recent performance of equity markets in FY19, has slowed this trend.

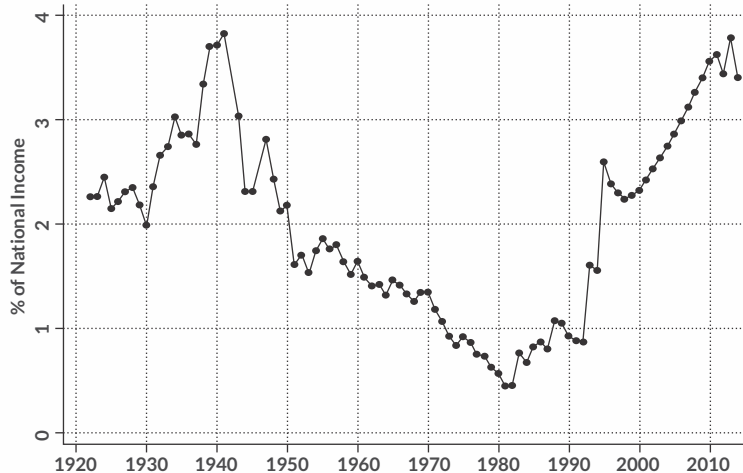


(Fig. 13)<sup>16</sup>



(Fig. 14)<sup>17</sup>

**3. Stock of wealth growing as GDP expands:** A fundamental underlying driver for growth of the wealth management industry is share of national income the wealthy generate in a nation. As the Fig. 15 shows the share of national income generated by the top 0.01% of wealthy in India, has grown from ~0.5% in 1980 to 3.4% in 2015.



(Fig. 15)<sup>18</sup>

<sup>15</sup> MF AuM [https://www.iifl.com/sites/default/files/reports/twenty-second-annual-report-fy-16-17\\_0.pdf](https://www.iifl.com/sites/default/files/reports/twenty-second-annual-report-fy-16-17_0.pdf)

<sup>16</sup> AMC AuM Growth: IIFL Annual Report 2017-18, Page 78: Chart: India AMC AuM: <https://www.iifl.com/sites/default/files/reports/IIFL%20Holdings%20AR%20%28Locked%29.pdf>

<sup>17</sup> India Financial Asset Mix: AMFI: Page 42: [https://www.amfiindia.com/Themes/Theme1/images/gallery/pdf/AMFI\\_CRISIL\\_Mutual\\_Fund\\_Factbook.pdf](https://www.amfiindia.com/Themes/Theme1/images/gallery/pdf/AMFI_CRISIL_Mutual_Fund_Factbook.pdf)

<sup>18</sup> Source: Lucas Chancel and Thomas Piketty, Indian income inequality, 1922-2014: From British Raj to Billionaire Raj? <http://wid.world/wp-content/uploads/2017/12/ChancelPiketty2017WIDworld.pdf>

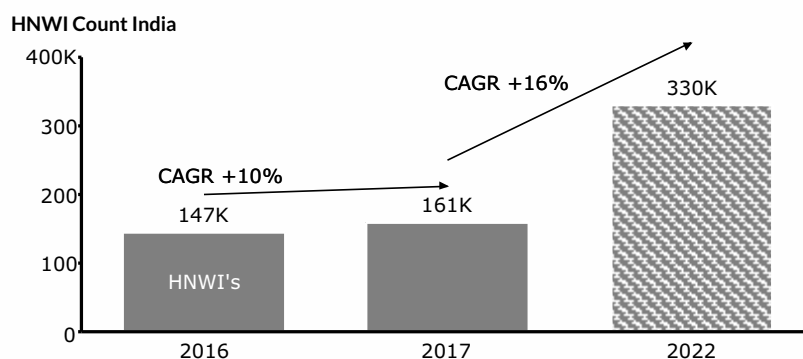
As elaborated in Fig. 15, the top 0.01% in India are those individuals characterised by an average annual pre-tax income of INR 4.7 Cr. and this segment has experienced a cumulated per adult growth rate from 1980 through 2015 of 1699% vs. the national average of 201% in the same period. (Highlighted in yellow in the table in Fig. 16).

### Distribution of per-adult pre-tax national income - India 2015

Income Group	Number of Adults (in Thousands)	Income share	Income Threshold	Average Income	Comparison to Avg. Ratio	Cumulated per Adult Growth Rate (1980-2015)
Average	749,306	100.0%		138,426	1.0	201%
Bottom 50%	397,153	14.7%	-	40,671	0.3	90%
Middle 40%	317,722	29.2%	63,728	101,084	0.7	94%
Top 10%	79,431	56.1%	195,455	776,567	5.6	435%
incl. Top 1%	7,943	21.3%	1,303,946	2,954,386	21.3	775%
incl. Top 0.10%	794	8.2%	4,459,114	11,346,371	82.0	1334%
incl. Top 0.01%	79	3.4%	18,260,916	47,154,896	340.7	1699%
incl. Top 0.001%	7.9	1.4%	77,801,552	188,558,182	1362.2	2040%

(Fig. 16)<sup>19</sup>

4. **Accelerating number of HNWI's:** The fact that the top 0.1% (Highlighted in green in the table in Fig. 16) has experienced 1334% cumulated per adult growth since 1980 through 2015, which is ~6.5x of the average national number at 201%, is the underlying driver for the growth in the number of HNWI families. We define HNWI - as families that have a net worth of 25 Cr. or more.



(Fig. 17)<sup>20</sup>

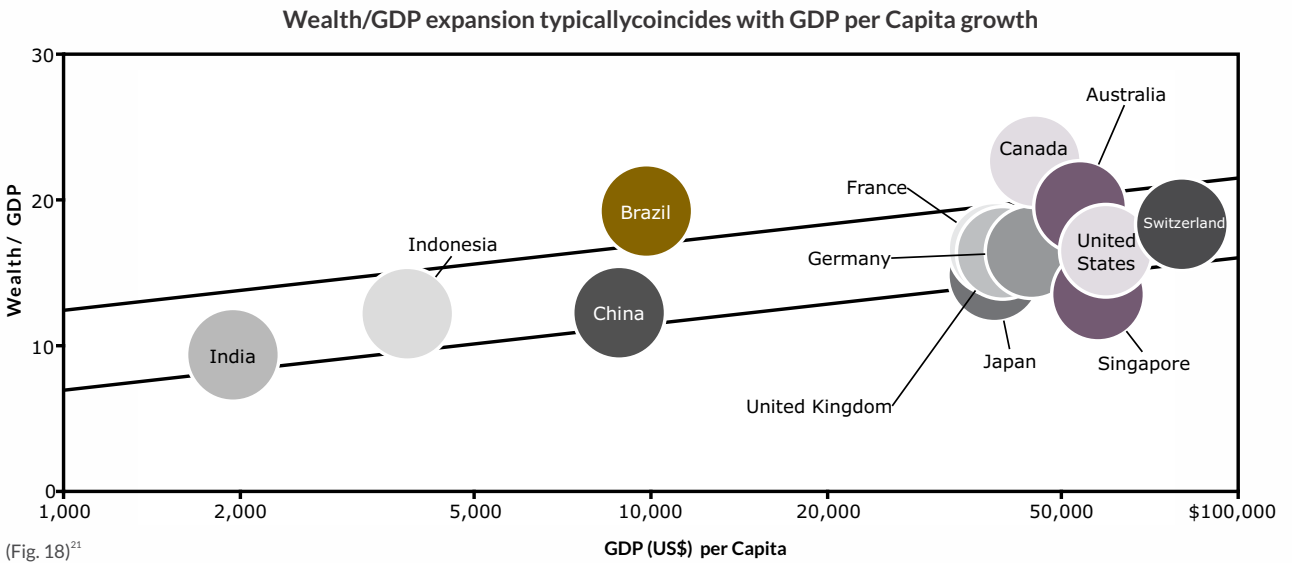
The number of HNWI's estimated at 146,600 in 2016 have grown ~10% to 160,600 in 2017, but given the economic drivers discussed previously (Fig 1), this number is expected to take a quantum leap and grow at a rapid, ~16% CAGR and is estimated to reach 330K households in 2022. (Fig. 17)

<sup>19</sup> Source: Lucas Chancel and Thomas Piketty, Indian income inequality, 1922-2014: From British Raj to Billionaire Raj ?

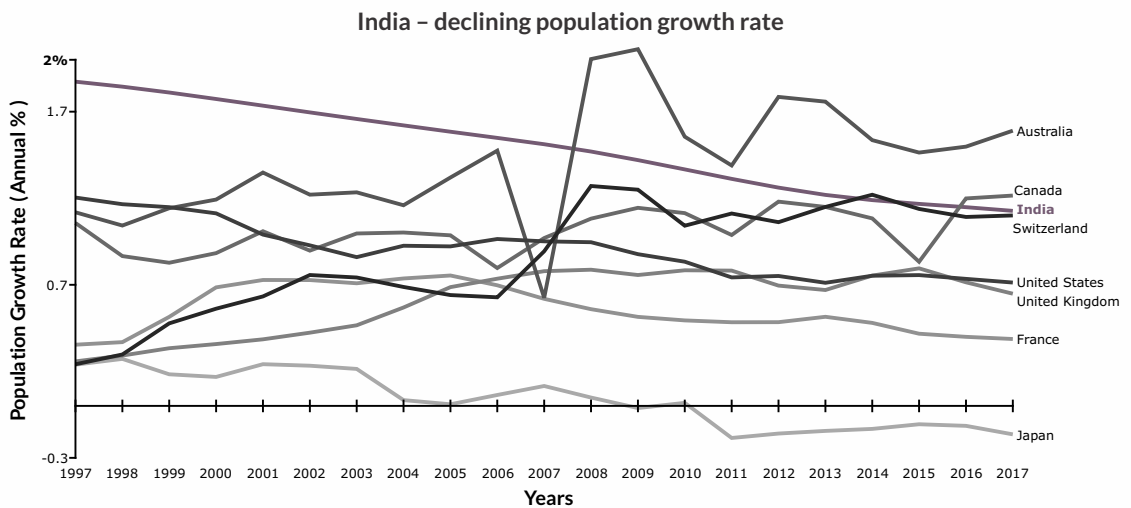
<sup>20</sup> IIFL Wealth Analysis: Kotak Wealth Report 2017 Top of the pyramid. <https://www.kotak.com/content/dam/Kotak/about-us/media-press-releases/2018/seventh-edition-of-top-of-the-pyramid-report.pdf>



5. **Long growth runway for wealth expansion in India:** As (Fig.18), depicts below, an analysis of the World Bank 2017 data on National Wealth per Capita, National GDP and Population shows that the developed economies have both higher Wealth/GDP and higher GDP per Capita.



This analysis also shows that India currently trails the pack of emerging markets both on the Wealth/GDP ratio as well as on the GDP per Capita metric.

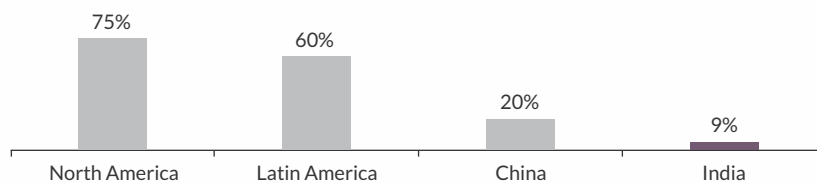


As discussed in Fig. 1 previously, as the GDP expands more rapidly than other nations over the next few years, and India's population growth rate continues to slow, as depicted in Fig. 19, India will begin climbing up into the developed economies quadrant in Fig. 18

<sup>21</sup> IIFL Wealth Analysis: Source World Bank Data on  
 a) Wealth per Capita: <https://qz.com/1194051/a-new-world-bank-project-shows-that-wealth-not-gdp-is-the-best-gauge-of-a-countrys-progress/>  
 b) GDP: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>  
 c) Population: <https://data.worldbank.org/indicator/SP.POP.TOTL>

<sup>22</sup> IIFL Wealth Analysis: Source World Bank Data on Population Growth: <https://data.worldbank.org/indicator/SP.POP.GROW>

- 6. Professionalization of Wealth Management in India:** Currently, as depicted in Fig. 20, professionally managed assets account for only ~9% of the financial assets in India, while that number stands at ~75% in North America. As India continues its journey towards becoming a developed economy, the wealth management industry is expected to gain a larger share of financial assets and bring those under its management.

(Fig. 20)<sup>23</sup>

### Summary:

Underpinned by a robust economic outlook, the wealth and asset management industry is expected to continue its high growth journey driven by:

1. a trend towards financialization of savings
2. an increasing proclivity for sophisticated financial assets
3. a continued wealth stock expansion as GDP grows
4. a steady growth in the HNWI population
5. wealth expansion or Wealth/GDP growth expected as GDP per Capita continues to expand
6. professionalization of the wealth and asset management industry as the economy develops

Given the factors stated and explained above, the wealth management industry in India is expected to continue its rapid growth over a sustained period, for the foreseeable future.

### IIFL Wealth and Asset Management's Position

#### Wealth Management Business:

Our wealth management business mainly comprises distribution of financial products, advisory, equity and debt broking, estate planning and managing financial products essentially in the nature of advisory. The business also includes credit solutions and related investment activities which are complimentary to Wealth management activities.

The fundamental role of a wealth manager is to help clients preserve and grow their wealth. A full-service wealth management firm, like ours, not only provides investment management services enabling the client to generate optimal returns from a low- risk diversified portfolio but also allied services such as trust and estate planning, providing credit to fill liquidity gaps etc.

We serve the highly specialized and sophisticated needs of high net worth and ultra-high net worth individuals, affluent families, family offices and institutional clients through a comprehensive range of tailored wealth management solutions.

#### Modes of Engagement with Clients:

- Distribution of financial products across asset classes
  - ... Discretionary & Non-discretionary multi-asset class Portfolio Management Service
  - ... Broking Solutions for debt, equity, real estate, commodities and currency
  - ... Advisory: Pure-play investment advisory primarily catering to corporate treasuries

#### Pillars of the Wealth Management business:

- People:** Wealth management is a people-centric business with high engagement levels. A quality team comprised of experienced professionals across verticals such as relationship management, products, operations etc is essential to ensure high levels of service to clients.
- Platform:** A comprehensive platform with scale of operations, wide product & research capabilities enables us to provide cost-efficient access to best in class fund managers and jointly create innovative and often exclusive product ideas in partnership with leading AMCs.
- Process:** A strong emphasis on building processes, helps us to create standardized solutions and streamlined working mechanisms
- Proposition:** Our ability to engage with clients through multiple engagements such as Distribution, advisory, non-discretionary/discretionary Portfolio management basis their requirements and suitability. Across

<sup>23</sup> Credit Suisse Report on IIFL Holdings Limited: <https://www.iifl.com/sites/default/files/Rise-of-mini-financial-conglomerates.pdf>  
Page 15 ;McKinsey global wealth management survey; IMF,

engagement models, we strive for transparency in pricing and provide client maximum value.

### What differentiates our Wealth Management services?

Over the last few years, Indian Firms have significantly gained market share (78% of AUM in 2018) as Foreign/Global Wealth Management firms have scaled back. Most existing players in India offer wealth management as a non-core extension to their core business (banking/ broking/ investment banking etc.). In turn, IIFL Wealth is a pure play wealth management firm with a deep focus on managing UHNI wealth.

This focus has enabled us to offer full-fledged services including an evolving advisory platform, building allied services like estate planning, broking and corporate advisory. Having an in-house Asset Management Company and NBFC also allows us to offer customised solutions for our clients.

### Asset Management Business:

Our asset management business mainly comprises management of pooled funds under various products and structures such as mutual funds, alternative asset funds, portfolio management and related activities.

Asset management in India too has witnessed strong growth over the last few years (growth of 24% from FY'14 - FY'19). Alternative Investments in India (AIF - Real Estate & Private Equity, Debt, Equity) is estimated to be around USD 145 million and is poised to grow sharply as investors are increasingly looking to allocate to more sophisticated products.

We have a diversified suite of alternative investment funds (AIF), Portfolio Management Schemes (PMS) and mutual funds (MF) that span public and private equities, fixed income securities and real estate. Our clients include global and domestic institutions, channel partners including private banks, family offices, pension funds, and retail investors.

Our asset management business, having a differentiated position as the leading alternates player, complements the wealth business by manufacturing innovative products:

- First to develop late-stage/pre-IPO as an attractive investment asset-class
- Thematic equity strategies offered via PMS route

- Pioneer in offering structured collateralized senior secured debt issued by Real Estate developers to HNIs in India when rest of the market was focusing on project equity
- First to launch venture fund-of-fund in India with attractive co-investment options
- Early trend spotter in movement of structured whole-sale corporate credit from NBFCs to AIFs

### Pillars of the Asset Management business:

- Attracting and retaining the right talent for each alternate strategy:** Since core of the asset-management business is alternates - Private Equity, Venture capital, Structured corporate credit, Real Estate - each requiring highly specialized deal due-diligence and deal execution skills, attracting and retaining the right talent for each alternate strategy is the key. Entrepreneurial culture promoting and rewarding innovation and ownership, financial incentives and opportunity for growth are key drivers in place.
- Constant Product innovation:** Tapping niches and developing newer sub-asset-classes - biggest example of same being the Pre-IPO fund, which garnered over a billion dollars in commitment. The fund filled a large gap in the market as large segment of HNI investors wanted to invest in unlisted equity but wary of risks in early stage PE/VC investing but there was no institutional fund product offering late stage/Pre-IPO investments.
- Building a wide diversified investor base:** HNIs, Endowments, Family offices, Pension Funds and distributor base encompassing leading Banks, brokers and IFAs

### What differentiates our Asset Management business?

IIFL AMC has built a strong franchise over the last 3 years -with a strong position and market share in AIFs alongside a more nascent play in PMS & MF.

### In Alternates

- Private Equity: multiple funds straddling early stage investing right up to late stage/ Pre-IPO
- Leading player in structured collateralized Real Estate Debt with strong track-record
- Emerging player in structured corporate credit -

looking to gain market-share from NBFCs and credit mutual funds

#### Listed Equity:

- Niche player with focus on thematic managed account strategies (discretionary PMS) and few focused equity funds.

#### Challenges for the Wealth & Asset Management Industry:

- **Macro-economic Factors:** Low economic growth can negatively impact the capital markets sector thereby affecting the WM industry. Movement in crude oil prices is one of the key determinants of the direction of financial markets and GDP expansion. It can be bundled with rising current account deficit, inflation, depreciating currency, slowdown in foreign investment flows etc. thereby posing a threat to the economy and therefore HNI's. Uncertainty in the global markets, owing to slow growth in the advanced economies, coupled with the ensuing US-China trade war and increased strain in certain emerging economies can result in volatile capital inflows and currency fluctuations. Increased restrictions on migration and global trade could hurt productivity and incomes and take an immediate toll on market sentiment, thereby affecting returns of client portfolio as well as AuM expansion.
- **Technological disruptions:** With rapid changes in technology and innovations, companies need to increase their attention towards innovation objectives alongside business growth objectives. With increasing performance expectations related to quality, timings and cost, technological upkeep is very important to keep in line with competitors, especially new competitors that are "born digital" and with a low-cost base for their operations. The risk of disruptive innovations enabled by new and emerging technologies is always present, particularly so in the Wealth Industry that has hitherto been a laggard in technology adoption vis-à-vis other financial services verticals like retail banking.
- **Debt market:** The Indian debt market is going through a tough phase post the IL&FS crisis. The yield on the 10-year government bond slid to below 7 percent for the first time since November 2017. The ongoing crisis on the debt market is likely to have a contagion effect on the performance of the equity markets with investors either pulling out of their existing investments or avoiding the market altogether. This has damped the wealth management market in particular, with firms having to be extremely cautious on asset allocation, to ensure they protect their client's capital pools.
- **Regulatory Changes:** There are essentially two regulators the WM industry engages with:
  - o SEBI - for all financial products and capital markets based transactions
  - o RBI - for lending solutions offered to clients, (loans against shares/ property) through NBFC's
 Both the regulators are active and progressive and have been pushing the financial services industry in a direction that is ultimately good for the end-consumer. For example -
  - The SEBI order in Sept '18 moving MF commissions to trail – aligns pay-out structures and incentives for sales and brings these inline over the life of the asset, rather than being paid up-front. Incentivising the right behaviours.
  - The investment-advisors regulation committee being constituted by SEBI is likely to clearly define the distinction between distribution and advisory in the coming year, further aligning behaviours for the industry, which are good for the client.

The Sept '18 order has already started putting pressure on the industry and most firms will likely report lower revenues, given that commission revenue will now be recognised, in trail form.

The impending order from SEBI on separating the advisory businesses from distribution businesses will further impact firms and will require them to separate out their advisory and distribution businesses and get the required licenses. This restructuring is also expected to lower headline numbers for the current fiscal year.

#### Discussion on financial performance with respect to operational performance:

IIFL Wealth and Asset Management is one of the largest and fastest growing private wealth management firms in India. Founded in 2008, IIFL Wealth has grown steadily

and now manages assets more than Rs.1.67 Trillion, as on March 31, 2019. We have a wide network comprising of 999 employees operating out of 33 offices, spread across the world.

The table below is a Consolidated Statement of Profit and Loss of our group for the periods indicated.

**The said table includes:**

Effect of demerger of “Wealth Business Undertaking” pursuant to a scheme of arrangement amongst, inter-alia, the Company, IIFL Holdings Ltd., India Infoline

Finance Ltd., India Infoline Media and Research Services Limited, IIFL Securities Ltd., and IIFL Distribution Services Ltd. for the years 2018-19 and 2017-18 (refer note no. 2.1 forming part of the Consolidated Financial Statements); and

Effect of acquisition of IIFL Wealth Advisors (India) Ltd (formerly known as Wealth Advisors (India) Pvt. Ltd.) from November 22, 2018 and IIFL Altiore Advisors Pvt. Ltd. (Formerly known as Altiore Advisors Pvt. Ltd.) from November 5, 2018.

(All figures ₹ in million)

PARTICULARS	2018 - 2019	2017 - 2018
<b>Revenue from operations</b>		
Interest income	6,537.90	6,590.82
Dividend & Distribution income on investments	293.83	485.73
Fees and commission income	8,081.37	8,831.73
Net gain on fair value changes	572.88	677.22
Sale of products		4.10-
<b>Total revenue from operations</b>	<b>15,490.08</b>	<b>16,585.50</b>
Other income	281.80	562.60
<b>Total income</b>	<b>15,771.88</b>	<b>17,148.10</b>
<b>Expenses</b>		
Finance costs	4,270.59	5,587.63
Fees and commission expenses	662.18	669.03
Impairment on financial instruments	(76.64)	126.06
Purchases of Stock-in-trade	205.62	-
Changes in Inventories of stock-in-trade	(197.51)	-
Employee benefits expenses	3,311.71	3,895.78
Depreciation, amortization and impairment	215.06	136.10
Others expenses	2,001.56	1,832.74
<b>Total expenses</b>	<b>10,392.57</b>	<b>12,247.34</b>
<b>Profit before tax</b>	<b>5,379.31</b>	<b>4,900.76</b>
<b>Tax</b>	<b>1,633.84</b>	<b>1,099.07</b>
<b>Profit for the year</b>	<b>3,745.47</b>	<b>3,801.69</b>
Other comprehensive income	98.10	6.71
<b>Total comprehensive income for the year (Comprising profit &amp; other comprehensive income for the year)</b>	<b>3,843.57</b>	<b>3,808.40</b>

Total Income - for FY '19 at Rs.1,5771.88Mn. was 8% lower than Rs. 1,7148.10Mn. in FY '18. The decline in revenue was mainly on account of fees & commissions as well as marginal drop in interest income. This decline can be attributed to the investment climate and developments in financial markets in Q3/ Q4 FY'19 in the wake of the NBFC crisis and the impending elections. The HNI and ultra HNI segments that we cater to, were cautious with regards to buying new products and deploying fresh capital in investment products.

Total Expenses in FY'19 at Rs. 10,392.57Mn. declined 15.1% from Rs. 12,247.34 Mn. in FY'18, mainly on account of decline in finance cost and employee expenses.

Profit before Tax of Rs. 5379.31 Mn. in FY'19 increased by 9.8% over Rs. 4900.76 Mn. in FY'18.

Profit after Tax of Rs. 3745.47 Mn. in FY'19 was marginally lower than Rs. 3801.69 Mn. in FY'18 and Total Comprehensive Income in FY'19 was at Rs. 3843.57 Mn. compared with Rs. 3808.4 Mn. in FY'18.

Segment wise performance is as under

(All figures ₹ in million)

Segments	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Segment Revenue	Profit before Tax	Segment Revenue	Profit before Tax
Wealth Management	13,988.68	4,970.85	15,552.00	4,470.54
Asset Management	1,783.20	408.46	1,596.10	430.22
<b>Total</b>	<b>15,771.88</b>	<b>5,379.31</b>	<b>17,148.10</b>	<b>4,900.76</b>

Discussion of key ratios pursuant to applicable SEBI circulars is as under:

Debt/Equity ratio declined by 41% from 3.74 on March 31, 2018 to 2.20 on March 31, 2019, primarily due to decline in aggregate outstanding borrowings as at March 31, 2019 of Rs. 64,046 Mn. vs. Rs. 69,663 Mn. as at March 31, 2018, a reduction of 8.1%. On the other hand, the total equity in the company stood at Rs. 29,104 Mn. at March 31, 2019, as compared with Rs. 18,629 Mn. at March 31, 2018, an increase of 56.2% mainly on account of retention of profits and fresh issuance of equity capital and share premium of Rs.10,475 Mn. during FY'19.

Return on Equity (ROE) as on March 31, 2018 was 22.5% and 16.7% on March 31, 2019. This decline in ROE in FY'19 over FY'18 was primarily driven by an increase of 35% in average net worth in FY'19 on account of capital raised during the year and retained profit, while the Profit After Tax (after comprehensive income) increased by 0.9%

Debtors turnover ratio moved from 4.26 in FY'18 to 3.08 in FY'19, due to lower income by way of fees and commissions over the course of FY'19 as mentioned above, while the average debtors increased during FY'19.

#### Developments in Human Resources:

Given that, as a company, we are in a growth phase of our business, we continue to add to our human resources and continue to hire talent actively. Much of our business relies on client relationships and building great investment products, these activities require high calibre finance professionals – both on the relationship side and on the investment and product side of our business.

This desire to build a great team and continue expanding our employee strength, can be seen in the net addition of 111 employees (Fig. 21), a 12.5% increase, from 888 employees in FY18.



(Fig. 21)<sup>24</sup>

#### Risks and Governance:

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review and may continue to do so in the future.

**Our Assets under Management:** Our results of operations are materially affected by our AUM. Accordingly, our growth and success

significantly depend upon the appropriateness of investment options provided and the performance of our client portfolios and funds. Good investment performance increases the attractiveness of our products with clients resulting in higher inflows and a consequent increase in our revenues. Hence, events adversely impacting such investment performance (relating to stocks, bonds, commodities or real estate related investments) may adversely affect our business.

<sup>24</sup> IIFL Wealth & AMC HR employee masters FY '18 and FY '19



To mitigate these risks, we have a Product team that short-lists products which are offered to clients. We also have a Product Approval Committee for complex / structured products. That apart, we do a detailed Risk Appetite assessment of the client, and accordingly prepare an Investment Policy Statement (IPS) for the client. Hence, actual asset allocation can be checked against this and corrective action can accordingly be taken. That apart, our Internal Auditors specifically check that investment rationales are maintained and regularly updated. We also have Investment and Valuation Committees and a Risk Management team that monitor portfolios that are managed by us internally within the group.

**General economic and financial services industry conditions in India:** Our Company is engaged in the business of providing wealth management services and with a majority of our operations within the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including the GDP growth rate, inflation rate, change in demographic profile, wealth levels, the economic cycle, prevalent interest rate regime, securities markets performance, and the increased usage of technology based channels.

We believe that the Indian economy has grown rapidly over the past decade and is expected to continue to grow at a healthy rate, which could in turn, drive the underlying demand for investment products and services both in terms of the availability of capital for investment and the availability of such products and services.

However, if the general economic conditions in India deteriorate or are not in line with our expectations, or unforeseen events adversely affect our client investment portfolios, our financial condition and results of operations may be materially and adversely affected.

**Competition and Market:** We face significant competition in all aspects of our business from other established Indian and multi-national companies. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them a competitive advantage.

Mergers and acquisitions involving our competitors may create entities with even greater competitive

advantages. We also face competition from several players who offer financial advisory services purely on technology platforms, in a highly cost-competitive manner ('Robo-advisors'). These competitive factors could reduce our market share and profitability.

There is also a fundamental change that is happening in the distribution of financial products, as the industry is moving gradually from a Commission based model to a fee-based model, that is having an effect on the revenues of asset allocators like our Company. The IIFLONE product platform has been launched to address this change.

We believe our wide product offering, our relationships with clients and sub-brokers, industry and product knowledge, and brand image will allow us to face such competition. We have a dedicated technology team which has both domain and technology experts, and we are leveraging technology to deliver insights and interact with clients through different platforms.

**Regulatory supervision:** We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and RBI and the various stock / currency / commodity exchanges.

In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies affecting the financial services industry may require changes to our business operations, products and pricing, and technological processes and thus may involve additional costs and management time.

While it may be possible that certain regulatory changes would be positive for some of our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

We have a dedicated Compliance team to interpret regulations, provide regulatory returns and interface with Regulators. We also have Anti-Money Laundering Policies and AML Committees for our various businesses to deliberate on client on boarding.

**Personnel and operating costs:** We function in a highly competitive industry and accordingly, our ability to



manage our expenses directly affects our business and results of operations. These expenses may be impacted by macroeconomic conditions including increases in inflation, changes in laws and regulations, increased competition and personnel expenses and other factors. Personnel related expenses constitute a significant proportion of our total expense. However, it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, activities across the board and expand into new business products.

As we grow our business, we will require additional human resources including relationship managers, investment professionals, dealers and operational, management and technology staff. Changes affecting our expenses may impact our financial condition and results of operations.

**Operations and Technology:** Any complex set of Operations creates the possibility of frauds and errors. To mitigate against these risks, we have written procedures, maker-checker controls and approval of all exception requests by Risk Management. The efficacy of these controls is checked by Internal Audit.

Information technology systems are crucial to the success of our business operations and help us to improve our overall productivity. They also pose a key risk in terms of failure of systems, information security failures and the possibility of cyber-attacks.

Our Technology team has deployed multiple defences to mitigate the risk of cyber-attacks and prevent unauthorised access to, and leakage of, sensitive information. We have network security in the form of a firewall, and Intrusion Prevention Systems; we also have a strict perimeter device security policy, where we have blocked access to personal email, social networking and data sharing websites, USB and local drives and forced users to save working files on a company administered One Drive. While access to emails is accessible on mobile phones, no files / attachments can be saved on these devices. We also have a Business continuity and disaster Recovery plan, with data being stored on a cloud server, which we have tested.

**Inflation risk:** Of late, India has experienced relatively benign rates of inflation. Inflation affects interest rates and hence, higher inflationary expectations lead to rise in borrowing costs and slowdown in credit offtake, which may affect our profitability. Adverse changes in credit offtake and savings caused by inflation also impacts the overall economy and business environment and hence could affect us.

#### **Development and Implementation of Risk**

**Management:** We have a separate Risk Management department that directly reports to the MD & CEO and the Audit Committee of the Boards of IIFL Wealth Management Ltd. and its subsidiaries. Risk Management relies on the internal controls built into Standard Operating Procedures, and the Risk Management, Product and Investment Policies relating to the various businesses: e.g. the Broking Risk Management Policy, the MF Risk Management Policy, the Policies for Loan Against shares, Loan Against Property and Unsecured Lending and Investment Manuals and Policies that exist for our NBFC and Asset Management Company. We also have Valuation and Provisioning Policies for our MF and AIF portfolios. There is representation from the Risk Management team on Investment, Valuation and Risk Management Committees of the various businesses.

All trading limits have been put on the respective trading systems in Stock and Commodities broking, and asset management businesses.

That apart, Risk Management conducts internal reviews (using external chartered accountants) of various aspects of the business, like documentation in relation to the lending business; compliance with various regulations in AIF, checking of certain regulatory returns etc.

The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

The Internal Audit of the Company and its subsidiaries is conducted by an independent firm of chartered accountants, as per the scope suggested by Risk Management and approved by the various Boards.

The scope of internal audit covers all aspects of business including regular front-end and back-end operations, HR, Finance, Customer Service, IT and

checking for both regulatory and internal compliances. The Internal Auditors also check and opine on the state of Internal Financial Controls.

In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence.

The internal processes have been designed to ensure adequate checks and balances, regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls.

**Internal Financial Controls:** The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively

### Outlook

The Indian economy appears to be going through a period of slowing down. It is expected that the government will continue its focus on faster policy implementation and encourage private sector spending to boost investments. While focusing on government spending, India needs to maintain its fiscal deficit within the target range, which it should be able to meet, given the recent RBI surplus transfer.

Continuing to focus on the revenue collection and disinvestment targets will be crucial to ensure the budgeted reduction in the fiscal-deficit-to-GDP ratio. Policy continuity on the implementation of structural

and financial sector reforms with efforts to reduce public debt is important to ensure the economy's longer-term growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening Goods & Services Tax compliance and further reducing subsidies.

India's economic output remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect crude oil and other prices and hurt current and fiscal account deficits. As said above, fiscal expansion is the key to growth. However, the pressure will be on government spending if private investments lose steam.

That said, in this period of a global slowdown and ensuing trade wars between global economies, India is the only large Asian economy with a positive change in share of exports. Equity valuations seems to be pricing in the near-term concerns and offer good risk-reward over a long-term horizon. India's Bond Yield-Earnings Yield (BY-EY) gap has dropped sharply to levels last seen during demonetization (Dec' 2016) and market lows in Aug 2013. Historically, equities deliver good returns for the next two years from such levels. Market cap to GDP is ~76%, lower than long term averages (78% for the last 12 years). We believe that it is extremely difficult to time the exact bottom of the market and the current valuations are starting to get reasonable. Investors should start investing in equity in staggered manner over the next 6 - 12 months.

Our company, in the past few years, has made substantial investments in people, processes and technology and continues to focus on delivering steady performance. We are cognizant of the changes in the financial services sector and we are well prepared to overcome these challenges and sustain our performance.

For IIFL Wealth Management Limited

**Karan Bhagat**

Managing Director

DIN: 03247753

Date: August 21, 2019

Place: Mumbai

# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## **OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

IIFL Wealth Management Limited (the "Company") follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Wealth Management Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

Our Board has Independent Directors, highly respected for their professional integrity as well as rich financial experience and expertise.

## **1. BOARD OF DIRECTORS**

### **(a) Composition of the Board of Directors as on June 30, 2019:**

The Board of Directors ("Board") of the Company has an optimum combination of executive and non-executive directors (including one woman director). The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Executive Directors	Mr. Karan Bhagat (Managing Director) Mr. Yatin Shah(Whole Time Director)
Independent Directors	Ms. Geeta Mathur Mr. Nilesh Vikamsey Dr. Subbaraman Narayan
Non-Executive Directors	Mr. Nirmal Jain Mr. Venkataraman Rajamani
Nominee Directors (Representing General Atlantic Singapore Fund Pte Ltd as equity investor)	Mr. Sandeep Naik Mr. Shantanu Rastogi

The Board has identified the following skills/expertise/competence for the effective functioning of the Company which is currently available with the Board:

Skills and Attribute	Strategic Advisor, Monetary Policy, Leadership, Corporate Governance, Risk and Compliance, Financial Expertise, Stakeholder Relationship
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### **(b) Brief profiles of the Directors are as follows:**

#### **• KARAN BHAGAT**

**Karan Bhagat** is the Promoter and Managing Director of our Company. He holds a bachelor's degree in commerce from St. Xavier's College, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has approximately two decades of experience in the financial services sector. He is currently responsible for the strategic initiatives undertaken by our Company. He was responsible for establishing a customer-centric private wealth enterprise

and was responsible for introducing new offerings such as lending & estate planning services for ultra HNIs. Under his leadership, our Company also launched a fee-based advisory platform that aggregates all of our services into a single offering, called IIFL One. Further, he was responsible for the introduction of an innovative fee structure, which commits to a single fee being charged to the client. He has previously worked with Kotak Mahindra Wealth Management Ltd, where he served as Senior Vice President. He featured in Fortune India's '40 under 40' list in 2016 and 2017 and The Economic Times '40

under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

- **YATIN SHAH**

**Yatin Shah** is the Promoter and Whole-time Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in science (finance) from Cass Business School, London. He has significant experience in the financial services sector. He has previously worked with Khandwala Securities Limited and Kotak Mahindra Bank Limited. He has been awarded as the Best Relationship Manager by Kotak Mahindra Bank and secured the Best Financial Manager" award for the best registered deal by Asian Institute of Management Manila.

- **NIRMAL JAIN -**

**Nirmal Jain** is the Promoter and a Non-Executive Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad, and is a qualified chartered accountant. He is also a qualified cost accountant and obtained the all India second rank in an examination conducted by the Institute of Cost Accountants of India in 1987. He has experience in the financial services sector and the fast-moving consumer goods sector. He founded IIFL Finance Limited in 1995 and is the current chairman of its board. Prior to this, he worked with Hindustan Unilever Limited (previously Hindustan Lever Limited), where he was responsible for, among others, export and trading in agro-commodities. He was conferred the CA Entrepreneur Leader award by the ICAI in the year 2018 in the financial services category, Entrepreneur of the Year award at the Franchise Awards, 2012, and the Pride of India Gold Medal by the NRI Institute in the year 2009.

- **VENKATARAMAN RAJAMANI**

**Venkataraman Rajamani** is the Promoter and a Non-Executive Director on the Board of our Company. He holds a bachelor's

degree in electronics and electrical communications engineering from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He joined IIFL Securities Limited in 1999 and is currently a promoter and the managing director of IIFL Finance Limited. He has significant experience in the financial services sector. Prior to this, he worked with ICICI Limited, ICICI Securities Limited, and Taib Capital Corporation Limited. He has also served as the assistant vice president of GE Capital Services India Limited in their private equity division. He has been accredited as 'Best CEO' by BW Businessworld in the 'large corporate' category in 2018.

- **NILESH VIKAMSEY**

**Nilesh Vikamsey** is an Independent Director and the Chairman of the Board of our Company w.e.f June 25, 2019. He holds a bachelor's degree in commerce from S.P. Mandali's R.A. Podar College of Commerce and Economics. He is a qualified chartered accountant, holds a diploma in information system audit from the ICAI, is an elected member of the Central Council of the ICAI, and was, previously, the president of the ICAI. He is a senior partner at Khimji Kunverji & Co. He has also, in the past, held the position of chairman of the Qualified Audit Report Committee of SEBI. He was also a member of the Committee on Corporate Governance and the Committee on Disclosures and Accounting Standards constituted by SEBI. He was previously an observer on the board of the International Federation of Accountants and a member of its technology advisory group. He was also a member of the Insurance Regulatory and Development Authority of India. In addition, he is currently a member of SEBI's Primary Market Advisory Committee and the Advisory Committee on Mutual Funds. Further, he is also a member of the sub-group formed by the audit committee of Coal India Limited and the disciplinary committee of the CDSL.

- **GEETA MATHUR**

**Geeta Mathur** is an Independent Director on the Board of our Company. She holds a

bachelor's degree in Commerce from the University of Delhi and is a qualified chartered accountant. She specialises in the areas of project, corporate, and structured finance; treasury; investor relations; and strategic planning. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is the Co-chair for the India Chapter of Woman Corporate Directors Foundation, a global organization working towards increasing the participation of woman on corporate boards and board leadership position.

- **SUBBARAMAN NARAYAN**

**Subbaraman Narayan** is an Independent Director on the Board of our Company. He holds a bachelor's degree and a master's degree in physics from Madras University. He has 40 years of experience in the fields of economics, economic policy, and administration. He has been a senior research fellow at the Institute of South Asian Studies, National University of Singapore since 2005. He has previously held the positions of finance and economic affairs secretary; economic advisor to the Prime Minister of India; secretary in the Department of Revenue, Ministry of Finance, Government of India; secretary, Ministry of Petroleum and Natural Gas, Government of India; and secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

- **SANDEEP NAIK**

**Sandeep Achyut Naik** is a Nominee Director on the Board of our Company. He is currently the managing director and head of the India and Asia-Pacific business of General Atlantic. He holds a bachelor's degree in technology (specialising in instrumentation engineering) from the University of Mumbai a master's degree in science (specialising in biomedical

engineering) from the Virginia Commonwealth University School of Medicine, and a master's degree in business administration (specialising in finance) from the Wharton School, the University of Pennsylvania. Prior to joining General Atlantic Singapore Fund Pte Limited in 2012, he served as partner and co-head of India for Apax Partners India Advisers Private Limited. He was also co-founder of InfraScan Inc. He was selected as a young global leader by the World Economic Forum and has previously served on the global agenda council of the 'new order of economic thinking'.

- **SHANTANU RASTOGI**

**Shantanu Rastogi** is a Nominee Director on the Board of our Company. He is currently a managing director at General Atlantic Singapore Fund Pte Limited, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He holds a bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a master's degree in business administration from the Wharton School, the University of Pennsylvania. He has approximately 14 years of experience in the fields of private equity and finance. He has previously worked as a business consultant with McKinsey & Company India LLP.

c) **Board Meetings and Directorship/ Committee membership(s) of Directors**

During the year 2018-19, nine (9) Board Meetings were held on the following dates: May 03, 2018, June 19, 2018, July 20, 2018, July 30, 2018, August 28, 2018, September 21, 2018, October 15, 2018, October 31, 2018 and January 29, 2019.

Further during the quarter ended June 30, 2019, Five (5) Board Meetings were held on April 10, 2019, April 30, 2019, May 13, 2019, June 06, 2019 and June 25, 2019.

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees

across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies.

The table below gives the details of the names of the members of the Board, their status, their

attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on June 30, 2019. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

Name of Director	Position / Category of Directorship	Number of Directorship	Name of Listed Companies and Designations	^Number of Committees	
				Member	Chairperson
Mr. Nirmal Jain	Promoter and Non-Executive Director	6	1. IIFL Finance Limited Whole-time Director 2. <sup>§</sup> IIFL Wealth Management Limited Non-Executive Director	-	-
Mr. Venkataraman Rajamani	Promoter and Non-Executive Director	5	1. IIFL Finance Limited Managing Director 2. IIFL Wealth Management Limited Non-Executive Director	5	1
*Mr. Nilesh Vikamsey	Chairman & Independent Director	10	1. Navneet Education Limited- Non-Executive Director 2. Thomas Cook (India) Limited- Independent Director 3. PNB Housing Finance Limited - Independent Director 4. IIFL Finance Limited Independent Director 5. SBI Life Insurance Company Limited Independent Director 6. IIFL Wealth Management Limited Independent Director	7	2
Ms. Geeta Mathur	Independent Director	13	1. JTEKT India Limited Independent Director 2. Schneider Electric Infrastructure Limited Independent Director 3. Motherson Sumi Systems Limited Independent Director 4. IIFL Finance Limited Independent Director 5. NIIT Limited Independent Director 6. Info Edge (India) Limited Independent Director 7. IIFL Wealth Management Limited Independent Director	6	3



Name of Director	Position / Category of Directorship	Number of Directorship	Name of Listed Companies and Designations	^Number of Committees	
				Member	Chairperson
**Dr. Subbaraman Narayan	Independent Director	11	1. Seshasayee Paper and Boards Limited – Independent Director; 2. Dabur India Limited - Independent Director 3. Apollo Tyres Limited- Independent Director 4. Artemis Global Life Sciences Limited - Independent Director 5. IIFL Wealth Management Limited – Independent Director	2	3
Mr. Karan Bhagat	Promoter and Managing Director	3	1. IIFL Wealth Management Limited – Managing Director	-	-
Mr. Yatin Shah	Promoter and Whole-time Director	10	1. IIFL Wealth Management Limited – Whole-time Director	1	0
Mr. Shantanu Rastogi	Non-Executive Director	10	1. IIFL Wealth Management Limited – Nominee Director	1	1
Mr. Sandeep Naik	Non-Executive Director	8	1. IIFL Wealth Management Limited – Nominee Director		

**Note:**

- \*Mr. Nilesh Vikamsey has been designated as the Chairman of the Board of the Company w.e.f June 25, 2019.
- \*\*Dr. Subbaraman Narayan was appointed w.e.f. June 25, 2019.
- ^The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.
- @This is in addition to the number of committees in which the director is designated as a committee member.
- \$ Proposed to be listed

Details of Board Meeting(s) and Annual General Meeting as on March 31, 2019:

S/n.	Name of Director	Number of Board Meetings During Fy 2018-19		Attendance at AGM
		Held	Attended	
1.	Mr. Nirmal Jain	9	9	No
2.	Mr. Venkataraman Rajamani	9	9	No
3.	Mr. Nilesh Vikamsey	9	8	No
4.	Ms. Geeta Mathur	9	9	Yes
5.	Dr. Subbaraman Narayan	9	Not Applicable	Not Applicable
6.	Mr. Karan Bhagat	9	9	Yes
7.	Mr. Yatin Shah	9	6	Yes
8.	Mr. Shantanu Rastogi	9	7	No
9.	Mr. Sandeep Naik	9	8	No



**d) Board Level Performance Evaluation:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors (“IDs”) and Board as a Whole.

**The criteria for performance evaluation are as under:**

**For Chairman:**

The criteria for evaluation of Chairman, *inter alia*, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements.

**For Executive Directors:**

The criteria for evaluation of Executive Directors, *inter alia*, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the group.

**For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of Non-Executive Directors, *inter alia*, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

**For Board as a whole:**

The criteria for evaluation of the Board, *inter alia*, includes composition and diversity, induction programme, team work, performance

culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

**e) Separate meetings of the Independent Directors:**

In compliance with the provisions of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on March 22, 2019, *inter alia*, to discuss the following:

- To review the performance of non-independent directors and the Board of Directors as a whole;
- To review the performance of the Chairperson of the company;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time.

**f) Familiarization programme for Independent Directors:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company’s procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarization programmes of the Company may be accessed on the Company’s website at [www.iiflwealth.com](http://www.iiflwealth.com).

**g) Meetings of the Board:**

- **Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by

circulations, as permitted by law, which are confirmed in the next Board Meeting.

- **Board Meeting Location:** The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- **Notice and Agenda circulated in advance:** The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. The Company has implemented App based e-meeting system accessible through secured iPads provided to the directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- **Other Matters:** The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ committee Members.
- **Presentations by Management:** The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- **Access to employees:** The Directors are provided free access to officers and employees of the Company. Whenever any need arises,

the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the issues being considered.

#### **h) Information Supplied to the Board / Committees:**

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of the businesses and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Status of material litigations.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of material nature of investments, assets which are not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, if any, and others and steps taken by company to rectify instances of non-compliances, if any.

**i) Minutes of the Meetings:**

The draft Minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the Board. The Minutes are confirmed by the Members and signed by the Chairman at the next Board/ Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

**j) Post meeting follow-up mechanism:**

The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings which calls for actions to be taken are promptly initiated and wherever required, communicated to the concerned departments/ divisions. The action taken report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

**k) Confirmation of Independence:**

The Board is of the opinion that the Independent Director fulfills the conditions specified in SEBI Listing Obligations and Disclosure Requirements), 2015 and are independent of the Management.

## **2. AUDIT COMMITTEE**

- i. The present Audit Committee of your Company comprises of two Independent Directors (Mr. Nilesh Vikamsey and Ms. Geeta Mathur) and one Non-Executive Director (Mr. Shantanu Rastogi). Ms. Geeta Mathur, an Independent Director, is the Chairperson of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the company in its subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
22. Reviewing the following information:
  1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  6. statement of deviations:
    - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

During the period under review, the Audit Committee of the Company met seven(7) times on May 01, 2018, May 03, 2018, June 19, 2018, July 20, 2018, July 30, 2018, October 31, 2018 and January 29, 2019. The necessary quorum was present at the

meetings. The gap between two Audit Committee Meetings was not more than 120 days.

Further during the quarter ended June 30, 2019, two (2) meetings of the Audit Committee were held on May 13, 2019 and June 25, 2019.

The attendance of each member of the Audit Committee at its Meeting as on March 31, 2019 is given below:

Name of the Members	Designation	Non-executive/ Executive / Independent	No. of Committee Meetings Held	Committee Meeting Attended
Ms. Geeta Mathur	Chairperson	Independent	7	7
Mr. Nimesh Vikamsey	Member	Independent	7	7
Mr. Shantanu Rastogi	Member	Non-Executive	7	6

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on July 20, 2018.

### **3. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee ("NRC") presently comprises of Ms. Geeta Mathur, an Independent Director as the Chairperson, Mr. Nimesh Vikamsey, an Independent Director as member, Mr. Nirmal Jain, a non-executive director as member and Mr. Sandeep Naik, a non-executive Director as the member, of the NRC.

The scope of activities of the NRC is as set out in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of the criteria for evaluation of performance of Independent Directors and the Board;
- (3) devising a policy on Board diversity;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (5) consider extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- (6) specifying the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- (7) recommend / review remuneration of the managing director(s) and whole-time director(s) based on their performance and defined assessment criteria;
- (8) administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;
- (9) annual performance evaluation of the committee;
- (10) review the information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary; and
- (11) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modified as may be applicable.

The NRC also administer your Company's Stock Option plans.

During the year under review, the NRC of the Company met Four (4) times during the last financial year on May 03, 2018, July 30, 2018, October 31, 2018 and January 29, 2019. The necessary quorum was present at the meetings.

Further during the quarter ended June 30, 2019, two (2) NRC Meeting was held on May 13, 2019 and June 25, 2019.

The attendance of each member of the NRC at the Meeting of Committee as on March 31, 2019 is given below:

Name of the Members	Designation	Non-executive/ Executive / Independent	No. of Committee Meetings Held	Committee Meeting Attended
Ms. Geeta Mathur	Chairperson	Independent	4	4
Mr. Nilesh Vikamsey	Member	Independent	4	4
Mr. Nirmal Jain	Member	Non-Executive	4	4
Mr. Sandeep Naik	Member	Non-Executive	4	3

The Company Secretary of the Company acts as the Secretary of the Committee.

The Chairperson of the NRC was present at the last Annual General Meeting of the Company held on July 20, 2018.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Nomination & Remuneration policy forms part of the Directors Report, annexed as Annexure I. The details of the remuneration paid to the Directors is as follows:

**(a) Details of Remuneration paid to Directors during the financial year 2018-19 and details of number of shares and convertible instruments held by Directors as on June 30, 2019 is as under:**

Name Of The Director	Designation	Salary And Perquisite (in Rs.)	Commission (in Rs.)	Sitting Fees (in Rs.)	Contribution To Pf And Other Funds	Stock Options (in Quantity)	No. Of Equity Shares Held As On June 30, 2019
Mr. Nirmal Jain	Non - Executive Director	Nil	Nil	Nil	Nil	Nil	66,28,856
Mr. Venkataraman Rajamani	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	15,69,204
Ms. Geeta Mathur	Independent Director	Nil	5,00,000/-	5,70,000/-	Nil	Nil	Nil
Mr. Nilesh Vikamsey	Independent Director	Nil	10,00,000/-	5,40,000/-	Nil	Nil	23,571
Mr. Karan Bhagat	Managing Director	5,01,78,647.06	Nil	Nil	Nil	Nil	3,06,569
Mr. Yatin Shah	Whole Time Director	4,00,78,846.42	Nil	Nil	Nil	Nil	33,10,497
Mr. Shantanu Rastogi	Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Sandeep Naik	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	Nil
#Mr. Amit Shah	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	15,68,421

Note:

1. #Mr. Amit Shah resigned on January 24, 2019.

The Company has not issued any convertible instruments.

**(b) Remuneration to Non-Executive/ Independent Directors:**

During the year under review, the Independent Directors were paid Rs. 30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and were paid Rs. 15,000/- (Rupees Fifteen Thousand only) towards sitting fees for attending each of the other committee meetings and the Independent Director's Meeting plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The Company has not granted any Employee Stock Options to the Independent Directors. There are no pecuniary relationships or transaction of the non-executive directors with the Company.

**4. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee of your Company was constituted on May 14, 2019 and comprises of one non- executive director who is chairman of the Stakeholders Relationship Committee (Mr. Venkataraman Rajamani), one Independent Director (Ms. Geeta Mathur) and one executive director (Mr. Yatin Shah).

The broad terms of reference of committee are as under:

- (i) Approval of transfer / transmission of shares / debentures and such other securities as may be issued by the Company from time to time;
- (ii) Approval to issue duplicate share certificates for shares / debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- (iii) Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- (iv) Approval to issue and allot right shares / bonus shares pursuant to a rights issue / bonus issue made by the Company, subject to such approvals as may be required;
- (v) To approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- (vi) Monitoring expeditious redressal of investors / stakeholders' grievances;
- (vii) Review of measures taken for effective exercise of voting rights by shareholders;
- (viii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- (ix) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- (x) All other matters incidental or related to shares, debentures and other securities of the Company.

Further during the quarter ended June 30, 2019 there was no meeting of Stakeholder Relationship Committee.

The name, designation and address of Compliance Officer of the Company is as under:

Name and designation: Mr. Ashutosh Naik,  
Company Secretary &  
Compliance Officer

Corporate Office Address: IIFL Centre, Kamala City,  
Senapati Bapat Marg,  
Lower Parel, Mumbai -  
400013

Contacts: Tel: +91 22 48765600

E-mail: ashutosh.naik@iiflw.com

The Company Secretary of the Company acts as Secretary of the Committee.

There is no shareholder complaint received so far.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The Corporate Social Responsibility Committee presently comprises of Mr. Karan Bhagat, Managing Director, Mr. Nirmal Jain, Non-Executive Director, Mr. Nilesh Vikamsey, Chairman and Independent Director, Mr. Sandeep Naik, Non-Executive Director.

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

- (i) recommend the amount of expenditure to be incurred on CSR activities; and
- (ii) monitor that the company spends, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years for CSR



activities and review the reasons for not being able to spend such amount.

During the year ended March 31, 2019, One (1) meeting of Corporate Social Responsibility Committee was held on March 22, 2019, which was attended by Mr. Nirmal Jain and Mr. Nilesh Vikamsey, while Mr. Karan Bhagat and Mr. Sandeep Naik were granted leave of absence.

Further during the quarter ended June 30, 2019, one (1) CSR Meeting was held on May 13, 2019.

## 6. **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee presently comprises of Mr. Venkataraman Rajamani, Non-Executive Director, Mr. Shantanu Rastogi, Non-Executive Director, Mr. Nilesh Vikamsey, Non-Executive Director, Mr. Karan Bhagat, Managing Director, Ms. Geeta Mathur, Non-Executive Director.

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and the applicable provisions of the Companies Act, 2013, and its terms of reference are as follows:

- (i) Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;

- (ii) To monitor and review the risk management plan of the Company;
- (iii) To oversee risk management process, systems and measures implemented to mitigate the same; and
- (iv) Any other matter as may be mandated / referred by the Authority / Board.

## 7. **PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS**

Your Company follows a system whereby all the acts, rules and regulations applicable to your Company are identified and compliance with such acts, rules and regulations is monitored by dedicated team on a regular basis. Verification of the compliances with the major acts/regulations is carried out by suitable external auditors/ lawyers/ Consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to your Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

## 8. **ANNUAL GENERAL MEETINGS**

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	Time	Whether any special resolutions passed
July 20, 2018	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	01.00 pm	Yes. 2 Special Resolutions were passed.
July 21, 2017	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	01.00pm	No
July 27, 2016	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	04.00 pm	No

No business was required to be transacted through Postal Ballot at the above meetings.

## 9. **DISCLOSURES**

### (i) **Disclosure on materially significant related party transactions that may have potential conflict with the interest of company at large:**

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors, which is displayed on your Company's website, i.e., [www.iiflwealth.com](http://www.iiflwealth.com). The Policy provides for identification of RPTs, necessary approvals by the Audit

Committee/Board/Shareholders, reporting and disclosure requirements, as applicable, in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company except the transaction stated in the Form AOC-2 annexed to the Directors Report pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 to be reported under Section 188(1) of the Companies Act, 2013. However, all the related party transactions were on arms' length basis. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable.

### (ii) **Details of non-compliance:**

No strictures/penalties were imposed on your Company by the stock exchange(s) or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the capital markets during the last three financial years.

### (iii) **Details of establishment of Whistle Blower Policy and Vigil Mechanism:**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy on June 25, 2019 and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct policy. The Policy also provides for adequate safeguard against victimization of the whistle blower who avails of such mechanism and provides for the access to the Chairman of the Audit Committee. None of the whistle blowers has been denied access to the Audit Committee.

### (iv) **Compliance with Mandatory and Non-Mandatory Provision**

During the financial year 2018-19, all the mandatory and non-mandatory requirements of the Corporate Governance norms under the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable to your Company. Post implementation of the composite scheme of arrangement and proposed listing of your Company, your Company has initiated steps to adhere with all the mandatory requirements of the Corporate Governance norms as prescribed under the Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The Company has also implemented some of the discretionary requirements, such as direct reporting by the Internal Auditor to the Audit Committee and a separate office for Chairman.

### (v) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):**

During the financial year 2018-19, the Company has raised funds through preferential allotment for the purpose of conducting business operations of the Company including for general corporate purposes and working capital requirements of the Company and that there is no deviation from the purpose stated in the offer document.

### (vi) **Disclosure of accounting treatment**

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company.

The Company's Policies on determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz. URL: [www.iiflwealth.com](http://www.iiflwealth.com)

(vii) None of the directors are related to any other director;

(viii) There are no Unclaimed shares of the

Company as on March 31, 2019

- (ix) The Company has obtained a certificate from M/s. Jayaram U. Poojari, Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- (x) The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Company.
- (xi) During the year the board has accepted all the recommendations made by committee(s) and there were no such instances where the Board has not accepted recommendations made by any of the committee of the Board.

## 10. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to the

shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company [www.iiflwealth.com](http://www.iiflwealth.com). On being listed, the Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, will be regularly sent to Stock Exchanges and uploaded on the Company's website.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange.

All the disclosures made to the stock exchanges are also available on the Company's website at [www.iiflwealth.com](http://www.iiflwealth.com).

Upon Listing, the quarterly and annual results of your Company will be published in newspapers which are widely circulated. Your Company will also make presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/Institutional Investors meets will also be informed to the public through the Stock Exchanges.

## 11. GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting	September 30, 2019 at 12:00 noon at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018.
2. Financial calendar (2019-20)	April 1, 2018 to March 31, 2019 Results for the quarter ended June 30, 2019 were approved on August 21, 2019. Results for the quarter ended September 30, 2019 – within 45 days from the end of the quarter Results for the quarter ended December 31, 2019 – within 45 days from the end of the quarter Results for the quarter and year ended March 31, 2020 – within 60 days from the end of the quarter
3. Book closure date	September 24, 2019 to September 30, 2019 (both days inclusive)
4. Dividend	During the period under review, your Company has declared an interim dividend of Rs. 5/- each on October 31, 2018 and January 29, 2019, per equity share with face value Rs.2 per share, involving a total outlay of Rs. 84,79,06,100/- (including dividend distribution tax).
5. Listing of equity shares on stock exchanges at	1. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 2. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 The Listing Fees for the financial year 2019-20 have been paid to the aforesaid Stock Exchanges.
6. Stock code	The Shares of the Company are proposed to be listed, on the date of this report.
7. Stock market data:	Not Applicable for the financial year 2018-19.
8. Demat ISIN numbers in NSDL and CDSL for equity shares	INE466L01020

<b>9. Registrar &amp; Transfer Agent</b>	<b>Link Intime India Private Limited</b> C-101, 247, LalBahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000, Email: rnt.helpdesk@linkintime.co.in
<b>10. Share transfer system</b>	Your Company's shares are compulsorily traded in dematerialized form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt.  All share transfers and other share related issues will be approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.
<b>11. Dematerialization of shares</b>	As on June 30, 2019, 99.99% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
<b>12. Correspondence for dematerialization, transfer of shares, non-receipt of dividend on shares and any other query relating to the shares of the Company</b>	<b>Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: +91 (22) 4918 6270 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in Contact Person: Jayprakash VP
<b>13. Any query on Annual Report contact at corporate office</b>	Mr. Ashutosh Naik, Company Secretary and Compliance Officer IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Email: secretarial@iiflw.com
<b>14. Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity</b>	The Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs of 3491634 stock options as on March 31, 2019 under its ESOP plans which may be exercised by the grantees . Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will accordingly increase.

## 12. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on June 30, 2019:

Category	Number of equity shares held	Percentage of holding
Clearing Members	10,503.00	0.0123
Other Bodies Corporate	8,69,193.00	1.0211
Foreign Company	3,55,00,239.00	41.7030
Hindu Undivided Family	46,367.00	0.0545
Mutual Funds	5,25,138.00	0.6169
Non Nationalised Banks	776.00	0.0009
Foreign Nationals	34,757.00	0.0408
Non Resident Indians	40,89,863.00	4.8045
Non Resident (Non Repatriable)	8,81,916.00	1.0360
Persons Acting In Concert	83,54,189.00	9.8139
Public	1,10,23,517.00	12.9496
Promoters	1,26,65,915.00	14.8790
Trusts	1,597.00	0.0019
Employee Welfare Trust / ESOP	46,754.00	0.0549
Foreign Portfolio Investors (Corporate)	1,08,93,843.00	12.7973
Alternate Investment Funds	1,49,271.00	0.1754
NBFCs registered with RBI	28,741.00	0.0338
Investor Education And Protection Fund	3,669.00	0.0043
<b>TOTAL</b>	<b>8,51,26,248.00</b>	<b>100.00</b>

**13. DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2019**

The distribution of shareholders as on JUNE 30, 2019 is as follows:

Serial #	Shares Range	Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	36885	97.2911	1155193	1.3570
2	501 to 1000	348	0.9179	246122	0.2891
3	1001 to 2000	222	0.5856	318604	0.3743
4	2001 to 3000	89	0.2348	215118	0.2527
5	3001 to 4000	52	0.1372	180910	0.2125
6	4001 to 5000	24	0.0633	109798	0.1290
7	5001 to 10000	76	0.2005	537837	0.6318
8	10001 and more	216	0.5697	82362666	96.7535
<b>Total</b>		<b>37912</b>	<b>100.00%</b>	<b>8,51,26,248</b>	<b>100.00%</b>

**14. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS**

Your Company did not raise money through any public issue or right issue during the F.Y. 2018-19. During the Financial year, your company has raised INR 7,45,70,59,500 from strategic institutional investors.

**15. SUBSIDIARY COMPANIES**

During the year under review, the Company incorporated, a wholly owned subsidiary namely IIFL Wealth Securities IFSC Limited on June 22, 2018. The Company acquired two companies named Altiore Advisors Private Limited and Wealth Advisors (India) Private Limited on November 05, 2018 and November 22, 2018 respectively.

During the year, IIFL Private Wealth (Suisse) S.A. has ceased to be the subsidiary of IIFL Wealth Management Limited.

**16. CEO/CFO CERTIFICATE**

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the CEO and CFO is annexed to this Report.

**17. CODE OF CONDUCT**

The confirmation from the Chief Executive Officer regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at [www.iiflwealth.com](http://www.iiflwealth.com)

**For and on behalf of the Board****Karan Bhagat**

Managing Director

DIN: 03247753

Place: Mumbai

Date: August 21, 2019

**Venkataraman Rajamani**

Non-executive Director

DIN:00011919

# ANNEXURE

## **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Board of Directors

IIFL Wealth Management Limited

We Certify that;

- (a) We have reviewed the financial statements and the cash flow statement of IIFL Wealth Management Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee that there are
  - (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year;
  - (iii) no instances of significant fraud of which we have become aware.

### **For and on behalf of the Board**

**Karan Bhagat**

Managing Director

DIN: 03247753

Place: Mumbai

Date: August 21, 2019

**Mihir Nanavati**

Chief Financial Officer

# AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

**IIFL Wealth Management Limited**

Mumbai

We have examined the compliance of conditions of Corporate Governance by, IIFL Wealth Management Limited (the "Company") for the period ended on 30th June 2019, as per the regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as may be applicable.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For J.U. Poojari & Associates**

Practicing Company Secretaries

J.U. Poojari

FCS 8102 CP 8187

Place: Mumbai

Date: August 21, 2019





**COMPANY  
FINANCIALS**  
2018 - 19

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

## To The Members of IIFL Wealth Management Limited

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

#### Opinion

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

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

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 2.1 of the Standalone financial statements, which describes the reasons for implementation of the Composite Scheme of Arrangement amongst IIFL Holdings Limited, India Infoline Finance Limited, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited and IIFL Distribution Services Limited, and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"), in Parts, based on the legal opinion obtained by IIFL Holdings Limited. The Scheme has been approved by the National Company Law Tribunal vide its order dated 07 March 2019 and filed with the Registrar of Companies on 11 April 2019.

Our opinion on the Standalone financial statements above and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' report, but does not include the standalone financial statements and our auditor's report thereon. The Directors' report including Annexures to Directors' Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our

knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Directors' report including Annexures to Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, 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 and the reports of the other auditors.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the

internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting on the operating effectiveness of the Company’s internal financial controls over financial reporting for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, The company has not paid remuneration to its director during the period, hence reporting as per the provisions of section 197 of the Act is not applicable.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order

For **DELOITTE HASKINS & SELLS LLP**

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

**Pallavi A. Gorakshakar**

(Partner)

(Membership No. 105035)

Place: Mumbai

Date : 03 May 2018

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

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

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

We have audited the internal financial controls over financial reporting of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10)

of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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



the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

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

**Pallavi A. Gorakshakar**

(Partner)  
(Membership No. 105035)

Place: Mumbai

Date : 03 May 2018

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company did 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 been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Goods and Service Tax, Custom Duty, 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, Employees' State Insurance is not applicable to the Company.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Goods and Service Tax, Custom Duty, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. Employees' State Insurance is not applicable to the Company.
- (c) The details of Income-tax, Goods and Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹)
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2013-14	4,068,930

- (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. The Company has not issued any debentures.
- (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 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (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) According to the information and explanations given to us, the Company has issued equity shares. In respect of the above issue, we further report that:
- the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  - the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (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 and subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai  
Date : 13 May 2019

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Million)

PARTICULARS	NOTE NO.	AS AT MAR 31, 2019	AS AT MAR 31, 2018	AS AT APR 01, 2017
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and cash equivalents	4	56.75	4,101.19	2,931.90
(b) Bank balance other than (a) above	5	10.07	922.86	670.26
(c) Receivables				
(I) Trade receivables	6	1,989.79	1,413.41	1,168.27
(II) Other receivables	6	-	2,772.11	3,032.00
(d) Loans	7	112.94	28.17	16.49
(e) Investments	8	21,404.35	12,431.30	11,150.68
(f) Other financial assets	9	320.44	383.41	351.54
<b>2 Non-Financial Assets</b>				
(a) Current tax assets (net)		156.46	47.99	38.65
(b) Deferred tax assets (net)	10	78.77	54.05	113.11
(c) Property, plant and equipment	11	594.06	254.29	210.79
(d) Capital work-in-progress	12	1,725.46	210.76	34.07
(e) Other intangible assets	13	19.45	16.67	36.96
(f) Other non-financial assets	14	227.38	88.79	67.04
<b>Total Assets</b>		<b>26,695.92</b>	<b>22,725.00</b>	<b>19,821.76</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
(a) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	165.01	826.78	447.74
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	3,564.93	2,341.08
(b) Borrowings (other than debt securities)	16	4,140.06	3,969.01	3,978.24
(c) Other financial liabilities	17	42.04	55.74	31.48
<b>2 Non-Financial Liabilities</b>				
(a) Current tax liabilities (net)		0.09	3.75	5.32
(b) Provisions	18	33.71	66.28	62.04
(c) Other non-financial liabilities	19	112.49	226.42	140.24
<b>3 EQUITY</b>				
(a) Equity share capital	20	169.04	159.50	155.93
(b) Incremental shares pending issuance	20	1.20	1.14	0.83
(c) Other equity	21	22,032.28	13,851.45	12,658.86
<b>Total Liabilities and Equity</b>		<b>26,695.92</b>	<b>22,725.00</b>	<b>19,821.76</b>

See accompanying Notes to 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

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

**R. Venkataraman**  
Director  
(DIN: 00011919)

Place: Mumbai  
Date: May 13, 2019

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

PARTICULARS	NOTE NO.	2018 - 2019	2017 - 2018
<b>1 Revenue from operations</b>			
(a) Fees and commission income	22	4,822.70	6,176.80
<b>Total revenue from operations</b>		<b>4,822.70</b>	<b>6,176.80</b>
<b>2 Other income</b>	<b>23</b>	<b>1,109.40</b>	<b>1,010.98</b>
<b>3 Total income (1+2)</b>		<b>5,932.10</b>	<b>7,187.78</b>
<b>Expenses</b>			
(a) Finance costs	24	144.86	611.64
(b) Fees and commission expenses		384.47	286.25
(c) Impairment of financial instruments	25	(3.56)	(9.96)
(d) Employee benefits expenses	26	2,013.38	2,738.54
(e) Depreciation, amortization and impairment	11,13	172.87	126.77
(f) Others expenses	27	1,247.73	1,355.94
<b>4 Total expenses</b>		<b>3,959.75</b>	<b>5,109.18</b>
<b>5 Profit before tax (3-4)</b>		<b>1,972.35</b>	<b>2,078.60</b>
<b>6 Tax expense:</b>			
(a) Current tax	28	479.03	508.37
(b) Deferred tax	28	(24.51)	(12.85)
<b>7 Profit for the year (5-6)</b>		<b>1,517.83</b>	<b>1,583.08</b>
<b>8 Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of Employee Benefits		(3.02)	(20.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.05	7.04
<b>Subtotal</b>		<b>(1.97)</b>	<b>(13.09)</b>
<b>9 Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the year)</b>		<b>1,515.86</b>	<b>1,569.99</b>
<b>10 Earnings per equity share</b>			
Basic (Rs.)	29	18.09	20.01
Diluted (Rs.)	29	17.57	19.37

See accompanying Notes to the Standalone Financial Statements  
In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary

# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

PARTICULARS	2018 - 2019	2017 - 2018
<b>A. Cash flows from operating activities</b>		
<b>Net profit before taxation and extraordinary item</b>	<b>1,972.35</b>	<b>2,078.59</b>
<b>Adjustments for:</b>		
Depreciation, amortization and impairment	172.87	126.77
Provisions for Employee benefits	(18.15)	17.70
Impairment of financial instruments	(3.56)	(9.96)
Net changes in Fair value through Profit and loss of Investments - Realised	130.98	268.77
Net changes in Fair value through Profit and Loss of Investments - Unrealised	(237.88)	218.30
Share based payments to employees	22.49	30.69
Interest Income	(169.47)	(401.56)
Interest expenses	144.71	604.71
Profit on Sale of Property, plant and equipment	(0.09)	(0.53)
Dividend Income from Investments	(831.41)	(1,023.06)
Distribution income from investments	(0.44)	-
Profit on Sale of Subsidiary	(0.16)	-
<b>Operating profit before working capital changes</b>	<b>1,182.24</b>	<b>1,910.42</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in Financial/Non-financial Assets	2,150.18	(42.56)
Increase/ (Decrease) in Financial/Non-financial Liabilities	(4,347.96)	1,696.02
<b>Cash (used in)/generated from operations</b>	<b>(1,015.54)</b>	<b>3,563.88</b>
Net income tax(paid) / refunds	(591.16)	(519.28)
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(1,606.70)</b>	<b>3,044.60</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Investments	(128,202.90)	(269,695.01)
Sale of Investments	119,333.94	267,927.31
Sale of Subsidiary	3.40	-
Interest Received	169.77	398.74
Dividend Received	831.41	1,023.06
Purchase of fixed assets (includes intangible assets)	(2,030.01)	(326.12)
Fixed Deposit placed	912.79	(252.59)
Inter Corporate Deposit given	(54,767.49)	(153,626.62)
Inter Corporate Deposit repaid	54,683.24	153,614.97
Net cash used in investing activities (B)	(9,065.85)	(936.26)
<b>C. Cash flows from financing activities</b>		
Proceeds from Issuance of Share Capital	9.54	3.57
Securities Premium on issue of shares	7,536.65	472.72
Share issue expenses	(72.62)	-
Borrowings Taken	26,481.36	176,344.21
Borrowings repaid	(29,478.37)	(176,844.60)
Inter-Corporate Deposits - taken	31,452.18	23,058.33

# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

PARTICULARS	2018 - 2019	2017 - 2018
Inter-Corporate Deposits - repaid	(28,284.12)	(22,572.23)
Interest Paid	(168.60)	(616.07)
Dividend Paid (including Dividend Distribution Tax)	(847.91)	(784.98)
<b>Net cash generated from financing activities (C)</b>	<b>6,628.11</b>	<b>(939.05)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(4,044.44)</b>	<b>1,169.29</b>
Opening Cash & cash equivalents (Refer Note 4)	4,101.19	2,931.90
<b>Closing Cash &amp; cash equivalents (Refer Note 4)</b>	<b>56.75</b>	<b>4,101.19</b>

See accompanying Notes to the Standalone Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary



# STATEMENT OF CHANGES IN EQUITY

As at March 31, 2019

(₹ in Million)

Particulars	Equity attributable to owners of the Company							Total Other Equity	Total
	Equity Share Capital	Equity Share pending issuance	Other Equity				Retained Earnings		
			Securities Premium Account	General Reserve	Capital Reserve	ESOP Reserve			
<b>Balance at the beginning of the year as on April 01, 2018</b>	<b>159.50</b>	<b>1.14</b>	<b>10,702.58</b>	<b>133.50</b>	<b>97.25</b>	<b>74.68</b>	<b>2,843.44</b>	<b>13,851.45</b>	<b>14,012.09</b>
Shares issued during the year	9.54		7,536.65	-	-	-	-	7,536.65	7,546.19
Share issue expenses			(72.62)	-	-	-	-	(72.62)	(72.62)
Profits for the year			-	-	-	-	1,517.83	1,517.83	1,517.83
Other comprehensive income			-	-	-	-	(1.97)	(1.97)	(1.97)
Dividends			-	-	-	-	(847.91)	(847.91)	(847.91)
Transfer (to)/from other reserves			9.17	-	-	(9.17)	-	-	-
Addition during the year pursuant to the scheme of demerger / acquisition (Refer Note 2.1)		0.06	-	-	17.34	3.12	-	20.46	20.52
Employee share based payment			-	-	-	28.39	-	28.39	28.39
<b>Balance at the end of the year as on March 31, 2019</b>	<b>169.04</b>	<b>1.20</b>	<b>18,175.78</b>	<b>133.50</b>	<b>114.59</b>	<b>97.02</b>	<b>3,511.39</b>	<b>22,032.28</b>	<b>22,202.52</b>

As at March 31, 2018

(₹ in Million)

Particulars	Equity attributable to owners of the Company							Total Other Equity	Total
	Equity Share Capital	Equity Share pending issuance	Other Equity				Retained Earnings		
			Securities Premium Account	General Reserve	Capital Reserve	ESOP Reserve			
<b>Balance at the beginning of the year as on April 01, 2017</b>	<b>155.93</b>	<b>0.83</b>	<b>10,211.67</b>	<b>133.50</b>	<b>84.70</b>	<b>55.29</b>	<b>2,173.70</b>	<b>12,658.86</b>	<b>12,815.62</b>
Shares issued during the year	3.57		472.72	-	-	-	-	472.72	476.29
Profits for the year			-	-	-	-	1,583.08	1,583.08	1,583.08
Other Comprehensive income			-	-	-	-	(13.09)	(13.09)	(13.09)
Dividends			-	-	-	-	(784.98)	(784.98)	(784.98)
Transfer (to)/from other reserves			18.19	-	-	(18.19)	-	-	-
Addition during the year pursuant to the scheme of demerger / acquisition (Refer Note 2.1)		0.31	-	-	12.55	-	(115.27)	(102.72)	(102.41)
Employee share based payment			-	-	-	37.58	-	37.58	37.58
<b>Balance at the end of the year as on March 31, 2018</b>	<b>159.50</b>	<b>1.14</b>	<b>10,702.58</b>	<b>133.50</b>	<b>97.25</b>	<b>74.68</b>	<b>2,843.44</b>	<b>13,851.45</b>	<b>14,012.09</b>

### Securities Premium

Securities Premium includes the difference between face value of equity shares and consideration in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities Premium. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities Premium.

### General Reserve

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

### Capital Reserve

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" in accordance with the

composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders. (Refer Note 2.1)

### ESOP Reserve

It relates to share options granted to the employees by the Holding Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

### Retained Earnings

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

## NOTE 1. CORPORATE INFORMATION:

IIFL Wealth Management Limited ("IIFLW", the "Company") is a public limited company incorporated under the Companies Act, 1956. IIFLW is registered with SEBI as Stock Broker, Depository Participant, Research Analyst, Portfolio Manager and Distributor of Financial Products. The Company mainly acts as wealth manager and provides services relating to financial products distribution, advisory, portfolio management services by mobilizing funds and assets of various classes of investors including High Networth Individuals.

## NOTE 2.1 BASIS OF PREPARATION AND PRESENTATION

### Transfer of Business Undertakings under composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst IIFL Holdings Limited ("IIFL Holdings"), India Infoline Finance Limited ("IIFL Finance"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Holdings;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Securities;
- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and
- v. amalgamation of IIFL Finance with IIFL Holdings.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Holding Company have approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Holdings, the Board of Directors of IIFL Holdings at their meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

- a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date 1 i.e. April 01, 2017;
- b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date 2 i.e. April 01, 2018; and
- c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date 2 i.e. April 01, 2018.
- d) Merger of IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

- a) additional 1 fully paid up equity share of Rs. 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;
- b) additional 1 fully paid up equity share of Rs. 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of Rs. 2 each in IIFL Holdings for every 100 shares held in IIFL Finance.

The assets and liabilities as at April 01, 2018, transferred in IIFL Wealth in respect of the Wealth Business Undertaking of IIFL Holdings in terms of the Scheme at book values are summarized below: (₹ in Million)

Particulars	As on April 01, 2018	As on April 01, 2017*
Total Assets	137.56	214.14
Total Liabilities	40.51	128.61
<b>Net Assets</b>	<b>97.05</b>	<b>85.53</b>

\*Pursuant to Appendix C of IND AS 103 applicable to Business combinations for entities under common control, the effect of the above has been given in the financial statements as at March 31, 2018. The corresponding effects of the same have been given in Note no 20 for equity and Note no 21 for Other equity.

Further the Scheme, inter-alia, provided that consideration of ₹ 165.80 mn shall be payable to the Company by IIFL Distribution towards the transfer of Broking and Depository Participant Business Undertaking. The assets and liabilities as at April 01, 2018 transferred in respect of Broking and Depository Participant Business Undertaking from the Company to IIFL Distribution in terms of the Composite Scheme of Arrangement at book values are summarized below:

(₹ in Million)

Particulars	As on April 01, 2018
Total Assets	7,746.15
Total Liabilities	7,583.93
Net Assets	162.22

## NOTE 2.2- SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of Compliance:

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

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

- b) These financial statements have been approved for issue by the Board of Directors of the Company at their meeting held on May 13, 2019

### c) Revenue recognition

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

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

- Fees and commission relating to Distribution Services: Fees on distribution services are recognized at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.

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

#### d) Property, plant and equipment

##### Measurement at recognition:

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

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery

is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

##### Capital work in progress and Capital advances:

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

##### Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Leasehold improvements are amortized over the period of lease. Individual assets / Company of similar assets costing up to Rs.5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

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

Class of assets	Useful life in years
Computers*	3
Electrical Equipment*	5
Office equipment	5
Furniture and fixtures* #	5
Vehicles*	5
Air conditioners*	5

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

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

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

**Derecognition:**

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

**e) Intangible assets**

**Measurement at recognition:**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. . Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

**Amortization:**

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

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

Class of assets	Useful life in years
Software	3-5

**Derecognition:**

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

**f) Impairment**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in

depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

#### g) **Financial Instruments**

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

##### ● **Financial assets**

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

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

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

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

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

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

- The Company's business model

objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Cash and Bank balances, Trade receivables, Other Receivables, Loans and Other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

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

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

For the above category, income by way of interest and dividend, provision for impairment are recognised in the Statement of profit and loss and changes in fair value (other than on account of above



income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVTOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.

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

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

**Derecognition:**

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

- The contractual rights to cashflows from the financial asset expires;
- The Company transfers its contractual rights to receive cashflows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cashflows without material delay to one or more recipients

under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

- The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

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

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

options) through the expected life of that financial instrument.

- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and

adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

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

- **Financial Liabilities**

**Initial recognition and measurement:**

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

- (i) recognised at amortised costs
- (ii) recognised at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

**Subsequent measurement:**

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

subsequently measured at amortised cost using the effective interest method.

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

#### h) **Derivative financial instruments**

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

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

#### i) **Fair Value**

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows: The fair value hierarchy gives the highest priority

to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

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

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

#### j) **Foreign Currency Translation**

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

##### **Initial Recognition:**

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

##### **Measurement of foreign currency items at reporting date:**

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

Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

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

**k) Income Taxes**

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

**Current tax:**

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

**Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognised for all taxable temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable

that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

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

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

**Presentation of current and deferred tax:**

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

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

**l) Provisions and Contingencies**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**m) Cash and Cash Equivalents**

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

**n) Employee Benefits**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**i. Defined contribution plans:**

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

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

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

**ii. Defined benefit plans:**

The Company provides for gratuity, a defined benefit plan, for employees. The Company makes annual contributions to funds administered by trustees and managed by a financial institution, towards meeting the Gratuity obligations.

**Recognition and measurement of**

**defined benefit plans:**

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

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

**o) Lease accounting**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets taken on lease:

In respect of operating leases, lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- i. Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii. The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

In respect of assets obtained on finance leases,

assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

**p) Borrowing Cost**

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

**q) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**r) Share-based Compensation**

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

**s) Earnings Per Share:**



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

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

**t) Recent Accounting pronouncements**

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

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

April 1, 2019. The Company is evaluating impact of the above amendment.

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

**u) Key Accounting Estimates and Judgements**

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

**Critical accounting estimates and assumptions**

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

**- Property, Plant and Equipment**

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

**- Defined Benefit Obligation**



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

- **Fair value measurement of Financial Instruments**

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

- **Expected Credit Loss**

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

### NOTE 3. FIRST TIME ADOPTION OF IND AS

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

- (i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant and equipment as deemed cost of such assets at the transition date.
- (ii) Ind AS 102 "Share-based Payment" has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.
- (iii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017
- (iv) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- (v) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.
- (vi) The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.

(₹ in Million)

Equity Reconciliation	Notes	As At 1st April 2017	As At 31st March 2018
<b>As per IGAAP</b>		<b>12,734.02</b>	<b>13,909.91</b>
Change in fair value of investments	1	0.99	2.92
Expected credit loss on Trade Receivables	2	6.82	6.12
Effect of Merger of Wealth business undertaking	3	85.53	98.38
ESOP Compensation Cost	4	4.64	11.53
Deferred tax impact on above adjustments	5	(16.38)	(16.77)
<b>As per Ind AS</b>		<b>12,815.62</b>	<b>14,012.09</b>

(₹ in Million)

RECONCILIATION OF TOTAL COMPREHENSIVE INCOME	NOTES	AS AT 31ST MARCH 2018
Net income under Indian GAAP		1,484.57
Change in fair value of investments	1	1.93
Actuarial gain/ loss recognised on employee benefit in other comprehensive income	6	19.73
ESOP Compensation Cost	4	(30.69)
Impact of provision for Expected credit loss on trade receivables	2	(0.70)
Effect of Merger of Wealth Undertaking	3	115.27
Deferred tax impact on above adjustments	5	(7.29)
<b>Net Income as per Ind AS</b>		<b>1,582.82</b>
Other Comprehensive Income	6	(12.83)
<b>Total Comprehensive Income as per Ind AS</b>		<b>1,569.99</b>

## Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2018

(₹ in Million)

Sr.No.	Particulars	As at March 31, 2018			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>ASSETS</b>					
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	3	4,062.73	38.46	4,101.19
(b)	Bank balance other than (a) above	3	922.79	0.07	922.86
(c)	Receivables				
(I)	Trade receivables	2,3	1,404.91	8.50	1,413.41
(II)	Other receivables		2,772.11		2,772.11
(d)	Loans		28.17		28.17
(e)	Investments	1,3	12,362.36	68.94	12,431.30
(f)	Other financial assets	3,4	366.36	17.05	383.41
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current tax assets (net)		47.99		47.99
(b)	Deferred tax assets (net)	3,5	49.42	4.63	54.05
(c)	Property, plant and equipment		250.90	3.39	254.29
(d)	Capital work-in-progress		210.76		210.76
(e)	Other intangible assets	3	14.92	1.75	16.67
(f)	Other non-financial assets	3	86.73	2.06	88.79
	<b>Total Assets</b>		<b>22,580.15</b>	<b>144.85</b>	<b>22,725.00</b>

(₹ in Million)

Sr.No.	Particulars	As at March 31, 2018			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1 Financial Liabilities</b>					
(a)	Payables	-	-	-	-
(I)	Trade payables		-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3	823.06	3.72	826.78
(II)	Other payables		-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,564.93		3,564.93
(b)	Borrowings (other than debt securities)		3,969.01		3,969.01
(c)	Other financial liabilities	3,4	18.96	36.78	55.74
<b>2 Non-Financial Liabilities</b>					
(a)	Current tax liabilities (net)		3.75		3.75
(b)	Provisions	3	65.07	1.21	66.28
(c)	Other non-financial liabilities	3	225.45	0.97	226.42
<b>3 EQUITY</b>					
(a)	Equity share capital		159.50	-	159.50
(b)	Incremental shares pending issuance		1.14	-	1.14
(c)	Other equity		13,749.28	102.17	13,851.45
<b>Total Liabilities and Equity</b>			<b>22,580.15</b>	<b>144.85</b>	<b>22,725.00</b>

**Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2017**

(₹ in Million)

Sr.No.	Particulars	As at April 01, 2017			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>ASSETS</b>					
<b>1 Financial Assets</b>					
(a)	Cash and cash equivalents	3	2,919.16	12.74	2,931.90
(b)	Bank balance other than (a) above		670.26		670.26
(c)	Receivables				
	(I) Trade receivables	2,3	1,119.16	49.11	1,168.27
	(II) Other receivables		3,032.00		3,032.00
(d)	Loans		16.49		16.49
(e)	Investments	1,3	11,143.90	6.78	11,150.68
(f)	Other financial assets	3,4	309.88	41.66	351.54
<b>2 Non-Financial Assets</b>					
(a)	Current tax assets (net)		38.65	-	38.65
(b)	Deferred tax assets (net)	3,5	26.38	86.73	113.11
(c)	Property, plant and equipment	3	199.55	11.24	210.79
(d)	Capital work-in-progress		34.07		34.07
(e)	Other intangible assets	3	34.37	2.59	36.96
(f)	Other non-financial assets	3	65.66	1.38	67.04
<b>Total Assets</b>			<b>19,609.53</b>	<b>212.23</b>	<b>19,821.76</b>

(₹ in Million)

Sr.No.	Particulars	As at April 01, 2017			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Payables				
(I)	Trade payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	3	324.52	123.22	447.74
(II)	Other payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		2,341.08		2,341.08
(b)	Borrowings (other than debt securities)		3,978.24		3,978.24
(c)	Other financial liabilities	3,4	27.29	4.19	31.48
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)	3	5.32	-	5.32
(b)	Provisions	3	60.42	1.62	62.04
(c)	Other non-financial liabilities	3	138.64	1.60	140.24
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital		155.93	-	155.93
(b)	Incremental shares pending issuance		0.83	-	0.83
(c)	Other equity		12,577.26	81.60	12,658.86
<b>Total Liabilities and Equity</b>			<b>19,609.53</b>	<b>212.23</b>	<b>19,821.76</b>

**Notes**

- As per earlier IGAAP, Investments were valued at lower of Cost and Market Value. However as per Ind AS, Investments valued at Fair value through Profit and loss are to recognised at Fair Value and hence the Company has restated its investments to reflect the market value and corresponding impact being taken to the Statement of Profit and Loss.
- The provision is made against trade receivables on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made when the receivable/loan turned doubtful based on the assessment on case to case basis and applicable regulations.
- Pursuant to Composite Scheme of Arrangement, Wealth Business Undertaking was transferred to the Holding Company effective April 1, 2018 (refer note no. 2.1). The said transaction is considered as "common control business combination" under IND AS 103 and accounted as such. As per the provisions of IND AS 103 Profit after tax of Wealth Business Undertaking has been included in the Consolidated Profit after tax for the year ended March 31, 2017 (the previous financial year).
- ESOP charge is accounted using fair value method. The portion of ESOP charge payable to holding company is accordingly measured and recognised at fair value. Under I-GAAP ESOP charge was calculated based on intrinsic value method.
- Deferred tax is the tax impact of all the adjustments between IGAAP and Ind AS.
- Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss."
- There is no impact on Cash Flow due to first time adoption of Ind AS.

## NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
<b>Cash and Cash Equivalents</b> (As per Ind AS 7 Statement of Cashflows)			
Cash on hand	0.07	0.52	0.62
Cheques in hand	5.11	-	-
Balance with banks			
- In client account	-	1,288.40	-
- Others	46.55	404.55	845.97
In Deposit accounts (with original maturity of three months or less)	5.02	2,407.72	2,085.31
<b>Cash and cash equivalents</b> (As per Ind AS 7 Statement of Cashflows)	<b>56.75</b>	<b>4,101.19</b>	<b>2,931.90</b>
<b>Out of the Fixed Deposits shown above:</b>			
Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Other deposits	5.02	2,407.72	2,085.31
<b>Total</b>	<b>5.02</b>	<b>2,407.72</b>	<b>2,085.31</b>

## NOTE 5. BANK BALANCE OTHER THAN 4 ABOVE:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Other Bank Balances			
In Deposit accounts (with original maturity of more than 3 months)	10.07	922.86	670.26
<b>Total</b>	<b>10.07</b>	<b>922.86</b>	<b>670.26</b>
<b>Out of the Fixed Deposits shown above:</b>			
Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Lien marked against bank guarantee	-	584.31	383.72
Lien marked against overdraft facility	-	50.22	-
Collateral with exchange	-	278.23	276.51
Other deposits	10.07	10.10	10.03
<b>Total</b>	<b>10.07</b>	<b>922.86</b>	<b>670.26</b>

## NOTE 6. RECEIVABLES (REFER NOTE 34)

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
<b>(i) Trade receivables</b>			
Receivables considered good - Unsecured	1,990.26	1,417.44	1,182.26
<b>Total (i)- Gross</b>	<b>1,990.26</b>	<b>1,417.44</b>	<b>1,182.26</b>
Less: Impairment loss allowance	0.47	4.03	13.99
<b>Total (i)- Net</b>	<b>1,989.79</b>	<b>1,413.41</b>	<b>1,168.27</b>
<b>(ii) Other receivables</b>			
Receivables considered good - Secured	-	2,772.11	2,180.33
Receivables considered good - Unsecured	-	-	851.67
<b>Total (ii)- Gross</b>	<b>-</b>	<b>2,772.11</b>	<b>3,032.00</b>
Less: Impairment loss allowance	-	-	-
<b>Total (ii)- Net</b>	<b>-</b>	<b>2,772.11</b>	<b>3,032.00</b>

- a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2019, 31st March 2018, 01st April 2017.

- b) There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2019, 31st March 2018, 01st April 2017.
- c) There are no credit impaired receivables as at 31st March 2019, 31st March 2018, 1st April 2017.
- d) Other receivables include receivables on sale of Investments aggregating to ₹ Nil (As at March 31,2018 -Nil, As at April 01,2017 - ₹ 850.60 Mn)
- e) No trade receivables and other receivables are interest bearing.

### NOTE 7. LOANS (REFER NOTE 34)

(₹ in Million)

Loans	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Amortised cost	Through Other Comprehensive Income	Designated at fair value through profit or loss	Amortised cost	Through Other Comprehensive Income	Designated at fair value through profit or loss	Amortised cost	Through Other Comprehensive Income	Designated at fair value through profit or loss
	Total	Subtotal	Total	Total	Subtotal	Total	Total	Subtotal	Total
<b>(A)</b>									
(i) Term loans*	112.06	-	112.06	27.81	-	27.81	16.16	-	16.16
(ii) Others - Staff loan	0.88	-	0.88	0.36	-	0.36	0.33	-	0.33
<b>Total (A) -Gross</b>	<b>112.94</b>	<b>-</b>	<b>112.94</b>	<b>28.17</b>	<b>-</b>	<b>28.17</b>	<b>16.49</b>	<b>-</b>	<b>16.49</b>
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>112.94</b>	<b>-</b>	<b>112.94</b>	<b>28.17</b>	<b>-</b>	<b>28.17</b>	<b>16.49</b>	<b>-</b>	<b>16.49</b>
<b>(B)</b>									
(i) Secured	-	-	-	-	-	-	-	-	-
(ii) Unsecured	112.94	-	112.94	28.17	-	28.17	16.49	-	16.49
<b>Total (B)-Gross</b>	<b>112.94</b>	<b>-</b>	<b>112.94</b>	<b>28.17</b>	<b>-</b>	<b>28.17</b>	<b>16.49</b>	<b>-</b>	<b>16.49</b>
<b>(C)</b>									
(I) Loans in India									
(i) Public Sector	112.94	-	112.94	28.17	-	28.17	16.49	-	16.49
(ii) Others	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
<b>Total (I)-Net</b>	<b>112.94</b>	<b>-</b>	<b>112.94</b>	<b>28.17</b>	<b>-</b>	<b>28.17</b>	<b>16.49</b>	<b>-</b>	<b>16.49</b>
(II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
<b>Total (C) (II)- Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total C(I) and C(II)</b>	<b>112.94</b>	<b>-</b>	<b>112.94</b>	<b>28.17</b>	<b>-</b>	<b>28.17</b>	<b>16.49</b>	<b>-</b>	<b>16.49</b>

\* Includes Loan to related parties- Refer Note 33

## NOTE 8. INVESTMENTS

(₹ in Million)

Investments	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	Amor- tised cost	Thro- ugh profit or loss	At Fair value	Design- ated at fair value through profit or loss	Subtotal	Others	Total	Amor- tised cost	Thro- ugh profit or loss	At Fair value	Design- ated at fair value through profit or loss	Subtotal	Others	Total	
(A)															
Mutual funds	-	-	578.44	-	578.44	-	578.44	-	1,200.96	-	1,200.96	-	-	-	
Debt securities	-	-	6.86	-	6.86	-	6.86	-	22.70	-	22.70	-	5.79	5.79	
Equity instruments	20,745.27	-	-	-	20,745.27	11,134.13	-	-	-	-	-	-	5.61	11,134.70	
Alternate investment funds	-	-	73.78	-	73.78	-	73.78	-	73.51	-	73.51	-	10.19	10.19	
<b>Total (A)</b>	<b>20,745.27</b>	<b>-</b>	<b>659.08</b>	<b>-</b>	<b>21,404.35</b>	<b>11,134.13</b>	<b>-</b>	<b>1,297.17</b>	<b>-</b>	<b>12,431.30</b>	<b>11,129.09</b>	<b>-</b>	<b>21.59</b>	<b>11,150.68</b>	
(B)															
i) Investments outside India	447.93	-	-	-	447.93	451.33	-	-	-	-	451.33	446.28	-	21.59	
ii) Investments in India	20,297.34	-	659.08	-	20,956.42	10,682.80	-	1,297.17	-	1,297.17	11,979.97	10,682.81	-	10,682.81	
<b>Total (B)</b>	<b>20,745.27</b>	<b>-</b>	<b>659.08</b>	<b>-</b>	<b>21,404.35</b>	<b>11,134.13</b>	<b>-</b>	<b>1,297.17</b>	<b>-</b>	<b>12,431.30</b>	<b>11,129.09</b>	<b>-</b>	<b>21.59</b>	<b>11,150.68</b>	
(C)															
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total- Net (D) = A-C</b>	<b>20,745.27</b>	<b>-</b>	<b>659.08</b>	<b>-</b>	<b>21,404.35</b>	<b>11,134.13</b>	<b>-</b>	<b>1,297.17</b>	<b>-</b>	<b>12,431.30</b>	<b>11,129.09</b>	<b>-</b>	<b>21.59</b>	<b>11,150.68</b>	



Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Mutual Funds include :</b>						
HDFC MUTUAL FUND SHORT TERM DBT FD DIRECT GROWTH OPEN ENDED	14,675,072.00	305.69	-	-	-	-
HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED	5,815.00	21.28	-	-	-	-
HDFC MUTUAL FUND LIQUID FUND DIRECT GROWTH OPEN ENDED	68,363.00	251.47	-	-	-	-
INDIABULLS BLUE CHIP FUND - EXISTING PLAN - DIVIDEND - PAYOUT	-	-	63,996,492.28	706.52	-	-
L&T FLOATING RATE FUND DIRECT PLAN - GROWTH	-	-	2,475,038.00	43.32	-	-
RELIANCE LIQUID FUND-CASH PLAN-GROWTH PLAN - GROWTH OPTION	-	-	167,394.59	451.12	-	-
		<b>578.44</b>		<b>1,200.96</b>		-
<b>Investment in Debt Securities include :</b>						
ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000	3,593.00	-	-	-	-	-
INDIA REIT FUND SCHEME V	45.75	6.86	162.07	22.70	46.51	5.79
		<b>6.86</b>		<b>22.70</b>		<b>5.79</b>
<b>Investment in Equity Instruments include (subsidiaries/group companies/other companies):</b>						
IIFL DISTRIBUTION SERVICES LTD	5,120.00	153.35	5,120.00	153.35	5,120.00	153.35
IIFL ASSET MANAGEMENT LTD	32,100,000.00	525.00	32,100,000.00	525.00	32,100,000.00	525.00
IIFL INVESTMENT ADVISER & TRUSTEE SERVICES LIMITED	35,225,000.00	354.00	35,225,000.00	354.00	35,225,000.00	354.00
IIFL (ASIA) PTE LTD	140,000,000.00	264.50	140,000,000.00	264.50	140,000,000.00	264.50
IIFL PRIVATE WEALTH MANAGEMENT DUBAI LTD	918,442.00	42.50	918,442.00	42.50	918,442.00	42.50
IIFL PRIVATE WEALTH HONGKONG LTD	6,476,324.00	43.80	6,476,324.00	43.80	6,476,324.00	43.80
IIFL WEALTH FINANCE LTD ( FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)	305,493,803.00	14,636.30	262,449,733.00	9,636.30	262,449,733.00	9,636.30
IIFL ALTERNATE ASSET ADVISORS LTD	249,481.00	2,009.15	50,000.00	9.15	50,000.00	9.15
IIFL TRUSTEE LTD (FORMERLY KNOWN AS INDIA INFOLINE TRUSTEE CO LTD)	500,000.00	5.00	500,000.00	5.00	500,000.00	5.00
IIFL PRIVATE WEALTH (SUISSE) SA	-	-	100.00	3.40	100.00	3.40
IIFL INC (USA)	140.00	54.14	140.00	54.14	140.00	54.14
IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED	69,975.00	37.95	69,975.00	37.95	69,975.00	37.95
INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED	1.00	-	1.00	-	1.00	-
IIFL CAPITAL (CANADA) LIMITED	100,000.00	5.04	100,000.00	5.04	-	-
IIFL Wealth Securities IFSC Ltd	100,000.00	1.00	-	-	-	-
IIFL ALTIORRE ADVISORS LIMITED	108,405.00	83.30	-	-	-	-
IIFL WEALTH ADVISORS (INDIA) LIMITED	53,433,822.00	2,530.24	-	-	-	-
INDIA INFOLINE LTD (FORMERLY KNOWN AS INDIA INFOLINE DIST. CO. LTD.)	-	-	-	-	20.00	0.00#
SHANKARA BUILDING PRODUCTS LIMITED	-	-	-	-	12,192.00	5.61
		<b>20,745.27</b>		<b>11,134.13</b>		<b>11,134.70</b>

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Alternate Investment Funds include :</b>						
IIFL REAL ESTATE FUND DOMESTIC SERIES 1		-		-	58.00	-
ASK SELECT FOCUS FUND	10,597.22	10.04	5,000.00	4.76	-	-
DSP AIF PHARMA FUND	100,000.00	9.62	100,000.00	9.62	-	-
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND	743,825.58	10.99	882,448.76	12.45	624,802.18	7.69
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	147.02	14.39	147.02	16.90	25.05	2.50
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	154.74	13.88	154.74	16.52	-	-
WHITE OAK INDIA EQUITY FUND	1,293,392.79	14.86	1,293,392.79	13.26		-
		<b>73.78</b>		<b>73.51</b>		<b>10.19</b>
<b>Grand Total</b>		<b>21,404.35</b>		<b>12,431.30</b>		<b>11,150.68</b>

# Amount less than ₹ 10,000

**NOTE 9. OTHER FINANCIAL ASSETS**

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Deposit with exchange	-	284.05	228.70
Other deposits	62.15	60.40	87.02
Advances to companies under common promoters	229.44	36.74	28.50
Fees income accrued & not due	23.41	-	-
Receivable From Employees	1.88	1.47	6.00
Others	3.56	0.75	1.32
<b>Total</b>	<b>320.44</b>	<b>383.41</b>	<b>351.54</b>

**NOTE 10. DEFERRED TAXES**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ in Million)

	Opening balance	Addition/ Deletion on merger/demerger (Refer Note 2.1)	Recognised in profit or loss	MAT credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	25.99	(0.20)	30.53	-	-	56.32
Impairment of Assets	1.41	-	(1.24)	-	-	0.17
Retirement benefits for employees	14.15	(0.64)	(2.64)	-	1.11	11.98
Unutilised MAT credit	13.40	-	-	-	-	13.40
<b>Total deferred tax assets (A)</b>	<b>54.95</b>	<b>(0.84)</b>	<b>26.65</b>	<b>-</b>	<b>1.11</b>	<b>81.87</b>
<b>Deferred tax liabilities:</b>						
Unrealised profit on investments etc.	(0.90)	-	(2.20)	-	-	(3.10)
<b>Total deferred tax liabilities (B)</b>	<b>(0.90)</b>	<b>-</b>	<b>(2.20)</b>	<b>-</b>	<b>-</b>	<b>(3.10)</b>
<b>Deferred tax assets (A - B)</b>	<b>54.05</b>	<b>(0.84)</b>	<b>24.45</b>	<b>-</b>	<b>1.11</b>	<b>78.77</b>

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows: (₹ in Million)

	Opening balance	Addition/ Deletion on merger/demerger (Refer Note 2.1)	Recognised in profit or loss	MAT credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	5.17	-	20.82	-	-	25.99
Impairment of Assets	4.84	-	(3.43)	-	-	1.41
Retirement benefits for employees	11.47	-	(4.35)	-	7.03	14.15
Unutilised MAT credit	92.34	-	-	(78.94)	-	13.40
<b>Total deferred tax assets (A)</b>	<b>113.82</b>	<b>-</b>	<b>13.04</b>	<b>(78.94)</b>	<b>7.03</b>	<b>54.95</b>
<b>Deferred tax liabilities:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	(0.59)	-	0.59	-	-	-
Unrealised profit on investments etc.	(0.12)	-	(0.78)	-	-	(0.90)
<b>Total deferred tax liabilities (B)</b>	<b>(0.71)</b>	<b>-</b>	<b>(0.19)</b>	<b>-</b>	<b>-</b>	<b>(0.90)</b>
<b>Deferred tax assets (A - B)</b>	<b>113.11</b>	<b>-</b>	<b>12.85</b>	<b>(78.94)</b>	<b>7.03</b>	<b>54.05</b>

#### NOTE 11. PROPERTY PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Computers	Electrical Equipment	Total
<b>Gross Carrying value as on April 01, 2018</b>	<b>203.95</b>	<b>18.92</b>	<b>34.35</b>	<b>83.97</b>	<b>6.76</b>	<b>347.95</b>
Additions	410.98	-	47.24	20.62	21.10	499.94
Deductions/ Adjustments during the year	0.05	-	0.87	0.02	0.01	0.95
<b>As at March 31, 2019</b>	<b>614.88</b>	<b>18.92</b>	<b>80.72</b>	<b>104.57</b>	<b>27.85</b>	<b>846.94</b>
<b>Depreciation</b>						
<b>Upto April 01, 2018</b>	<b>49.81</b>	<b>4.77</b>	<b>4.51</b>	<b>34.49</b>	<b>0.08</b>	<b>93.66</b>
Depreciation for the year	95.96	6.15	13.29	39.29	4.61	159.30
Deductions/Adjustments during the year	0.03	-	0.02	0.02	0.01	0.08
<b>Upto March 31, 2019</b>	<b>145.74</b>	<b>10.92</b>	<b>17.78</b>	<b>73.76</b>	<b>4.68</b>	<b>252.88</b>
<b>Net Block as at March 31, 2019</b>	<b>469.14</b>	<b>8.00</b>	<b>62.94</b>	<b>30.81</b>	<b>23.17</b>	<b>594.06</b>

(₹ in Million)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Computers	Electrical Equipment	Total
<b>Gross Carrying value as on April 01, 2017*</b>	<b>118.57</b>	<b>16.63</b>	<b>12.49</b>	<b>57.42</b>	<b>5.68</b>	<b>210.79</b>
Additions	90.82	5.19	23.60	26.68	3.37	149.66
Deductions/ Adjustments during the year	5.44	2.90	1.74	0.13	2.29	12.50
<b>As at March 31, 2018</b>	<b>203.95</b>	<b>18.92</b>	<b>34.35</b>	<b>83.97</b>	<b>6.76</b>	<b>347.95</b>
<b>Depreciation</b>						
Depreciation for the year	50.84	5.99	5.33	34.57	1.86	98.59
Deductions/Adjustments during the year	1.03	1.22	0.82	0.08	1.78	4.93
<b>Upto March 31, 2018</b>	<b>49.81</b>	<b>4.77</b>	<b>4.51</b>	<b>34.49</b>	<b>0.08</b>	<b>93.66</b>
<b>Net Block as at March 31, 2018</b>	<b>154.14</b>	<b>14.15</b>	<b>29.84</b>	<b>49.48</b>	<b>6.68</b>	<b>254.29</b>

\* Refer Note 3

## NOTE 12. CAPITAL WORK-IN-PROGRESS:

(₹ in Million)

Particulars	As At March 31, 2019
<b>As at April 01, 2018</b>	<b>210.76</b>
Additions	1,711.16
Deductions	196.46
<b>As at March 31, 2019</b>	<b>1,725.46</b>

(₹ in Million)

Particulars	As At March 31, 2018
<b>As at April 01, 2017</b>	<b>34.07</b>
Additions	177.95
Deductions	1.26
<b>As at March 31, 2018</b>	<b>210.76</b>

## NOTE 13. OTHER INTANGIBLE ASSETS

(₹ in Million)

Particulars	Amount
<b>Software/Intangible assets</b>	
<b>Gross Carrying value as on April 01, 2018</b>	<b>44.85</b>
Additions	20.45
Deductions on account of demerger	4.10
<b>As at March 31, 2019</b>	<b>61.20</b>
<b>Amortisation</b>	
<b>Upto April 01, 2018</b>	<b>28.18</b>
Amortisation for the year	13.57
Deductions / adjustments during the year	-
<b>Upto March 31, 2019</b>	<b>41.75</b>
<b>Net Block as at March 31, 2019</b>	<b>19.45</b>

(₹ in Million)

Particulars	Amount
<b>Software/Intangible assets</b>	
<b>Gross Carrying value as on April 01, 2017*</b>	<b>36.96</b>
Additions	7.89
Deductions / adjustments during the year	-
<b>As at March 31, 2018</b>	<b>44.85</b>
<b>Amortisation</b>	
Amortisation for the year	28.18
Deductions / adjustments during the year	-
<b>Upto March 31, 2018</b>	<b>28.18</b>
<b>Net Block as at March 31, 2018</b>	<b>16.67</b>

\* Refer Note 3

## NOTE 14. OTHER NON FINANCIAL ASSETS

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
<b>Unsecured</b>			
Prepaid expenses	140.20	69.48	52.18
Advances recoverable	83.60	17.34	13.97
Employee advance against expenses	2.79	0.89	0.85
Others	0.79	1.08	0.04
<b>Total</b>	<b>227.38</b>	<b>88.79</b>	<b>67.04</b>

## NOTE 15. PAYABLES

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
<b>Trade payables</b>			
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	165.01	826.78	447.74
<b>Total</b>	<b>165.01</b>	<b>826.78</b>	<b>447.74</b>
<b>Other payable</b>			
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	3,564.93	2,341.08
<b>Total</b>	<b>-</b>	<b>3,564.93</b>	<b>2,341.08</b>

## 15.1. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

(₹ in Million)

Particulars	2018-19	2017-18
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.

## NOTE 16. BORROWINGS

(₹ in Million)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(a) Term loans												
(i) from other parties	4.54	-	-	4.54	9.62	-	-	9.62	16.34	-	-	16.34
(b) Loans from related parties	3,654.15	-	-	3,654.15	486.10	-	-	486.10	-	-	-	-
(c) Loans repayable on demand												
(i) from banks	481.37	-	-	481.37	-	-	-	-	-	-	-	-
(d) Commercial papers	-	-	-	-	3,500.00	-	-	3,500.00	4,000.00	-	-	4,000.00
Less: Prepaid Discount	-	-	-	-	(26.71)	-	-	(26.71)	(38.10)	-	-	(38.10)
<b>Total</b>	<b>4,140.06</b>	<b>-</b>	<b>-</b>	<b>4,140.06</b>	<b>3,969.01</b>	<b>-</b>	<b>-</b>	<b>3,969.01</b>	<b>3,978.24</b>	<b>-</b>	<b>-</b>	<b>3,978.24</b>

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
Above 5 years	-	-	-	-	-	-
1-5 years	-	-	4.54	9.90%	11.03	9.90%
Less than 1 year	4.54	9.90%	5.08	9.90%	5.31	9.90%

- Loans repayable on demand from banks- As at 31st March 2019, the loans are secured by way of pari passu charge on specific receivables.
- Commercial papers are unsecured short term papers issued at discount. The cost on outstanding Commercial papers ranges from 8% to 10.00%.p.a.
- Loans from other parties are secured against hypothecation of vehicles.

## Explanatory Notes

(₹ in Million)

Particulars	As at March 31, 2019
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.54
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.91
Car Loan taken is repayable in monthly installment. Balance Tenure is of 10 months as on balance sheet date	0.53
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.74
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.26
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.28
	<b>4.54</b>

(₹ in Million)

Particulars	As at March 31, 2018
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.21
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	2.02
Car Loan taken is repayable in monthly installment. Balance Tenure is of 22 months as on balance sheet date	1.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	0.49
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	0.55
	<b>9.62</b>

(₹ in Million)

Particulars	As at April 01, 2017
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	1.82
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	3.03
Car Loan taken is repayable in monthly installment. Balance Tenure is of 34 months as on balance sheet date	1.65
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	2.02
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	0.70
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	0.76
	<b>16.34</b>

## NOTE 17. OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Payable to companies under common promoters (Refer Note 33)	39.85	19.13	19.08
Others	2.19	36.61	12.40
<b>Total</b>	<b>42.04</b>	<b>55.74</b>	<b>31.48</b>

## NOTE 18. PROVISIONS:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
<b>Provision for employee benefits</b>			
- Gratuity	33.71	15.72	34.49
- Compensated absences	-	50.56	27.55
<b>Total</b>	<b>33.71</b>	<b>66.28</b>	<b>62.04</b>

## NOTE 19. OTHER NON FINANCIAL LIABILITIES:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Revenue received in advance	-	0.20	4.32
Statutory remittances	111.61	224.29	135.50
Lease rental equalisation	0.88	1.93	0.42
<b>Total</b>	<b>112.49</b>	<b>226.42</b>	<b>140.24</b>



## NOTE 20. SHARE CAPITAL:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

(₹ in Million)

Authorised :	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
100,000,000 (As at March 31,2018 - 85,000,000; As at April 01,2017 - 85,000,000) Equity shares of ₹ 2/- each with voting rights	200.00	170.00	170.00
Issued, Subscribed and Paid Up: 84,521,324 (As at March 31,2018 - 79,753,463; As at April 01,2017 - 77,963,764) Equity shares of ₹ 2/- each fully paidup with voting rights	169.04	159.50	155.93
<b>Total</b>	<b>169.04</b>	<b>159.50</b>	<b>155.93</b>

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

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn
At the beginning of the year	79,753,463	159.50	77,963,764	155.93	73,958,658	147.92
Add: Issued during the year	4,767,861	9.54	1,789,699	3.57	4,005,106	8.01
Outstanding at the end of the year	84,521,324	169.04	79,753,463	159.50	77,963,764	155.93

(c) Movement of shares pursuant to the composite scheme of arrangement (Refer Note 2.1)

(₹ in Million)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn
Equity Shares of ₹ 2/- pending issuance pursuant to the Composite scheme of arrangement	45,600,442	91.20	45,568,432	91.14	45,415,456	90.83
Less: Equity shares of ₹ 2/- held by IIFL Holdings Limited to be cancelled	(45,000,000)	(90.00)	(45,000,000)	(90.00)	(45,000,000)	(90.00)
Incremental shares to be issued	600,442	1.20	568,432	1.14	415,456	0.83

(d) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, interim dividend of ₹ 10/- (P.Y. ₹ 9/-) has been paid and recognised as distribution to equity shareholders.

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

## (e) Details of shareholders holding more than 5% shares after giving effect to the Composite scheme of arrangement (Refer note 2.1):

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of equity shares	% Holding	No. of equity shares	% Holding	No. of equity shares	% Holding
General Atlantic Singapore Fund Pte Ltd	18,619,550	21.9%	18,053,050	22.5%	18,053,050	23.0%
FIH Mauritius Investments Ltd	12,091,635	14.2%	12,091,635	15.1%	12,091,635	15.4%
Nirmal Jain	6,628,857	7.8%	6,850,285	8.5%	7,321,714	9.3%
Karan Bhagat	5,991,875	7.0%	4,810,526	6.0%	4,810,526	6.1%
HWIC Asia Fund Class A Share	4,051,790	4.8%	4,051,790	5.0%	3,987,142	5.1%

## (f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding company, please refer note. 32

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

## NOTE 21. OTHER EQUITY:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Securities premium	18,175.78	10,702.58	10,211.67
General reserve	133.50	133.50	133.50
Capital reserve	114.59	97.25	84.70
ESOP Reserve	97.02	74.68	55.29
Retained earnings	3,511.39	2,843.44	2,173.70
<b>Total</b>	<b>22,032.28</b>	<b>13,851.45</b>	<b>12,658.86</b>

## NOTE 22. FEE AND COMMISSION INCOME

(₹ in Million)

Particulars	2018-19	2017-18
Distribution fees, commission and related income	4,771.12	5,711.89
Brokerage income	-	391.95
Asset and portfolio management related fees	51.58	72.96
<b>TOTAL</b>	<b>4,822.70</b>	<b>6,176.80</b>

## NOTE 23. OTHER INCOME

Particulars	2018-19	2017-18
Interest income	169.47	401.56
Change in fair value of investments	107.05	(509.68)
Dividend income	831.41	1,023.06
Distribution income	0.44	-
Miscellaneous income	0.94	95.51
Profit/(loss) on sale of fixed assets	0.09	0.53
<b>Total</b>	<b>1,109.40</b>	<b>1,010.98</b>

## NOTE 24. FINANCE COST

(₹ in Million)

Particulars	2018-19			2017-18		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	No. of On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	144.71	144.71	-	604.71	604.71
Other finance cost	-	0.15	0.15	-	6.93	6.93
<b>Total</b>	-	<b>144.86</b>	<b>144.86</b>	-	<b>611.64</b>	<b>611.64</b>

## NOTE 25. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Million)

Particulars	2018-19		2017-18	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
On Trade Receivables	-	(3.56)	-	(9.96)
<b>Total</b>	-	<b>(3.56)</b>	-	<b>(9.96)</b>

## NOTE 26. EMPLOYEE BENEFIT EXPENSES

(₹ in Million)

Particulars	2018-19	2017-18
Salaries and wages	1,835.98	2,584.38
Contribution to provident and other funds	60.14	48.86
Share based payments to employees	22.49	30.69
Staff welfare expenses	112.92	56.92
Gratuity expense (Refer Note 26.1)	15.85	(7.15)
Leave encashment	(34.00)	24.84
<b>Total</b>	<b>2,013.38</b>	<b>2,738.54</b>

## NOTE 26.1

## 26.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

(₹ in Million)

Particulars	2018-19	2017-18
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Funded/Unfunded	Funded/Unfunded
Starting year	01-Apr-18	01-Apr-17
Date of reporting	31-Mar-19	31-Mar-18
year of reporting	12 Months	12 Months
<b>Assumptions (previous year)</b>	<b>2018-19</b>	<b>2017-18</b>
Expected return on plan assets	6.63% - 7.71%	NA - 7.27%
Rate of discounting	6.63% - 7.78%	6.63%-7.78%
Rate of salary increase	7%-8%	7%-8%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.
Mortality rate during employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality rate after employment	N.A.	N.A.
<b>Assumptions (current year)</b>	<b>2018-19</b>	<b>2017-18</b>
Expected return on plan assets	NA-7.59%	NA-7.71%
Rate of discounting	7.53%-7.70%	7.53%-7.71%
Rate of salary increase	5%-10%	5%-10%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality rate after employment	N.A.	N.A.
<b>Table showing change in the present value of projected benefit obligation</b>	<b>2018-19</b>	<b>2017-18</b>
Present value of benefit obligation at the beginning of the year	100.40	85.92
Interest cost	7.74	6.24
Current service cost	14.64	15.52
Past service cost	-	(25.17)
Liability transferred in/ acquisitions	0.55	1.46
(Liability transferred out/ divestments)	(1.43)	(3.21)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	(8.01)	(0.54)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	3.42
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.98	8.91

(₹ in Million)

Particulars	2018-19	2017-18
Actuarial (gains)/losses on obligations - due to experience	5.10	7.85
Present value of benefit obligation at the end of the year	119.97	100.40
<b>Table showing change in the fair value of plan assets</b>	<b>2018-19</b>	<b>2017-18</b>
Fair value of plan assets at the beginning of the year	84.68	51.43
Interest income	6.53	3.74
Contributions by the employer	-	30.00
Expected contributions by the employees	-	-
Assets transferred in/acquisitions	-	-
(assets transferred out/ divestments)	-	-
(benefit paid from the fund)	(8.01)	(0.53)
(assets distributed on settlements)	-	-
(expenses and tax for managing the benefit obligations- paid from the fund)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	3.07	0.05
Fair value of plan assets at the end of the year	86.27	84.69
<b>Amount recognized in the balance sheet</b>	<b>2018-19</b>	<b>2017-18</b>
(Present value of benefit obligation at the end of the year)	(119.97)	(100.40)
Fair value of plan assets at the end of the year	86.26	84.68
Funded status (surplus/ (deficit))	(33.71)	(15.72)
Net (liability)/asset recognized in the balance sheet	(33.71)	(15.72)
<b>Net interest cost for current year</b>	<b>2018-19</b>	<b>2017-18</b>
Present value of benefit obligation at the beginning of the year	100.40	85.92
(fair value of plan assets at the beginning of the year)	(84.68)	(51.43)
Net liability/(asset) at the beginning	15.72	34.49
Interest cost	7.74	6.24
(Interest income)	(6.53)	(3.74)
Net interest cost for current year	1.21	2.50
<b>Expenses recognized in the statement of profit or loss for current year</b>	<b>2018-19</b>	<b>2017-18</b>
Current service cost	14.64	15.52
Net interest cost	1.21	2.50
Past service cost	-	(25.17)
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	15.85	(7.15)
<b>Expenses recognized in the other comprehensive income (OCI) for current year</b>	<b>2018-19</b>	<b>2017-18</b>
Actuarial (gains)/losses on obligation for the year	6.09	20.18
Return on plan assets, excluding interest income	(3.07)	(0.05)
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in oci	3.02	20.13
<b>Balance sheet reconciliation</b>	<b>2018-19</b>	<b>2017-18</b>
Opening net liability	15.72	34.49
Expenses recognized in statement of profit or loss	15.85	(7.15)
Expenses recognized in oci	3.02	20.13

(₹ in Million)

Particulars	2018-19	2017-18
Net liability/(asset) transfer in	0.55	1.46
Net (liability)/asset transfer out	(1.43)	(3.21)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	(30.00)
Net liability/(asset) recognized in the balance sheet	33.71	15.72
<b>Category of assets</b>	<b>2018-19</b>	<b>2017-18</b>
Government of india assets	-	-
State government securities	-	-
Special deposits scheme	-	-
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	86.26	84.68
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
Total	86.26	84.68
<b>Other details</b>	<b>2018-19</b>	<b>2017-18</b>
No of active members	603	533
Per month salary for active members	61.48	52.52
Weighted average duration of pbo	9	9
Average expected fs	9	9
Projected benefit obligation (pbo)	122.13	100.40
Prescribed contribution for next year (12 months)	52.48	29.99
<b>Maturity analysis of the benefit payments</b>	<b>2018-19</b>	<b>2017-18</b>
1st following year	9.20	8.54
2nd following year	9.95	8.48
3rd following year	10.76	9.04
4th following year	10.66	9.60
5th following year	12.45	9.35
Sum of years 6 to 10	49.37	44.88
Sum of years 11 and above	151.17	140.08
<b>Sensitivity analysis</b>	<b>2018-19</b>	<b>2017-18</b>
PBO on current assumptions	119.97	105.33
Delta effect of +1% change in rate of discounting	(8.70)	(7.75)
Delta effect of -1% change in rate of discounting	9.99	8.93
Delta effect of +1% change in rate of salary increase	5.40	5.04
Delta effect of -1% change in rate of salary increase	(5.37)	(4.99)
Delta effect of +1% change in rate of employee turnover	1.70	1.47
Delta effect of -1% change in rate of employee turnover	(1.99)	(1.73)

## 26.2 DEFINED CONTRIBUTION PLANS

(₹ in Million)

Particulars	2018-19	2017-18
Contribution to provident fund	60.12	48.80
Contribution to ESIC	0.02	0.06
Contribution to labour welfare fund	0.00#	0.00#
<b>Total</b>	<b>60.14</b>	<b>48.86</b>

# Amount less than ₹ 10,000.

## NOTE 27. OTHER EXPENSES

(₹ in Million)

Particulars	2018-19	2017-18
Operations and fund management expenses	15.48	52.19
Rent and energy cost	299.70	315.83
Insurance	1.39	13.74
Repairs & maintenance	10.92	10.35
Marketing, advertisement and business promotion expenses	302.95	343.01
Travelling & conveyance	155.04	134.75
Legal & professional fees	151.61	150.05
Communication	19.42	26.30
Software charges / Technology cost	75.46	66.84
Office & other expenses	172.41	198.97
Directors' fees and commission	2.62	2.56
Remuneration to Auditors :		
Audit fees (net of GST input credit)	0.71	1.38
Other services (net of GST input credit)	0.80	1.80
Goods & Service tax/Swachh Bharat Cess	0.02	0.00#
Certification expenses	0.66	1.76
Out Of pocket expenses	0.29	0.04
Corporate social responsibility expenses & donation	38.25	36.37
<b>Total</b>	<b>1,247.73</b>	<b>1,355.94</b>

# Amount less than ₹ 10,000

## NOTE 28. INCOME TAXES

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in Million)

Particulars	2018-19	2017-18
Statement of Profit and Loss:		
(a) Profit and Loss section:		
(i) Current Income tax :		
Current income tax expense	479.03	512.99
Tax expense in respect of earlier years	-	(4.62)
	<b>479.03</b>	<b>508.37</b>
(ii) Deferred Tax:		
Tax expense on origination and reversal of temporary differences	(24.51)	(12.85)
	<b>(24.51)</b>	<b>(12.85)</b>
<b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>	<b>454.52</b>	<b>495.52</b>



Particulars	2018-19	2017-18
<b>(b) Other Comprehensive Income (OCI) Section:</b>		
(i) Items not to be reclassified to profit or loss in subsequent periods:		
(A) Deferred tax expense/(income):		
On re-measurement of defined benefit plans	1.05	7.04
	<b>1.05</b>	<b>7.04</b>
<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>1.05</b>	<b>7.04</b>
<b>(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:</b>		(₹ in Million)
Particulars	2018-19	2017-18
(a) Profit/(loss) before tax	1,972.35	2,078.60
(b) Income tax expense at tax rates applicable to individual entities	689.22	719.43
(c) (i) Tax on income subject to lower tax rate		
(A) Gains on investments (including fair valuation)	(82.37)	72.43
(d) (ii) Tax on Income exempt from Tax		
(A) Income from Investments (Including tax suffered income on investment in AIF)	(0.15)	(228.73)
(B) Other items (including tax suffered income on investment in AIF)	-	(38.16)
(iii) Tax on expense not tax deductible		
Expenses not allowable as tax deductible as per tax laws	7.01	17.80
(vi) Tax effect of losses of current year on which no deferred tax benefit is recognised	-	5.87
(v) Tax on Dividend earned from Offshore subsidiary	(145.26)	(62.76)
(vi) Effect on deferred tax due to change in Income tax	-	(0.37)
(vii) Tax effect on various other items	(13.93)	10.01
<b>Total effect of tax adjustments [(i) to (xii)]</b>	<b>(234.70)</b>	<b>(223.91)</b>
(e) Tax expense recognised during the year	454.52	495.52

## NOTE 29. EARNINGS PER SHARE:

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

(₹ in Million)

Particulars		2018-19	2017-18
Face value of equity shares in ₹ fully paid up		2.00	2.00
<b>BASIC</b>			
Profit after tax as per statement of profit and loss before other comprehensive income	A	1,517.83	1,583.08
Weighted average number of shares subscribed*	B	83,915,167	79,105,199
Face value of equity shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	18.09	20.01
<b>DILUTED</b>			
Profit after tax as per statement of profit and loss before other comprehensive income	A	1,517.83	1,583.08
Weighted number of shares subscribed*	B	83,915,167	79,105,199
Add: Potential equity shares on account of conversion of employee stock option	C	2,454,209	2,634,966
Weighted average number of shares outstanding	D=B+C	86,369,376	81,740,165
Diluted EPS (₹)	A/D	17.57	19.37

\*including 580,199 (As at March 31,2018 - 470,442) weighted average no. of shares pending issuance as at the year end as per the Composite Scheme of Arrangement (Refer note 2.1)

## NOTE 30. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

### Capital and Other Commitments (₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets	589.38	83.77	89.54
<b>Total</b>	<b>589.38</b>	<b>83.77</b>	<b>89.54</b>

### Contingent Liabilities (₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Bank guarantees (refer note 30.1)	-	1,100.00	750.00
Corporate guarantee	2,100.00	2,000.00	-
Disputed income tax demand*	80.84	4.07	-
<b>Total</b>	<b>2,180.84</b>	<b>3,104.07</b>	<b>750.00</b>

**30.1** Fixed Deposits amounting to Nil (As at March 31, 2018 - ₹ 573.48 Mn; As at April 01, 2017 - ₹ 375.00 Mn) are pledged against this.

Corporate guarantee issued to a bank towards provision of credit facilities to a subsidiary of the Company.

\* Amount paid under protest with respect to income tax demand ₹ 16.05 Mn (Previous years - Nil)

Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.

## NOTE 31. MINIMUM LEASE RENTALS

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 278.05 Mn (PY - ₹ 294.72 Mn) has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding are as under:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Due for		
- Up to One year	77.90	261.75
- One to Five years	247.34	99.65
- Above Five years	-	-
<b>Total</b>	<b>326.24</b>	<b>362.40</b>

### Note 31A. Corporate Social Responsibility

During the year, the Company has spent ₹31.54 mn (P.Y. ₹33.51 mn) as against ₹31.54 mn (P.Y. ₹28.26 mn) 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 long term high impact projects approved by the CSR Committee. The Company is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.

## NOTE 32.

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

Particulars	ESOP 2012	ESOP 2015
No. of options granted upto March 31, 2019	2,731,935	9,242,941
	(A - 1,240,900; B - 752,550; C - 607,500; D - 117,100; E - 13,885)	(A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827; F - 170,028)

Particulars	ESOP 2012	ESOP 2015
Grant dates	A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014; E - January 28, 2018	A - July 02, 2015; B - November 10, 2016; C- July 21, 2017; D - January 13 2018; E - January 28, 2018; F - January 29, 2019
Method of accounting	Fair value	Fair value
Vesting plan	Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options
Exercise period	Seven years from the date of grant	Seven years from the date of grant
Grant price (₹ Per Share)	A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, D - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D E - ₹ 417.00, F - ₹ 1661.00
Fair value on the date of grant of option (₹ Per Share)	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00

**(B) Movement of options granted:****As at March 31, 2019**

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of April 01, 2018	24,975	3,740,357
Granted during the year	-	170,028
Exercised during the year	4,390	273,971
Lapsed during the year	1,390	163,978
Options outstanding as at March 31, 2019	19,195	3,472,436
Exercisable at the end of the year March 31, 2019	5,310	872,067
Weighted average exercise price for the options exercised during the year FY 18-19	₹ 17.54	₹ 325.02
Range of exercise price for the options outstanding at the end of the year March 31, 2019	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

**As at March 31, 2018**

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of April 01, 2017	128,510	4,305,612
Granted during the year	13,885	1,206,968
Exercised during the year	117,420	1,672,279
Lapsed during the year	-	99,944
Options outstanding as at March 31, 2018	24,975	3,740,357
Exercisable at the end of the year March 31, 2018	11,090	227,462
Weighted average exercise price for the options exercised during the year FY 17-18	₹ 17.32	₹ 283.60
Range of exercise price for the options outstanding at the end of the year March 31, 2018	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

**Fair Value Assumptions:**

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

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

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	6.67%-9.09%	6.19%-7.86%
Expected average life	2-5 years	2-5 years
Expected volatility of Share Price	10.00%	10.00%
Dividend yield	3%-23.19%	1.5% - 3%
Fair value on the date of the grant	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹1297.00

**NOTE 33. RELATED PARTY DISCLOSURES:**

Related party disclosures for the year ended 31st March, 2019

**a) List of Related parties:**

NATURE OF RELATIONSHIP	NAME OF PARTY
Director/ Key Managerial Personnel	Mr. Karan Bhagat, Managing Director Mr. Yatin Shah, Whole-time Director Mr. Amit Shah, Non-Executive Director (resigned w.e.f. January 24, 2019) Mr. Nirmal Jain, Director Mr. Venkataraman Rajamani, Director Mr. Nilesh Vikamsey, Independent Director Ms. Geeta Mathur, Independent Director Mr. Sandeep Achyut Naik, Director Mr. Shantanu Rastogi, Director
Other Related Parties(Holding Company) (Refer Note 2.1)	IIFL Holdings Limited
Subsidiaries	IIFL Wealth Finance Limited IIFL Asset Management Limited IIFL Investment Adviser and Trustee Services Limited IIFL Trustee Limited IIFL Alternate Asset Advisors Limited IIFL Distribution Services Limited IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018) IIFL Wealth Advisors (India) Limited (w.e.f November 22, 2018) IIFL Altiore Advisors Limited (w.e.f November 05, 2018) IIFL Wealth Employee Benefit Trust IIFL Wealth Employee Welfare Benefit Trust IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA (upto February 27, 2019) IIFL Securities Pte. Limited IIFL Capital (Canada) Limited IIFL Capital Pte. Limited
Other Related Parties(Fellow Subsidiaries) (Refer Note 2.1)	IIFL Securities Limited (Formerly known as India Infoline Limited) IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited) India Infoline Finance Limited IIFL Home Finance Limited IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited) IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited) IIFL Wealth (UK) Limited IIFL Capital Inc. IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)

NATURE OF RELATIONSHIP	NAME OF PARTY
	Clara Developers Private Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	Ayusha Dairy Private Limited (w.e.f March 01, 2017)
	IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)
Other Related Parties	General Atlantic Singapore Fund Pte Limited
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)
	Yatin Investment
	Orpheus Trading Private Limited
	Ardent Impex Private Limited
	5paisa Capital Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhanwar Holiday Home Private Limited ( Upto Mar 04, 2018)
	Khimji Kunverji & Co (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
	Yatin Prakash Shah (HUF)
	Nirmal Madhu Family Private Trust
	Kalki Family Private Trust
	Kush Family Private Trust
	Kyra Family Private Trust
	Bhagat Family Private Trust
	Kyrush Family Private Trust
	Naykia Family Private Trust
	Prakash Shah Family Private Trust
	Naysa Shah Family Private Trust
	Kiaah Shah Family Private Trust

**b) Significant Transactions With Related parties**

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
<b>Share Capital Issued:</b>						
Amit Shah	-	-	-	-	-	-
	(1.80)	-	-	-	-	(1.80)
General Atlantic Singapore Fund Pte Ltd	-	-	-	-	1.13	1.13
	-	-	-	-	-	-
<b>Securities Premium Received:</b>						
Amit Shah	-	-	-	-	-	-
	(252.00)	-	-	-	-	(252.00)
General Atlantic Singapore Fund Pte Ltd	-	-	-	-	939.82	939.82
	-	-	-	-	-	-
<b>Investment</b>						
IIFL Alternate Asset Advisors Limited	-	-	2,000.00	-	-	2,000.00
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	5,000.00	-	-	5,000.00
	-	-	-	-	-	-

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Wealth Securities IFSC Limited	-	-	1.00	-	-	1.00
	-	-	-	-	-	-
<b>Subscription of NCD</b>						
IIFL Wealth Finance Limited	-	-	12.52	-	-	12.52
	-	-	-	-	-	-
<b>Redemption of NCD</b>						
IIFL Wealth Finance Limited	-	-	4,705.08	-	-	4,705.08
	-	-	-	-	-	-
<b>Advances Towards Capital Asset Given</b>						
IIFL Facilities Services Limited	-	-	-	1,700.00	-	1,700.00
	-	-	-	-	-	-
<b>Sale of inventories/Investments (Net)</b>						
IIFL Holdings Limited	-	-	-	-	-	-
	-	(0.00)#	-	-	-	(0.00)#
IIFL Alternate Asset Advisors Limited	-	-	140.41	-	-	140.41
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	-	(0.19)	-	-	(0.19)
<b>ICD taken</b>						
IIFL Distribution Services Limited	-	-	364.96	-	-	364.96
	-	-	(85.00)	-	-	(85.00)
IIFL Asset Management Limited	-	-	2,870.70	-	-	2,870.70
	-	-	(6,624.50)	-	-	(6,624.50)
IIFL Trustee Limited	-	-	6.60	-	-	6.60
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	-	(565.00)	-	(565.00)
IIFL Alternate Asset Advisors Limited	-	-	2,299.61	-	-	2,299.61
	-	-	(1,124.50)	-	-	(1,124.50)
IIFL Wealth Finance Limited	-	-	22,684.25	-	-	22,684.25
	-	-	(12,338.33)	-	-	(12,338.33)
IIFL Investment Adviser and Trustee Services Limited	-	-	4,183.00	-	-	4,183.00
	-	-	(2,721.00)	-	-	(2,721.00)
IIFL Holdings Limited	-	-	-	-	-	-
	-	(165.00)	-	-	-	(165.00)
<b>ICD Repaid</b>						
IIFL Distribution Services Limited	-	-	354.31	-	-	354.31
	-	-	(37.75)	-	-	(37.75)
IIFL Asset Management Limited	-	-	1,484.50	-	-	1,484.50
	-	-	(6,624.50)	-	-	(6,624.50)
IIFL Trustee Limited	-	-	6.60	-	-	6.60
	-	-	-	-	-	-
IIFL Holdings Limited	-	-	-	-	-	-
	-	(165.00)	-	-	-	(165.00)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	-	(565.00)	-	(565.00)
IIFL Alternate Asset Advisors Limited	-	-	118.01	-	-	118.01
	-	-	(1,124.50)	-	-	(1,124.50)
IIFL Wealth Finance Limited	-	-	22,390.99	-	-	22,390.99
	-	-	(12,049.49)	-	-	(12,049.49)

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Investment Adviser and Trustee Services Limited	-	-	3,936.30	-	-	3,936.30
	-	-	(2,571.00)	-	-	(2,571.00)
<b>ICD Given</b>						
IIFL Investment Adviser and Trustee Services Limited	-	-	674.80	-	-	674.80
	-	-	(6,567.00)	-	-	(6,567.00)
IIFL Alternate Asset Advisors Limited	-	-	8,715.90	-	-	8,715.90
	-	-	(3,721.00)	-	-	(3,721.00)
IIFL Distribution Services Limited	-	-	48.20	-	-	48.20
	-	-	(68.50)	-	-	(68.50)
IIFL Asset Management Limited	-	-	224.10	-	-	224.10
	-	-	(2,474.14)	-	-	(2,474.14)
IIFL Wealth Finance Limited	-	-	44,978.07	-	-	44,978.07
	-	-	(140,795.00)	-	-	(140,795.00)
IIFL Trustee Limited	-	-	1.00	-	-	1.00
	-	-	-	-	-	-
IIFL Wealth Securities IFSC Limited	-	-	0.50	-	-	0.50
	-	-	-	-	-	-
IIFL Altiore Advisors Limited	-	-	11.10	-	-	11.10
	-	-	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	48.83	-	-	48.83
	-	-	(0.80)	-	-	(0.80)
IIFL Management Services Limited	-	-	-	65.00	-	65.00
	-	-	-	-	-	-
<b>ICD Received back</b>						
IIFL Investment Adviser and Trustee Services Limited	-	-	674.80	-	-	674.80
	-	-	(6,567.00)	-	-	(6,567.00)
IIFL Alternate Asset Advisors Limited	-	-	8,715.90	-	-	8,715.90
	-	-	(3,721.00)	-	-	(3,721.00)
IIFL Distribution Services Limited	-	-	48.20	-	-	48.20
	-	-	(68.50)	-	-	(68.50)
IIFL Trustee Limited	-	-	1.00	-	-	1.00
	-	-	-	-	-	-
IIFL Asset Management Limited	-	-	249.10	-	-	249.10
	-	-	(2,449.14)	-	-	(2,449.14)
IIFL Wealth Finance Limited	-	-	44,978.07	-	-	44,978.07
	-	-	(140,795.00)	-	-	(140,795.00)
IIFL Wealth Employee Benefit Trust	-	-	15.99	-	-	15.99
	-	-	-	-	-	-
<b>Dividend Income</b>						
IIFL Private Wealth (Mauritius) Ltd	-	-	831.41	-	-	831.41
	-	-	(362.67)	-	-	(362.67)
IIFL Securities Limited	-	-	-	-	-	-
	-	-	-	(0.00)#	-	(0.00)#
<b>Fees Earned For Services (including Brokerage) rendered</b>						
IIFL Securities Limited	-	-	-	-	-	-
	-	-	-	(109.62)	-	(109.62)
IIFL Home Finance Limited	-	-	-	53.64	-	53.64
	-	-	-	-	-	-
Samasta Microfinance Limited	-	-	-	81.72	-	81.72
	-	-	-	-	-	-



(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
India Infoline Finance Limited	-	-	-	18.87	-	18.87
	-	-	-	(12.27)	-	(12.27)
IIFL Asset Management Limited	-	-	-	-	-	-
	-	-	(10.70)	-	-	(10.70)
<b>Interest Income on ICD Given</b>						
IIFL Altiore Advisors Limited	-	-	0.36	-	-	0.36
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	74.87	-	-	74.87
	-	-	(4.88)	-	-	(4.88)
IIFL Investment Adviser and Trustee Services Limited	-	-	0.57	-	-	0.57
	-	-	(6.43)	-	-	(6.43)
IIFL Distribution Services Limited	-	-	0.17	-	-	0.17
	-	-	(0.19)	-	-	(0.19)
IIFL Asset Management Limited	-	-	0.70	-	-	0.70
	-	-	(4.09)	-	-	(4.09)
IIFL Trustee Limited	-	-	0.00#	-	-	0.00#
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	68.89	-	-	68.89
	-	-	(230.93)	-	-	(230.93)
IIFL Wealth Securities IFSC Limited	-	-	0.01	-	-	0.01
	-	-	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	-	-	-	1.31
	-	-	(0.20)	-	-	(0.20)
IIFL Wealth Employee Welfare Benefit Trust	-	-	1.31	-	-	1.31
	-	-	-	-	-	-
<b>Income on Investment</b>						
IIFL Wealth Finance Limited	-	-	5.83	-	-	5.83
	-	-	(1.19)	-	-	(1.19)
IIFL Alternate Asset Advisors Limited	-	-	1.24	-	-	1.24
	-	-	-	-	-	-
<b>Interest Expense on ICD</b>						
IIFL Distribution Services Limited	-	-	3.46	-	-	3.46
	-	-	(1.38)	-	-	(1.38)
IIFL Asset Management Limited	-	-	24.64	-	-	24.64
	-	-	(59.12)	-	-	(59.12)
IIFL Investment Adviser and Trustee Services Limited	-	-	30.51	-	-	30.51
	-	-	(20.56)	-	-	(20.56)
IIFL Trustee Limited	-	-	0.01	-	-	0.01
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	74.97	-	-	74.97
	-	-	(25.73)	-	-	(25.73)
IIFL Alternate Asset Advisors Limited	-	-	2.86	-	-	2.86
	-	-	(6.97)	-	-	(6.97)
IIFL Holdings Limited	-	-	-	-	-	-
	-	(0.29)	-	-	-	(0.29)
<b>Fees/Expenses incurred/Reimbursed for Services procured</b>						
IIFL Distribution Services Limited	-	-	87.89	-	-	87.89
	-	-	(93.84)	-	-	(93.84)
IIFL Investment Adviser and Trustee Services Limited	-	-	24.00	-	-	24.00
	-	-	(24.00)	-	-	(24.00)

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Alternate Asset Advisors Limited	-	-	45.00	-	-	45.00
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	-	14.35	-	14.35
	-	-	-	(6.87)	-	(6.87)
IIFL Securities Limited	-	-	-	0.20	-	0.20
	-	-	-	(22.51)	-	(22.51)
IIFL Facility Services Limited	-	-	-	232.34	-	232.34
	-	-	-	(217.98)	-	(217.98)
IIFL Holdings Limited	-	65.16	-	-	-	65.16
	-	-	-	-	-	-
<b>Corporate Social Responsibility Expenses</b>						
India Infoline Foundation Limited	-	-	-	-	15.21	15.21
	-	-	-	-	(32.84)	(32.84)
<b>Remuneration paid to Directors</b>						
Karan Bhagat	50.18	-	-	-	-	50.18
	(44.15)	-	-	-	-	(44.15)
Yatin Shah	40.08	-	-	-	-	40.08
	(34.78)	-	-	-	-	(34.78)
<b>Sitting Fee\Commission Paid to Directors</b>						
Geeta Mathur	1.07	-	-	-	-	1.07
	(0.82)	-	-	-	-	(0.82)
Nilesh Vikamsey	1.54	-	-	-	-	1.54
	(1.24)	-	-	-	-	(1.24)
<b>Dividend Paid</b>						
IIFL Holdings Limited	-	450.00	-	-	-	450.00
	-	(405.00)	-	-	-	(405.00)
Karan Bhagat	59.92	-	-	-	-	59.92
	(43.29)	-	-	-	-	(43.29)
Yatin Shah	33.11	-	-	-	-	33.11
	(29.79)	-	-	-	-	(29.79)
Amit Shah	15.68	-	-	-	-	15.68
	(20.42)	-	-	-	-	(20.42)
General Atlantic Singapore Fund Pte Ltd	-	-	-	-	186.20	186.20
	-	-	-	-	(162.48)	(162.48)
<b>Allocation / Reimbursement of Expenses Received</b>						
IIFL Asset Management Limited	-	-	36.27	-	-	36.27
	-	-	(19.88)	-	-	(19.88)
IIFL Investment Adviser and Trustee Services Limited	-	-	35.87	-	-	35.87
	-	-	(21.28)	-	-	(21.28)
IIFL Alternate Asset Advisors Limited	-	-	5.46	-	-	5.46
	-	-	(2.40)	-	-	(2.40)
IIFL Distribution Services Limited	-	-	-	-	-	-
	-	-	(1.67)	-	-	(1.67)
IIFL Wealth Finance Limited	-	-	25.16	-	-	25.16
	-	-	(22.27)	-	-	(22.27)
<b>Allocation / Reimbursement of Expenses Paid</b>						
IIFL Securities Limited	-	-	-	14.06	-	14.06
	-	-	-	(48.58)	-	(48.58)
IIFL Holdings Limited	-	25.63	-	-	-	25.63
	-	(32.32)	-	-	-	(32.32)

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Alternate Asset Advisors Limited	-	-	51.48	-	-	51.48
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	-	0.48	-	-	0.48
	-	-	(0.96)	-	-	(0.96)
IIFL Facilities Services Limited	-	-	-	0.01	-	0.01
	-	-	-	(0.54)	-	(0.54)
<b>Other funds received</b>						
IIFL Holdings Limited	-	0.02	-	-	-	0.02
	-	-	-	-	-	-
IIFL Securities Limited	-	-	-	0.12	-	0.12
	-	-	-	(0.09)	-	(0.09)
IIFL Trustee Limited	-	-	-	-	-	-
	-	-	(0.28)	-	-	(0.28)
IIFL Investment Adviser and Trustee Services Limited	-	-	11.93	-	-	11.93
	-	-	(6.72)	-	-	(6.72)
IIFL Alternate Asset Advisors Limited	-	-	1.37	-	-	1.37
	-	-	(0.76)	-	-	(0.76)
IIFL Distribution Services Limited	-	-	8.84	-	-	8.84
	-	-	(8.93)	-	-	(8.93)
IIFL Wealth Securities IFSC Limited	-	-	0.47	-	-	0.47
	-	-	-	-	-	-
IIFL Asset Management Limited	-	-	5.84	-	-	5.84
	-	-	(6.90)	-	-	(6.90)
IIFL Wealth Finance Limited	-	-	9.31	-	-	9.31
	-	-	(7.84)	-	-	(7.84)
IIFL Altire Advisors Limited	-	-	0.00#	-	-	0.00#
	-	-	-	-	-	-
IIFL Management Services Limited	-	-	-	0.71	-	0.71
	-	-	-	(0.01)	-	(0.01)
IIFL Home Finance Limited	-	-	-	-	-	-
	-	-	-	(0.01)	-	(0.01)
IIFL Facilities Services Limited	-	-	-	17.01	-	17.01
	-	-	-	(0.00)#	-	(0.00)#
IIFL Insurance Brokers Limited	-	-	-	-	-	-
	-	-	-	(0.22)	-	(0.22)
India Infoline Finance Limited	-	-	-	0.11	-	0.11
	-	-	-	(0.61)	-	(0.61)
<b>Other funds paid</b>						
IIFL Securities Limited	-	-	-	1.27	-	1.27
	-	-	-	(0.18)	-	(0.18)
IIFL Holdings Limited	-	0.07	-	-	-	0.07
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	-	-	-	-
	-	-	(0.01)	-	-	(0.01)
IIFL Asset Management Limited	-	-	0.21	-	-	0.21
	-	-	(0.22)	-	-	(0.22)
IIFL Distribution Services Limited	-	-	0.09	-	-	0.09
	-	-	(0.36)	-	-	(0.36)
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	-	(0.02)	-	-	(0.02)

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Investment Adviser and Trustee Services Limited	-	-	0.08	-	-	0.08
	-	-	(3.54)	-	-	(3.54)
IIFL Facilities Services Limited	-	-	-	0.00#	-	0.00#
	-	-	-	(0.00)#	-	(0.00)#
India Infoline Finance Limited	-	-	-	0.00#	-	0.00#
	-	-	-	(0.06)	-	(0.06)
IIFL Insurance Brokers Limited	-	-	-	-	-	-
	-	-	-	(0.70)	-	(0.70)
5 Paisa Capital Limited	-	-	-	-	0.02	0.02
	-	-	-	-	-	-

**(c) Amount due to / from related parties (Closing Balances):**

(₹ in Million)

	Director/ Key Managerial Personnel	Other related Parties* (Holding Companies) (Refer Note 2.1)	Sub- sidiary	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
<b>Sundry payables</b>						
IIFL Distribution Services Limited	-	-	-	-	-	-
	-	-	(11.71)	-	-	(11.71)
IIFL Alternate Asset Advisors Limited	-	-	34.98	-	-	34.98
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	-	4.87	-	4.87
	-	-	-	(7.42)	-	(7.42)
IIFL Facilities Services Limited	-	-	-	0.00#	-	0.00#
	-	-	-	-	-	-
<b>Sundry receivables</b>						
IIFL Alternate Asset Advisors Limited	-	-	-	-	-	-
	-	-	(1.44)	-	-	(1.44)
IIFL Wealth Finance Limited	-	-	10.31	-	-	10.31
	-	-	(10.07)	-	-	(10.07)
IIFL Investment Adviser and Trustee Services Limited	-	-	7.17	-	-	7.17
	-	-	(4.61)	-	-	(4.61)
IIFL Distribution Services Limited	-	-	171.74	-	-	171.74
	-	-	-	-	-	-
IIFL Asset Management Limited	-	-	19.63	-	-	19.63
	-	-	(6.92)	-	-	(6.92)
IIFL Altiore Advisors Limited	-	-	0.07	-	-	0.07
	-	-	-	-	-	-
IIFL Wealth Securities IFSC Limited	-	-	0.00#	-	-	0.00#
	-	-	-	-	-	-
IIFL Wealth Advisors (India) Limited	-	-	1.87	-	-	1.87
	-	-	-	-	-	-
IIFL Wealth Employee Welfare Benefit Trust	-	-	1.18	-	-	1.18
	-	-	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	-	-	-	-
	-	-	(0.18)	-	-	(0.18)
IIFL Securities Limited	-	-	-	0.45	-	0.45
	-	-	-	-	-	-
IIFL Management Limited	-	-	-	0.03	-	0.03
	-	-	-	-	-	-

(₹ in Million)

Nature of Transaction	Director/ Key Managerial Personnel	Other related Parties* (Holding Company) (Refer Note 2.1)	Sub- sidiary	Other Related Parties* (Fellow Subsidiaries) (Refer Note 2.1)	Other Related Parties	Total
IIFL Facilities Services Limited	-	-	-	17.00	-	17.00
	-	-	-	-	-	-
<b>Payable to Client</b>						
IIFL Wealth Finance Limited	-	-	(0.15)	-	-	(0.15)
IIFL Asset Management Limited	-	-	(138.85)	-	-	(138.85)
	-	-	-	-	-	-
<b>ICD Taken</b>						
IIFL Distribution Services Limited	-	-	57.90	-	-	57.90
	-	-	(47.26)	-	-	(47.26)
IIFL Investment Adviser and Trustee Services Limited	-	-	396.70	-	-	396.70
	-	-	(150.00)	-	-	(150.00)
IIFL Asset Management Limited	-	-	1,386.20	-	-	1,386.20
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	2,181.60	-	-	2,181.60
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	582.10	-	-	582.10
	-	-	(288.84)	-	-	(288.84)
<b>ICD Given</b>						
IIFL Management Services Ltd	-	-	-	65.00	-	65.00
	-	-	-	-	-	-
IIFL Asset Management Limited	-	-	(25.00)	-	-	(25.00)
IIFL Wealth Securities IFSC Limited	-	-	0.50	-	-	0.50
	-	-	-	-	-	-
IIFL Altiore Advisors Limited	-	-	11.10	-	-	11.10
	-	-	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	-	-	-	-
	-	-	(2.63)	-	-	(2.63)
IIFL Wealth Employee Welfare Benefit Trust	-	-	35.47	-	-	35.47
	-	-	-	-	-	-

**Note:**

- I) Figures in bracket represents previous year figures.  
 II) Related parties are identified and certified by the management.  
 # Amount less than ₹ 10,000

## NOTE 34. DISCLOSURE PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS: DISCLOSURES"

### Financial Risk Management

#### 34A.1. Credit Risk

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

##### 1) Loans

The Company has outstanding loans to staff and Inter corporate deposits. The company has not made any provision on ECL as credit risk is considered insignificant.

##### 2) Trade and other Receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

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

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	4.03	13.99
Movement in expected credit loss allowances on trade receivables	(3.56)	(9.96)
<b>Balance at the end of the year</b>	<b>0.47</b>	<b>4.03</b>

### 3) Others

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

The credit risk in respect of investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

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

### 34B. Liquidity Risk

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

The following table shows the maturity profile of Financial liabilities:

Financial liabilities	As at 31st March 2019					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	165.01	162.96	-	2.05	-	-
Borrowings (Other than Debt Securities)	4,140.06	4,135.97	2.29	1.80	-	-
Other financial liabilities	42.04	42.04	-	-	-	-
<b>Total</b>	<b>4,347.11</b>	<b>4,340.97</b>	<b>2.29</b>	<b>3.85</b>	<b>-</b>	<b>-</b>
Financial liabilities	As at 31st March 2018					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	826.78	165.07	-	661.72	-	-
Other Payables	3,564.93	3,564.93	-	-	-	-
Borrowings (Other than Debt Securities)	3,969.01	1,982.46	1,979.41	2.60	4.54	-
Other financial liabilities	55.74	55.74	-	-	-	-
<b>Total</b>	<b>8,416.46</b>	<b>5,768.20</b>	<b>1,979.41</b>	<b>664.32</b>	<b>4.54</b>	<b>-</b>
Financial liabilities	As at April 01 2017					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	447.74	186.35	-	261.40	-	-
Other Payables	2,341.08	2,341.08	-	-	-	-
Borrowings (Other than Debt Securities)	3,978.24	996.60	2,967.89	2.72	11.03	-
Other financial liabilities	31.48	31.48	-	-	-	-
<b>Total</b>	<b>6,798.54</b>	<b>3,555.51</b>	<b>2,967.89</b>	<b>264.12</b>	<b>11.03</b>	<b>-</b>

**34C. Market Risk**

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

**34C.1 Currency Risk**

The Company (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Company has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2018-2019 are as below:

Particulars	USD	MUR	INR	Euro	CHF
Trade Receivables	0.01	-	-	-	-

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2017-2018 are as below:

Particulars	USD	MUR	INR	Euro	CHF
Trade Receivables	-	-	-	-	-

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

(₹ in Million)

Particulars	2018-19	2017-18
<b>Increase</b>		
Impact on Profit and Loss after tax	0.00#	-
Impact on Equity	0.00#	-
<b>Decrease</b>		
Impact on Profit and Loss after tax	(0.00)#	-
Impact on Equity	(0.00)#	-

# Amount less than ₹ 10,000

**34C.2 Interest rate risk**

The Company has considered interest rate risk on financial assets and liabilities accounted for on amortised cost basis.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings/debt securities.

The carrying amount of floating rate liabilities and related interest rate sensitivity is as below:

(₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018	As at April 01 2017
Floating Rate Liabilities (Borrowings)	481.37	-	-

A hypothetical 0.25% shift in underlying benchmark rates will have the below impact :

(₹ in Million)

Impact on Profit and Loss after tax and equity	2018-19	2017-18
Increase of 0.25%	(0.78)	-
Decrease of 0.25%	0.78	-

**34C3. Other Price Risk**

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

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

(₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018	As at April 01 2017
<b>Financial Assets</b>			
Investments	659.08	1,297.17	21.59
	<b>659.08</b>	<b>1,297.17</b>	<b>21.59</b>



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

(₹ in Million)

Investments in AIFs / MFs / others	1% change in the NAV/price
Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/price movements in the interest bearing securities	0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value

Below is the sensitivity analysis for the year :

Particulars	2018-19	2017-18	2016-17
<b>Increase</b>			
Impact on Profit and Loss after tax	4.29	8.44	0.14
Impact on Equity	4.29	8.44	0.14
<b>Decrease</b>			
Impact on Profit and Loss after tax	(4.29)	(8.44)	(0.14)
Impact on Equity	(4.29)	(8.44)	(0.14)

#### 34D. Capital Management

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

#### 34E. Category Wise Classification for applicable Financial Assets and Liabilities

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>					
(a)	Cash and cash equivalents	56.75	-	-	56.75
(b)	Bank balance other than (a) above	10.07	-	-	10.07
(c)	Receivables				-
	(I) Trade receivables	1,989.79	-	-	1,989.79
	(II) Other receivables	-	-	-	-
(d)	Loans	112.94			112.94
(e)	Investments	20,745.27	659.08	-	21,404.35
(f)	Other financial assets	320.44	-	-	320.44
	<b>Total</b>	<b>23,235.26</b>	<b>659.08</b>	<b>-</b>	<b>23,894.34</b>
<b>Financial Liabilities</b>					
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	165.01	-	-	165.01
	(II) Other payables	-			-
	(i) total outstanding dues of micro enterprises and small enterprises	-			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-			-
(b)	Borrowings (other than debt securities)	4,140.06	-	-	4,140.06
(c)	Other financial liabilities	42.04	-	-	42.04
	<b>Total</b>	<b>4,347.11</b>	<b>-</b>	<b>-</b>	<b>4,347.11</b>

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>					
(a)	Cash and cash equivalents	4,101.19	-	-	4,101.19
(b)	Bank balance other than (a) above	922.86	-	-	922.86
(c)	Receivables				-
	(I) Trade receivables	1,413.41	-	-	1,413.41
	(II) Other receivables	2,772.11	-	-	2,772.11
(d)	Loans	28.17			28.17
(e)	Investments	11,134.13	1,297.17	-	12,431.30
(f)	Other financial assets	383.41	-	-	383.41
	<b>Total</b>	<b>20,755.28</b>	<b>1,297.17</b>	<b>-</b>	<b>22,052.45</b>
<b>Financial Liabilities</b>					
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	826.78	-	-	826.78
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,564.93			3,564.93
(b)	Borrowings (other than debt securities)	3,969.01	-	-	3,969.01
(c)	Other financial liabilities	55.74	-	-	55.74
	<b>Total</b>	<b>8,416.46</b>	<b>-</b>	<b>-</b>	<b>8,416.46</b>
Sr No.	Particulars	As at April 01 2017			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>					
(a)	Cash and cash equivalents	2,931.90	-	-	2,931.90
(b)	Bank balance other than (a) above	670.26	-	-	670.26
(c)	Receivables				-
	(I) Trade receivables	1,168.27	-	-	1,168.27
	(II) Other receivables	3,032.00	-	-	3,032.00
(d)	Loans	16.49			16.49
(e)	Investments	11,129.09	21.59	-	11,150.68
(f)	Other financial assets	351.54	-	-	351.54
	<b>Total</b>	<b>19,299.55</b>	<b>21.59</b>	<b>-</b>	<b>19,321.14</b>

Sr No.	Particulars	As at April 01 2017			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Liabilities</b>					
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	447.74	-	-	447.74
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,341.08			2,341.08
(b)	Borrowings (other than debt securities)	3,978.24	-	-	3,978.24
(c)	Other financial liabilities	31.48	-	-	31.48
	<b>Total</b>	<b>6,798.54</b>	<b>-</b>	<b>-</b>	<b>6,798.54</b>

#### 34E.1. Fair values of financial instruments

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

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

The Company uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps.

#### 34E. 1a. Financial instruments measured at fair value – Fair value hierarchy

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

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

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	578.44			578.44
Investments in Debt securities		6.86		6.86
Investments in Alternate Investment Funds #			73.78	73.78
<b>Total Assets</b>	<b>578.44</b>	<b>6.86</b>	<b>73.78</b>	<b>659.08</b>

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

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	1,200.96			1,200.96
Investments in Debt securities		22.70		22.70
Investments in Alternate Investment Funds #			73.51	73.51
<b>Total Assets</b>	<b>1,200.96</b>	<b>22.70</b>	<b>73.51</b>	<b>1,297.17</b>

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

Financial instruments measured at fair value	Recurring fair value measurements at 01.04.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Debt securities		5.79		5.79
Investments in Equity Shares	5.61		-	5.61
Investments in Alternate Investment Funds #			10.19	10.19
<b>Total Assets</b>	<b>5.61</b>	<b>5.79</b>	<b>10.19</b>	<b>21.59</b>

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

#### Reconciliation of Level 3 fair value measurements (₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018	As at April 01 2017
Opening Balance	73.51	10.19	938.79
Total gains or losses	-	-	-
- in profit or loss	0.44	-	104.07
Purchases	(3.30)	0.82	0.98
Disposal/ Settlements	5.00	62.50	246.61
Transfer out of Level 3	(1.87)	-	(1,280.26)
Closing Balance	73.78	73.51	10.19

#### 34E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2019		As at 31st March 2018		As at April 01 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>						
Cash and cash equivalents	56.75	56.75	4,101.19	4,101.19	2,931.90	2,931.90
Bank balance other than above	10.07	10.07	922.86	922.86	670.26	670.26
<b>Receivables</b>						
(I) Trade receivables	1,989.79	1,989.79	1,413.41	1,413.41	1,168.27	1,168.27
(II) Other receivables	-	-	2,772.11	2,772.11	3,032.00	3,032.00
Loans	112.94	112.94	28.17	28.17	16.49	16.49
Investments	20,745.27	20,745.27	11,134.13	11,134.13	11,129.09	11,129.09
Other financial assets	320.44	320.44	383.41	383.41	351.54	351.54
<b>Financial Liabilities</b>						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	165.01	165.01	826.78	826.78	447.74	447.74

**34E. 1b Fair value of financial assets and financial liabilities measured at amortised cost**

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,564.93	3,564.93	2,341.08	2,341.08
Borrowings (other than debt securities)	4,140.06	4,140.06	3,969.01	3,969.01	3,978.24	3,978.24
Other financial liabilities	42.04	42.04	55.74	55.74	31.48	31.48

**Financial assets measured at amortised cost:**

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

**Financial liabilities measured at amortised cost:**

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

**NOTE 35. SEGMENT REPORTING**

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

**NOTE 36. EVENTS AFTER REPORTING PERIOD**

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

**NOTE 37. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issuance by the Board of Directors on May 13, 2019

For and on behalf of the Board of Directors

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

**R. Venkataraman**  
Director  
(DIN: 00011919)

Place: Mumbai  
Date: May 13, 2019

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of IIFL Wealth Management Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw attention to Note 2.1 of the financial statements, which describes the reasons for implementation of the Composite Scheme of Arrangement amongst IIFL Holdings Limited, India Infoline Finance Limited, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited and IIFL Distribution Services Limited, and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"), in Parts, based on the legal opinion obtained by IIFL Holdings Limited. The Scheme has been approved by the National Company Law Tribunal vide its order dated 7 March 2019 and filed with the Registrar of Companies on 11 April 2019.

Our opinion is not modified in respect of this matter.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the consolidated financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the

other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Directors' report including Annexures to Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as a fore said.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditors Responsibility for the Audit of the Consolidated Financial Statements**

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

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

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



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

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Other Matters

- (a) We did not audit the financial statements of seven subsidiaries whose financial statements reflect total assets of Rs.1358.54 mn as at 31st March, 2019, total revenues of Rs.1323.43 mn and net cash inflows amounting to Rs.243.02 mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) Five subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Parent and audited by us. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based

on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**Pallavi A. Gorakshakar**

(Partner)

(Membership No. 105035)

Place: Mumbai

Date : 13 May 2019

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

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause**

**(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of IIFL Wealth Management Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are

companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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

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

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

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on

the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**

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

**Pallavi A. Gorakshakar**

(Partner)  
(Membership No. 105035)

Place: Mumbai

Date : 13 May 2019

# CONSOLIDATED BALANCE SHEET

## AS AT MARCH 31, 2019

(₹ in Million)

Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018	As At Apr 01, 2017
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and cash equivalents	4	1,646.23	5,262.56	9,629.17
(b) Bank balance other than (a) above	5	1,127.95	2,189.46	3,189.23
(c) Derivative financial instruments	6	960.95	49.75	10.76
(d) Receivables				
(I) Trade receivables	7	2,960.74	1,951.96	1,593.98
(II) Other receivables	7	4,244.56	3,106.72	3,888.78
(e) Loans	8	49,664.60	70,561.18	36,519.68
(f) Investments	9	30,525.66	11,112.02	20,068.73
(g) Other financial assets	10	524.06	422.68	373.00
<b>2 Non-Financial Assets</b>				
(a) Inventories	11	197.51	-	-
(b) Current tax assets (net)		265.40	125.66	92.70
(c) Deferred tax assets (net)	12	174.33	170.31	205.93
(d) Property, plant and equipment	13	616.30	266.76	214.10
(e) Capital work-in-progress	14	1,734.33	217.34	35.65
(f) Goodwill on acquisition	15	1,878.51	-	-
(g) Other intangible assets	16	871.23	39.16	41.12
(h) Other non-financial assets	17	409.86	190.22	101.43
<b>Total Assets</b>		<b>97,802.22</b>	<b>95,665.78</b>	<b>75,964.26</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
(a) Derivative financial instruments	6	2,516.09	814.25	254.01
(b) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	514.73	1,246.30	921.55
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	846.42	3,425.94	2,341.08
(c) Debt securities	19	39,782.59	18,562.29	17,838.60
(d) Borrowings (other than debt securities)	20	15,660.81	45,483.01	33,987.28
(e) Subordinated liabilities	21	5,701.34	5,617.98	4,435.00
(f) Other financial liabilities	22	2,760.11	1,442.00	543.20
<b>2 Non-Financial Liabilities</b>				
(a) Current tax liabilities (net)		292.18	36.77	176.11
(b) Provisions	23	85.64	117.24	91.80
(c) Deferred tax liabilities (net)	12	278.10	-	-
(d) Other non-financial liabilities	24	260.06	291.07	177.20
<b>3 EQUITY</b>				
(a) Equity share capital	25	168.97	159.50	155.93
(b) Incremental equity shares pending issuance	25	1.20	1.14	0.83
(c) Other equity	26	28,933.98	18,468.29	15,041.67
<b>Total Liabilities and Equity</b>		<b>97,802.22</b>	<b>95,665.78</b>	<b>75,964.26</b>

See accompanying Notes to the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

**Pallavi A. Gorakshakar**  
Partner

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

**R. Venkataraman**  
Director  
(DIN: 00011919)

Place: Mumbai  
Date: May 13, 2019

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

Particulars	Note No.	2018 - 2019	2017 - 2018
<b>1 Revenue from operations</b>			
(a) Interest income	27	6,537.90	6,590.82
(b) Dividend & Distribution income on investments	28	293.83	485.73
(c) Fees and commission income	28A	8,081.37	8,831.73
(d) Net gain on fair value changes	29	572.88	677.22
(e) Sale of products		4.10	-
<b>Total revenue from operations</b>		<b>15,490.08</b>	<b>16,585.50</b>
<b>2 Other income</b>	<b>30</b>	<b>281.80</b>	<b>562.60</b>
<b>3 Total income (1+2)</b>		<b>15,771.88</b>	<b>17,148.10</b>
<b>Expenses</b>			
(a) Finance costs	31	4,270.59	5,587.63
(b) Fees and commission expenses		662.18	669.03
(c) Impairment on financial instruments	32	(76.64)	126.06
(d) Purchases of Stock-in-trade		205.62	-
(e) Changes in Inventories of stock-in-trade		(197.51)	-
(f) Employee benefits expenses	33	3,311.71	3,895.78
(g) Depreciation, amortization and impairment	13,16	215.06	136.10
(h) Others expenses	34	2,001.56	1,832.74
<b>4 Total expenses</b>		<b>10,392.57</b>	<b>12,247.34</b>
<b>5 Profit before tax (3-4)</b>		<b>5,379.31</b>	<b>4,900.76</b>
<b>6 Tax expense:</b>			
(a) Current tax	35	1,642.20	1,134.04
(b) Deferred tax	35	(8.36)	(34.97)
<b>7 Profit for the year (5-6)</b>		<b>3,745.47</b>	<b>3,801.69</b>
<b>8 Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of Employee Benefits		(4.66)	(26.36)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.42	8.82
<b>Subtotal (a)</b>		<b>(2.24)</b>	<b>(17.54)</b>
(b) (i) Items that will be reclassified to profit or loss			
- Foreign currency translation reserve		100.34	24.25
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (b)</b>		<b>100.34</b>	<b>24.25</b>
<b>Other comprehensive income (a+b)</b>		<b>98.10</b>	<b>6.71</b>
<b>9 Total comprehensive income for the year (7+8) (Comprising profit and other comprehensive income for the year)</b>		<b>3,843.57</b>	<b>3,808.40</b>
<b>10 Earnings per equity share</b>			
Basic (Rs.)	36	44.63	48.06
Diluted (Rs.)	36	43.37	46.51

See accompanying Notes to the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

Particulars	2018 - 2019	2017 - 2018
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax and other comprehensive income</b>	<b>5,379.31</b>	<b>4,900.76</b>
<b>Adjustments for:</b>		
Depreciation, amortization and impairment	215.06	136.10
Provisions for employee benefits	(17.35)	31.79
Net changes in fair value through profit and loss of investments - realised	(586.33)	(768.33)
Net changes in fair value through profit and loss of investments - unrealised	(303.92)	426.02
Impairment on financial instruments	(76.64)	126.06
Net change in fair value of derivative financial instruments	62.71	(24.64)
Share based payments to employees	28.38	37.48
Interest income	(6,636.61)	(6,779.56)
Interest expenses	4,219.23	5,521.74
Dividend income from investments	(14.02)	(670.79)
Distribution income from investments	(273.90)	(205.81)
Loss on sale of subsidiary	-	-
Net gain on sale of property, plant and equipment	0.75	(0.53)
Interest paid	(3,527.09)	(3,910.03)
Interest received	6,442.18	6,036.27
<b>Operating profit before working capital changes</b>	<b>4,911.76</b>	<b>4,856.53</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in financial/non-financial assets	(3,699.70)	1,107.03
Increase/ (Decrease) in financial/non-financial liabilities	(2,238.56)	1,790.71
<b>Cash (used in)/generated from operations</b>	<b>(1,026.50)</b>	<b>7,754.27</b>
(Increase)/ decrease in loans	21,038.24	(34,167.56)
<b>Cash generated from/(used in) operating activities</b>	<b>20,011.74</b>	<b>(26,413.29)</b>
Net income tax(paid) / refunds	(1,526.52)	(1,306.35)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>18,485.22</b>	<b>(27,719.64)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of investments	(1,316,941.27)	(1,354,691.62)
Sale of investments	1,299,237.06	1,363,928.18
Sale of subsidiary	3.40	-
Interest received	100.89	185.62
Acquisition of subsidiaries	(2,613.54)	-
Fixed deposit (placed)/matured	1,061.50	999.78
Inter-corporate deposits given	(65.00)	(1,350.00)
Inter-corporate deposits returned back	-	1,350.00
Dividend income	14.02	670.79
Purchase/sale of property, plant and equipment (includes intangible assets and CWIP)	(2,094.31)	(367.49)
<b>Net cash generated from/(used in) investing activities (b)</b>	<b>(21,297.25)</b>	<b>10,725.26</b>
<b>c. Cash flows from financing activities</b>		
Issuance of share capital	9.54	3.57
Securities premium received	7,536.65	472.72



# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Million)

Particulars	2018 - 2019	2017 - 2018
Dividend paid (including dividend distribution tax)	(847.66)	(784.98)
Treasury stock	(34.58)	(0.78)
Borrowings - raised	279,374.22	555,707.32
Borrowings - repaid	(309,287.74)	(544,603.13)
Debt securities and subordinated liabilities- taken	29,016.97	13,460.90
Debt securities and subordinated liabilities - repaid	(6,343.79)	(11,125.80)
Inter-corporate deposits taken	-	165.00
Inter-corporate deposits repaid	-	(165.00)
Others	2.02	(0.10)
Share issue expenses paid	(79.62)	-
Shares pending issuance	0.06	0.31
Interest paid	(150.37)	(502.26)
<b>Net cash (used in)/generated from financing activities (c)</b>	<b>(804.30)</b>	<b>12,627.77</b>
<b>Net (decrease)/increase in cash and cash equivalents (a+b+c)</b>	<b>(3,616.33)</b>	<b>(4,366.61)</b>
Opening cash & cash equivalents	5,262.56	9,629.17
<b>Closing cash &amp; cash equivalents</b>	<b>1,646.23</b>	<b>5,262.56</b>

See accompanying notes to the consolidated financial statements  
In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Equity attributable to owners of the Company										Total	
	Equity Share Capital	Equity Share pending issuance	Securities Premium Account	General Reserve	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Capital Reserve	Other Equity			Foreign Currency Translation Reserve		
							Debt Redemption Reserve (DRR)	ESOP Reserve	Retained Earnings			
<b>Balance at the beginning of the period April 01, 2018</b>	<b>159.50</b>	<b>1.14</b>	<b>10,692.33</b>	<b>133.50</b>	<b>516.29</b>	<b>97.25</b>	<b>-</b>	<b>74.68</b>	<b>6,921.44</b>	<b>32.80</b>	<b>18,468.29</b>	<b>18,628.93</b>
Shares issued during the year	9.54	-	7,536.65	-	-	-	-	-	-	-	7,536.65	7,546.19
Share issue expenses	-	-	(79.62)	-	-	-	-	-	-	-	(79.62)	(79.62)
Profit for the year	-	-	-	-	-	-	-	-	3,745.47	-	3,745.47	3,745.47
Other comprehensive income	-	-	-	-	-	-	-	-	(2.24)	100.34	98.10	98.10
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	(847.66)	-	(847.66)	(847.66)
Transfer to debenture redemption reserve	-	-	-	-	-	-	62.50	-	(62.50)	-	-	-
Transfer (to)/from other reserves	-	-	9.17	50.00	362.96	-	(50.00)	(9.17)	(362.96)	-	-	-
Addition/(deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 3)	-	0.06	-	-	-	13.75	-	3.12	-	-	16.87	16.93
Treasury stock	(0.07)	-	(34.51)	-	-	-	-	-	-	-	(34.51)	(34.58)
Employee share based payment	-	-	-	-	-	-	-	28.39	-	-	28.39	28.39
Others	-	-	-	-	-	-	-	-	2.00	-	2.00	2.00
<b>Balance at the end of March 31, 2019</b>	<b>168.97</b>	<b>1.20</b>	<b>18,124.02</b>	<b>183.50</b>	<b>879.25</b>	<b>111.00</b>	<b>12.50</b>	<b>97.02</b>	<b>9,393.55</b>	<b>133.14</b>	<b>28,933.98</b>	<b>29,104.15</b>

As at March 31, 2019

Particulars	Equity attributable to owners of the Company										Total	
	Equity		Equity		Other Equity							
	Share Capital	Share pending issuance	Securities Premium Account	General Reserve	Special Reserve Pursuant to Section 45 IC of Bank of India Act, 1934	Capital Reserve	Debt Redemption Reserve (DRR)	ESOP Reserve	Retained Earnings	Foreign currency translation reserve		Total Other Equity
Balance at the beginning of the period April 01, 2017	155.93	0.83	10,202.20	133.50	204.25	84.70	-	55.29	4,353.18	8.55	15,041.67	15,198.43
Shares issued during the year	3.57	-	472.72	-	-	-	-	-	-	-	472.72	476.29
Profit for the year	-	-	-	-	-	-	-	-	3,801.69	-	3,801.69	3,801.69
Other comprehensive income	-	-	-	-	-	-	-	-	(17.54)	24.25	6.71	6.71
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	(784.98)	-	(784.98)	(784.98)
Transfer (to)/from other reserves	-	-	18.19	-	312.04	-	-	(18.19)	(312.04)	-	-	-
Addition/(deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 2.1)	-	0.31	-	-	-	12.55	-	-	(115.27)	-	(102.72)	(102.41)
Treasury stock	-	-	(0.78)	-	-	-	-	-	-	-	(0.78)	(0.78)
Employee share based payment	-	-	-	-	-	-	-	37.58	-	-	37.58	37.58
Others	-	-	-	-	-	-	-	-	(3.60)	-	(3.60)	(3.60)
Balance at the end of the March 31, 2018	159.50	1.14	10,692.33	133.50	516.29	97.25	-	74.68	6,921.44	32.80	18,468.29	18,628.93

As at March 31, 2018

(₹ in Million)

### Securities Premium Account

Securities premium account includes the difference between face value of equity shares and consideration in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium account. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities premium account.

### General Reserve

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

### Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934

As per Section 45-IC of the Reserve Bank of India Act, 1934, a subsidiary company registered with Reserve Bank of India as Non-Banking Finance company is required to transfer at least 20% of its net profits each year before declaration of dividend.

### Capital Reserve

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" in accordance with the composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management

Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders. (Refer Note 3)

### Debenture Redemption Reserve (DRR)

One of the subsidiaries of the group has issued Non-convertible debentures and created DRR in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The amounts credited to DRR may not be utilised except to redeem the debentures. The subsidiary has created debenture redemption reserve for the Listed Secured Non-Convertible Debentures for ₹ 12.5 Mn out of Surplus in Statement of Profit & Loss.

### ESOP Reserve

It relates to share options granted to the employees by the Holding Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

### Retained Earnings

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

### Foreign currency translation reserve

This reserve represents exchange difference arising from translation of assets and liabilities of the foreign subsidiaries from their respective reporting currency into Indian rupees for the purpose of consolidation.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place: Mumbai  
Date: May 13, 2019

For and on behalf of the Board of Directors

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

**Mihir Nanavati**  
Chief Financial Officer

**R. Venkataraman**  
Director  
(DIN: 00011919)

**Ashutosh Naik**  
Company Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

## NOTE 1. CORPORATE INFORMATION:

The Consolidated Financial Statements of IIFL Wealth Management Limited (the Holding Company/Company) consist of IIFL Wealth Management Limited including Wealth Business Undertaking transferred from IIFL Holdings Limited under the Composite Scheme of Arrangement (refer Note 3) and its subsidiaries namely: IIFL Distribution Services Limited, IIFL Investment Advisers and Trustee Services Limited, IIFL Alternate Asset Advisors Limited, IIFL Asset Management Limited, IIFL Trustee Limited, IIFL Wealth Finance Ltd, IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018), IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited) (w.e.f November 22, 2018), IIFL Altiore Advisors Private Limited (Formerly known as Altiore Advisors Private Limited) (w.e.f November 05, 2018), IIFL Wealth Employee Welfare Benefit Trust, IIFL Wealth Employee Benefit Trust, IIFL Private Wealth (Suisse) SA (upto February 27, 2019), IIFL (Asia) Pte. Ltd, IIFL Securities Pte. Ltd, IIFL Capital Pte. Ltd, IIFL Private Wealth Management (Dubai) Ltd, IIFL Private Wealth Hongkong Ltd, IIFL Inc., IIFL Capital (Canada) Ltd. and IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd) (the Holding Company including Wealth Business Undertaking and its subsidiaries, collectively referred to as "the Group"). The Group mainly acts as wealth manager and provides financial products distribution, advisory, asset management, portfolio management, lending; credit and investment, trustee services by mobilizing funds and assets of various classes of investors including high net worth individuals.

## NOTE 2. SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of Compliance:

The Group's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued

by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors of IIFL Wealth Management at their meeting held on May 13, 2019.

Up to the year ended March 31, 2018, the Group prepared its financial statements in accordance with the requirements of Indian GAAP (IGAAP), as per standards notified under the Companies (Accounting Standards) Rules, 2006.

### b) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company (including the Wealth Business Undertaking) and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Holding Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated financial statements from the date the Holding Company gains control until the date the Holding Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Parent to enable the Parent to

Consolidated the financial statements of the subsidiary, unless it is impracticable to do so.

#### **Consolidation procedure:**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

#### **c) Revenue recognition**

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

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

- Distribution Services and Commissions: Fees and commissions with respect to distribution services are recognised at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- Investment/Fund Management and Trustee fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- Advisory fees: Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements.
- Lending / Investments related Income
  - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
  - Dividend income is accounted in the period in which the right to receive the same is established.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow and the amount of income can be measured reliably.

**d) Business Combinations**

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed

include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

**e) Goodwill on acquisition**

Goodwill is an asset representing the future economic benefits arising from



other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognises an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on

goodwill is not reversed in subsequent periods. On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

#### **f) Property, plant and equipment**

##### **Measurement at recognition:**

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

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

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

Cost of assets not ready for intended use,

as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Financial Assets.

#### **Depreciation:**

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Consolidated Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease. Individual assets / group of similar assets costing up to Rs.5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

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

CLASS OF ASSETS	USEFUL LIFE IN YEARS
Computers*	3
Electrical Equipment*	5
Office equipment	5
Furniture and fixtures* #	5
Vehicles*	5
Air conditioners*	5

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

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

The useful lives, residual values of each part of an item of property, plant and equipment

and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

#### **Derecognition:**

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

#### **g) Intangible assets**

##### **Measurement at recognition:**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

##### **Amortization:**

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

estimates, such change is accounted for as a change in an accounting estimate.

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

CLASS OF ASSETS	USEFUL LIFE IN YEARS
Software	3-5
Customer relationships	20
Asset Management Rights	10

**Derecognition:**

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

**h) Impairment**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is

the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**i) Financial Instruments**

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

• **Financial assets**

**Initial recognition and measurement:**

The Group recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement:**

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

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

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

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

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

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

This category applies to Cash and Bank balances, Trade receivables, Loans and Other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

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

- The Group's business model objective for managing the financial

asset is achieved both by collecting contractual cash flows and selling the financial assets, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as mentioned

above. This is a residual category applied to all other investments of the Group excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and Loss.

**Derecognition:**

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

- The contractual rights to cash flows from the financial asset expires;
- The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

- The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

**Impairment of financial assets:**

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

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group

estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Group measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or

effort, that is indicative of significant increases in credit risk since initial recognition.

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

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

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

- **Financial Liabilities**

- **Initial recognition and measurement:**

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

- (i) recognised at amortised costs
- (ii) recognised at fair value through profit and loss (FVTPL) including the

embedded derivative component if any, which is not separated.

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

**Subsequent measurement:**

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

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

**j) Derivative financial instruments**

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

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

**k) Fair Value**

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

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

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability,



either directly or indirectly

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

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

#### l) **Foreign Currency Translation**

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

##### **Initial Recognition:**

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

##### **Measurement of foreign currency items at reporting date:**

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

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

##### **Translation of financial statements of foreign entities**

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit

and loss are translated at average exchange rates for the period unless the exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising, if any, on translation are recognised in Other Comprehensive Income and accumulated equity. On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that foreign operation is reclassified to Consolidated Statement of Profit and Loss.

#### m) **Income Taxes**

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

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

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognised for all taxable temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the

taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

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

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

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

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

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

#### **Presentation of current and deferred tax:**

Current and deferred tax are recognised as income or an expense in the Consolidated Statement of Profit and Loss, except when

they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

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

#### **n) Provisions and Contingencies**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation

or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**o) Cash and Cash Equivalents**

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

**p) Employee Benefits**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**i. Defined contribution plans:**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Holding Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and

Government administered Pension Fund Scheme for all applicable employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

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

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

**ii. Defined benefit plans:**

Gratuity scheme: The Holding Company, an Indian subsidiary and its foreign subsidiary operates a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

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

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Balance Sheet

represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

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

#### q) **Lease accounting**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### **Assets taken on lease:**

In respect of operating leases, lease rentals are recognised as an expense in the Consolidated Statement of Profit and Loss on straight line basis over the lease term unless

- i. Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii. The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

In respect of assets obtained on finance

leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

#### r) **Borrowing Cost**

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

#### s) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

#### t) **Share-based Compensation**

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to

income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

**u) Earnings Per Share:**

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

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

**v) Recent Accounting pronouncements**

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

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit /loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is

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

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

**w) Key Accounting Estimates and Judgements**

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

future periods.

### **Critical accounting estimates and assumptions**

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

#### **- Property, Plant and Equipment**

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

#### **- Defined Benefit Obligation**

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

#### **- Fair value measurement of Financial Instruments**

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

#### **- Expected Credit Loss**

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

### **Transfer of "Wealth Business Undertaking" under composite Scheme of Arrangement**

The Board of Directors of the Holding Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst IIFL Holdings Limited ("IIFL Holdings"), India Infoline Finance Limited ("IIFL Finance"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), Holding Company ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Holdings;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Securities;
- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and
- v. amalgamation of IIFL Finance with IIFL Holdings.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Holding Company have approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

## **2.1 BASIS OF PREPARATION AND PRESENTATION**

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Holdings, the Board of Directors of IIFL Holdings at their meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

- a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date 1 i.e. April 01, 2017;
- b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date 2 i.e. April 01, 2018; and
- c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed

Date 2 i.e. April 01, 2018.

- d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

- a) additional 1 fully paid up equity share of Rs. 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;
- b) additional 1 fully paid up equity share of Rs. 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of Rs. 2 each in IIFL Holdings for every 100 shares held in IIFL Finance.



The assets and liabilities as at April 01, 2018, transferred in IIFL Wealth in respect of the Wealth Business Undertaking of IIFL Holdings in terms of the Composite Scheme of Arrangement at book values are summarized below:

	(₹ in Million)	
Particulars	As On April 1, 2018	As On April 01, 2017*
<b>Total Assets</b>	137.56	214.14
<b>Total Liabilities</b>	40.51	128.61
<b>Net Assets</b>	<b>97.05</b>	<b>85.53</b>

\*Pursuant to Appendix C of IND AS 103 applicable to Business combinations for entities under common control, the effect of the above has been given in the financial statements as at March 31, 2018. The corresponding effects of the same have been given in Note no 25 for equity and Note no 26 for Other equity.

### NOTE 3. FIRST TIME ADOPTION OF IND AS

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

- (i) The Group has adopted the carrying value determined in accordance with I-GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.
- (ii) Ind AS 102 "Share-based Payment" has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.
- (iii) The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017
- (iv) The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- (v) The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.
- (vi) The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.
- (vii) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the I-GAAP.

		(₹ in million)	
Equity Reconciliation	Notes	As At 1st April 2017	As At 31st March 2018
<b>As per IGAAP</b>		<b>15,241.62</b>	<b>18,895.48</b>
Change in fair value of investments	1	208.76	47.21
Impairment on Financial Instruments	2	(39.51)	(26.58)
Effective Interest Rate for financial liabilities recognised at amortized cost	3	19.90	-
Expected credit loss on Trade Receivables	4	6.82	5.88
Effect of Merger of Wealth business undertaking	5	85.53	98.38
ESOP Compensation Cost	6	(2.49)	(2.39)
Consolidation of IIFL Wealth Employee Benefit trust	7	(1.83)	(2.81)
Adjustment on retrospective application of Ind AS 103	8	(288.32)	(288.32)
Securities Premium on Debentures	9	-	(85.68)
Deferred tax impact on above adjustments	10	(32.05)	(12.24)
<b>As per Ind AS</b>		<b>15,198.43</b>	<b>18,628.93</b>

(₹ in Million)

RECONCILIATION OF TOTAL COMPREHENSIVE INCOME	NOTES	AS AT 31ST MARCH 2018
Net income under Indian GAAP		3,853.11
Change in fair value of investments	1	(158.45)
Actuarial gain/ loss recognised on employee benefit in other comprehensive income	11	25.96
Impairment on Financial Instruments	2	12.93
Effective Interest Rate for financial liabilities recognised at amortized cost	3	(19.90)
ESOP Compensation Cost	6	(37.48)
Impact of provision for expected credit loss on Trade Receivables	4	(0.94)
Profit attributable to Wealth Business Undertaking	5	115.27
Others	7	(0.20)
Deferred tax impact on above adjustments	10	11.14
<b>Net Income as per Ind AS</b>		<b>3,801.44</b>
Other Comprehensive Income	11	6.96
<b>Total Comprehensive Income as per Ind AS</b>		<b>3,808.40</b>

## Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2018

(₹ in Million)

Sr.No.	Particulars	As at March 31, 2018			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>ASSETS</b>					
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	5,7	5,224.10	38.46	5,262.56
(b)	Bank balance other than (a) above	5	2,189.39	0.07	2,189.46
(c)	Derivative financial instruments		49.75		49.75
(d)	Receivables				
	(I) Trade receivables	4,5	1,943.70	8.26	1,951.96
	(II) Other receivables		3,106.72		3,106.72
(e)	Loans	2	70,587.76	(26.58)	70,561.18
(f)	Investments	1,5	10,998.79	113.23	11,112.02
(g)	Other financial assets	5	419.32	3.36	422.68
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Inventories		-		-
(b)	Current tax assets (net)		125.66		125.66
(c)	Deferred tax assets (net)	5,10	161.14	9.17	170.31
(d)	Investment property				-
(e)	Biological assets other than bearer plants				-
(f)	Property, plant and equipment	5	263.37	3.39	266.76
(g)	Capital work-in-progress		217.34		217.34
(h)	Intangible assets under development				-
(i)	Goodwill	8	288.32	(288.32)	-
(j)	Other intangible assets	5	37.41	1.75	39.16
(k)	Other non-financial assets	5	188.16	2.06	190.22
<b>3</b>	<b>Assets classified as held for sale</b>				-
	<b>Total Assets</b>		<b>95,800.93</b>	<b>(135.15)</b>	<b>95,665.78</b>

(₹ in Million)

Sr.No.	Particulars	As at March 31, 2018			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1 Financial Liabilities</b>					
(a)	Derivative financial instruments		814.25		814.25
(b)	Payables				
(I)	Trade payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	5	1,242.58	3.72	1,246.30
(II)	Other payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		3,425.94		3,425.94
(c)	Debt securities	9	18,490.58	71.71	18,562.29
(d)	Borrowings (other than debt securities)	7	45,480.20	2.81	45,483.01
(e)	Subordinated liabilities	9	5,604.00	13.98	5,617.98
(f)	Other financial liabilities	5,6	1,405.00	37.00	1,442.00
<b>2 Non-Financial Liabilities</b>					
(a)	Current tax liabilities (net)		36.77		36.77
(b)	Provisions	5	116.03	1.21	117.24
(c)	Deferred tax liabilities (net)		-		-
(d)	Other non-financial liabilities	5,7	290.10	0.97	291.07
<b>3 EQUITY</b>					
(a)	Equity share capital		159.50		159.50
(b)	Incremental shares pending issuance		-	1.14	1.14
(c)	Other equity		18,735.98	(267.69)	18,468.29
<b>Total Liabilities and Equity</b>			<b>95,800.93</b>	<b>(135.15)</b>	<b>95,665.78</b>

**Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2017**

(₹ in Million)

Sr.No.	Particulars	As at April 01, 2017			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
<b>ASSETS</b>					
<b>1 Financial Assets</b>					
(a)	Cash and cash equivalents	5,7	9,616.40	12.77	9,629.17
(b)	Bank balance other than (a) above		3,189.23		3,189.23
(c)	Derivative financial instruments		10.76		10.76
(d)	Receivables		-		-
(I)	Trade receivables	4,5	1,544.87	49.11	1,593.98
(II)	Other receivables		3,888.78		3,888.78
(e)	Loans	2	36,559.19	(39.51)	36,519.68
(f)	Investments	1,5	19,854.18	214.55	20,068.73
(g)	Other financial assets		337.99	35.01	373.00
<b>2 Non-Financial Assets</b>					
(a)	Current tax assets (net)		92.70		92.70
(b)	Deferred tax assets (net)	5,10	134.87	71.06	205.93

(₹ in Million)

Sr.No.	Particulars	As at April 01, 2017			
		Notes	As per IGAAP	Ind AS adjustments	As per Ind AS
(c)	Property, plant and equipment	5	202.86	11.24	214.10
(d)	Capital work-in-progress		35.65		35.65
(e)	Goodwill	8	288.32	(288.32)	-
(f)	Other intangible assets	5	38.53	2.59	41.12
(g)	Other non-financial assets	5	100.05	1.38	101.43
<b>3</b>	<b>Assets classified as held for sale</b>				-
	<b>Total Assets</b>		<b>75,894.38</b>	<b>69.88</b>	<b>75,964.26</b>
	<b>LIABILITIES AND EQUITY</b>				
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative financial instruments		254.01		254.01
(b)	Payables				
(I)	Trade payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	5	798.33	123.22	921.55
(II)	Other payables				
(i)	total outstanding dues of micro enterprises and small enterprises		-		-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		2,341.08		2,341.08
(c)	Debt securities		17,838.60		17,838.60
(d)	Borrowings (other than debt securities)	7	33,985.45	1.83	33,987.28
(e)	Deposits		-		-
(f)	Subordinated liabilities		4,435.00		4,435.00
(g)	Other financial liabilities	3,5,6	558.44	(15.24)	543.20
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)		176.11	-	176.11
(b)	Provisions	5	90.18	1.62	91.80
(c)	Other non-financial liabilities	5,7	175.56	1.64	177.20
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital		155.93		155.93
(b)	Incremental shares pending issuance		-	0.83	0.83
(c)	Other equity		15,085.69	(44.02)	15,041.67
	<b>Total Liabilities and Equity</b>		<b>75,894.38</b>	<b>69.88</b>	<b>75,964.26</b>

**Notes**

- As per earlier IGAAP, Investments were valued at lower of Cost and Market Value. However as per Ind AS, Investments valued at Fair value through Profit and loss are to recognised at Fair Value and hence the Group has restated its investments to reflect the market value and corresponding impact being taken to Profit and Loss account.
- The Group had recognised Standard Assets Provision on its Loan assets till Financial year 2017-2018 which was as required by RBI Prudential Norms. After the adoption of Ind AS the Group is required to calculate Expected Credit Loss(ECL) on all its financial assets. The impact shown above is the differential impact due to adoption of ECL by the Company.
- The Group was accounting its transaction cost on debt securities on a straight line basis. However after adopting Ind AS, the Group has

recognised the transaction costs as per Effective Rate of Interest (EIR) method and the amount shown above is the impact of this adjustment.

4. The provision is made against trade receivables on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made when the receivable/loan turned doubtful based on the assessment on case to case basis and applicable regulations.
5. Pursuant to Composite Scheme of Arrangement, Wealth Business Undertaking was transferred to the Holding Company effective April 1, 2018 (refer note 2.1). The said transaction is considered as "common control business combination" under IND AS 103 and accounted as such. As per the provisions of IND AS 103 Profit after tax of Wealth Business Undertaking has been included in the Consolidated Profit after tax for the year ended March 31, 2017 (the previous financial year).
6. ESOP charge is accounted using fair value method. The portion of ESOP charge payable to holding company is accordingly measured and recognised at fair value. Under I-GAAP ESOP charge was calculated based on intrinsic value method.
7. Employee benefit trust is consolidated as per Ind AS based on evaluation of control.
8. Pursuant to adoption of IND AS 103 applicable to Business Combinations, goodwill as on the date of transition recorded under I-GAAP in respect of business combinations under common control and other transaction has been reversed.
9. The Securities premium received on issue of debentures was classified under Reserves & Surplus in IGAAP while the same is reclassified to Borrowings under Ind AS.
10. Deferred tax is the tax impact of all the adjustments between IGAAP and Ind AS.
11. Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss."
12. Derivative component of Debt securities has been separated and transferred to Derivative Financial Instruments
13. There is no impact on Cash Flow due to first time adoption of Ind AS.

#### NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
<b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b>			
Cash on hand	0.40	1.17	0.66
Cheques in hand	5.14	-	8.43
Balance with banks			
- In client account	404.65	1,288.41	497.65
- Others	835.58	1,268.01	6,190.03
In Deposit accounts (with original maturity of three months or less)	400.46	2,704.97	2,932.40
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>1,646.23</b>	<b>5,262.56</b>	<b>9,629.17</b>
<b>Out of the Fixed Deposits shown above:</b>			
			(₹ in Million)
Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Lien marked against overdraft facility	-	10.04	10.03
Other deposits	400.46	2,694.93	2,922.37
<b>Total</b>	<b>400.46</b>	<b>2,704.97</b>	<b>2,932.40</b>

## NOTE 5. BANK BALANCE OTHER THAN 4 ABOVE:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
<b>Other Bank Balances</b>			
In Deposit accounts (with original maturity of more than 3 months)	1,127.95	2,189.46	3,189.23
<b>Total</b>	<b>1,127.95</b>	<b>2,189.46</b>	<b>3,189.23</b>

## Out of the Fixed Deposits shown above:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Lien marked against bank guarantee	740.20	584.31	383.72
Lien marked against overdraft facility	50.01	1,316.82	2,518.97
Collateral with exchange	186.66	278.23	276.51
Other deposits	151.08	10.10	10.03
<b>Total</b>	<b>1,127.95</b>	<b>2,189.46</b>	<b>3,189.23</b>

## NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS (REFER NOTE 37)

(₹ in Million)

Part I	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities
<b>(i) Interest rate derivatives</b>									
Interest rate swaps	11,000.00	-	46.85	-	-	-	-	-	-
<b>Subtotal(i)</b>	<b>11,000.00</b>	<b>-</b>	<b>46.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) Equity linked derivatives (Nifty Linked)</b>									
Option premium paid	3,851.54	883.27	-	985.80	49.75	-	501.60	10.76	-
Option premium received	1,616.54	-	90.49	-	-	-	570.00	-	10.81
Derivative component of liabilities	2,456.43	77.68	2,378.75	814.25	-	814.25	243.21	-	243.20
<b>Subtotal(ii)</b>	<b>7,924.51</b>	<b>960.95</b>	<b>2,469.24</b>	<b>1,800.05</b>	<b>49.75</b>	<b>814.25</b>	<b>1,314.81</b>	<b>10.76</b>	<b>254.01</b>
<b>Total Derivative Financial Instruments (i) + (ii)</b>	<b>18,924.51</b>	<b>960.95</b>	<b>2,516.09</b>	<b>1,800.05</b>	<b>49.75</b>	<b>814.25</b>	<b>1,314.81</b>	<b>10.76</b>	<b>254.01</b>

(₹ in Million)

Part II	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging	-	-	-	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	18,924.51	960.95	2,516.09	1,800.05	49.75	814.25	1,314.81	10.76	254.01
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)</b>	<b>18,924.51</b>	<b>960.95</b>	<b>2,516.09</b>	<b>1,800.05</b>	<b>49.75</b>	<b>814.25</b>	<b>1,314.81</b>	<b>10.76</b>	<b>254.01</b>

## NOTE 7. RECEIVABLES (REFER NOTE 37)

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
<b>(i) Trade receivables</b>			
Receivables considered good - Unsecured	2,963.93	1,956.23	1,607.96
<b>Total (i)- Gross</b>	<b>2,963.93</b>	<b>1,956.23</b>	<b>1,607.96</b>
Less: Impairment loss allowance	3.19	4.27	13.98
<b>Total (i)- Net</b>	<b>2,960.74</b>	<b>1,951.96</b>	<b>1,593.98</b>
<b>(ii) Other receivables</b>			
Receivables considered good - Secured	407.10	2,772.11	2,180.33
Receivables considered good - Unsecured	3,837.46	334.61	1,708.45
<b>Total (ii)- Gross</b>	<b>4,244.56</b>	<b>3,106.72</b>	<b>3,888.78</b>
Less: Impairment loss allowance	-	-	-
<b>Total (ii)- Net</b>	<b>4,244.56</b>	<b>3,106.72</b>	<b>3,888.78</b>

- a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2019, 31st March 2018, 01st April 2017.
- b) There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2019, 31st March 2018, 01st April 2017.
- c) There are no credit impaired receivables as at 31st March 2019, 31st March 2018, 01st April 2017.
- d) Other receivables include receivables on sale of Investments aggregating to ₹ 3,785.78 Mn (As at 31st March 2018- Nil, As at 01st April 2017- ₹ 1,000.69 Mn)
- e) Other receivables are generally secured by margin money received from clients and/or securities held on behalf of the clients pending settlement.
- f) No trade receivables and other receivables are interest bearing.



## NOTE 8. LOANS (REFER NOTE 37)

Loans	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017						
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Subtotal	Total
<b>(A)</b>															
(i) Term loans*	49,885.56	-	-	-	49,885.56	70,857.35	-	-	-	70,857.35	36,679.04	-	-	-	36,679.04
(ii) Others - Staff loan	7.04	-	-	-	7.04	7.39	-	-	-	7.39	8.42	-	-	-	8.42
<b>Total (A) - Gross</b>	<b>49,892.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,892.60</b>	<b>70,864.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,864.74</b>	<b>36,687.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,687.46</b>
Less: Impairment loss allowance	(228.00)	-	-	-	(228.00)	(303.56)	-	-	-	(303.56)	(167.78)	-	-	-	(167.78)
<b>Total (A) - Net</b>	<b>49,664.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,664.60</b>	<b>70,561.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,561.18</b>	<b>36,519.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,519.68</b>
<b>(B)</b>															
(i) Secured by tangible assets	47,755.41	-	-	-	47,755.41	67,585.72	-	-	-	67,585.72	33,941.98	-	-	-	33,941.98
(ii) Unsecured	2,137.19	-	-	-	2,137.19	3,279.02	-	-	-	3,279.02	2,745.48	-	-	-	2,745.48
Less: Impairment loss allowance	(228.00)	-	-	-	(228.00)	(303.56)	-	-	-	(303.56)	(167.78)	-	-	-	(167.78)
<b>Total (B) - Gross</b>	<b>49,664.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,664.60</b>	<b>70,561.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,561.18</b>	<b>36,519.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,519.68</b>
<b>(C)</b>															
<b>(I) Loans in India</b>															
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	49,892.60	-	-	-	49,892.60	70,864.74	-	-	-	70,864.74	36,687.46	-	-	-	36,687.46
Less: Impairment loss allowance	(228.00)	-	-	-	(228.00)	(303.56)	-	-	-	(303.56)	(167.78)	-	-	-	(167.78)
<b>Total (I) - Net</b>	<b>49,664.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,664.60</b>	<b>70,561.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,561.18</b>	<b>36,519.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,519.68</b>
<b>(II) Loans outside India</b>															
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C) (II) - Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total C (I) and C(II)</b>	<b>49,664.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,664.60</b>	<b>70,561.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,561.18</b>	<b>36,519.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,519.68</b>

Secured loan & Other Credit Facilities given to customer are secured by :-

- Pledge of Shares / Bonds / Mutual Fund & AIF Units
- Equitable/Registered Mortgage on Property
- Personal Guarantee\*\*

\* Includes Loan to related parties- Refer Note 42

## NOTE 9. INVESTMENTS

(₹ in Million)

Investments	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017							
	Amor- tised cost	Thro- ugh profit or loss	At Fair value	Subtotal	Others	Total	Amor- tised cost	Thro- ugh profit or loss	At Fair value	Subtotal	Others	Total	Amor- tised cost	Thro- ugh profit or loss	At Fair value	Subtotal	Others	Total
<b>(A)</b>																		
Mutual funds	-	1,566.65	-	1,566.65	-	1,566.65	-	2,284.99	-	2,284.99	-	2,284.99	-	613.82	-	613.82	-	613.82
Debt securities	-	13,014.87	-	13,014.87	-	13,014.87	-	3,383.07	-	3,383.07	-	3,383.07	-	10,589.74	-	10,589.74	-	10,589.74
Govt securities	-	10,352.03	-	10,352.03	-	10,352.03	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	2.68	-	2.68	-	2.68	-	0.60	-	0.60	-	0.60	-	23.04	-	23.04	-	23.04
Alternate investment funds	-	5,004.38	-	5,004.38	-	5,004.38	-	3,782.96	-	3,782.96	-	3,782.96	-	8,842.13	-	8,842.13	-	8,842.13
Others	-	585.05	-	585.05	-	585.05	-	1,660.40	-	1,660.40	-	1,660.40	-	-	-	-	-	-
<b>Total (A)</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>20,068.73</b>	-	<b>20,067.73</b>	-	<b>20,067.73</b>
<b>(B)</b>																		
i) Investments outside India	-	82.36	-	82.36	-	82.36	-	400.27	-	400.27	-	400.27	-	565.36	-	565.36	-	565.36
ii) Investments in India	-	30,443.30	-	30,443.30	-	30,443.30	-	10,711.75	-	10,711.75	-	10,711.75	-	19,503.37	-	19,503.37	-	19,503.37
<b>Total (B)</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>20,068.73</b>	-	<b>20,068.73</b>	-	<b>20,068.73</b>
<b>(C)</b>																		
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total- Net (D) = A-C</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>30,525.66</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>11,112.02</b>	-	<b>20,068.73</b>	-	<b>20,068.73</b>	-	<b>20,068.73</b>

Note:

Out of the above investments ₹ 578.44 Mn (As at 31st March 2018 - ₹ 451.11 Mn; As at 01st April 2017 Nil) are kept as collateral

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Mutual Funds include :</b>						
ADITYA BIRLA SUN LIFE LIQUID FUND - G	186,487.92	55.76	-	-	-	-
AXIS LIQUID FUND -G	54,941.52	113.46	-	-	-	-
BHARTI AXA TREASURY ADVANTAGE FUND- RETAIL GROWTH PLAN	-	-	381,089.41	800.00	-	-
DSP BLACKROCK MUTUAL FUND LIQUIDITY FUND INSTI PLAN GROWTH OPEN END	-	-	19,070.79	47.39	-	-
HDFC DEBT FUND FOR CANCER CURE - 50% REGULAR OPTION-2014 - DIVIDEND DONATION	1,000,000.00	10.03	1,000,000.00	10.03	1,000,000.00	10.03
HDFC LIQUID FUND - GROWTH (REGULAR)	77,201.46	282.78	17,459.00	59.54	8,806.00	28.26
HDFC MUTUAL FUND EOF II 1126D MAY 17(1) REG DIVPAY 14JL20	18,100,000.00	195.28	-	-	-	-
HDFC MUTUAL FUND FMP 1302D SEP 16 (1) SR 37 REG GROWTH 21AP20	7,605,013.00	92.31	-	-	-	-
HDFC MUTUAL FUND FMP 3360D MAR2014(1) SR30 REG QTLYDIVPY 06JU23	5,000,000.00	50.02	-	-	-	-
HDFC MUTUAL FUND LIQUID FUND DIRECT GROWTH OPEN ENDED	68,363.00	251.46	-	-	-	-
HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED	5,815.00	21.28	-	-	-	-
HDFC MUTUAL FUND SHORT TERM DBT FD DIRECT GROWTH OPEN ENDED	14,675,072.00	305.69	-	-	-	-
ICICI PRUDENTIAL FLEXIBLE INCOME - GROWTH	-	-	-	-	8,029.83	2.50
ICICI PRUDENTIAL MUTUAL FUND VALUE FD SR 4 DIV PAY 08MY19	2,100,000.00	21.55	-	-	-	-
ICICI PRULIQUID -G	42,488.57	11.70	-	-	-	-
IDFC CASH FUND -G	22,533.66	50.87	-	-	-	-
IDFC MUTUAL FUND EQ OPR SR 5 REGULAR PLAN GROWTH 15MR21	7,563,345.00	74.73	-	-	-	-
IIFL CAPITAL ENCHANCER FUND - SERIES 1 - DIRECT - GROWTH	500,000.00	5.27	-	-	-	-
IIFL DYNAMIC BOND FUND - GROWTH (REGULAR)	-	-	3,107,375.36	43.25	3,107,375.36	40.28
IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH	563,624.61	8.58	563,624.61	8.04	563,624.61	7.45
IIFL FOCUSSED EQUITY FUND - DIRECT PLAN - GROWTH	533,063.45	8.89	-	-	-	-
IIFL INDIA GROWTH FUND - DIRECT PLAN - GROWTH	-	-	811,091.45	11.73	533,063.45	7.23
IIFL INDIA GROWTH FUND - REGULAR PLAN - GROWTH	-	-	7,013,458.83	97.52	38,656,839.95	511.92
IIFL LIQUID FUND - DIRECT PLAN - GROWTH	4,769.07	6.98	4,769.07	6.53	4,769.07	6.14
IIFL LIQUID FUND - REGULAR PLAN - GROWTH	8.08	0.01	8.08	0.01	8.08	0.01
INDIABULLS BLUE CHIP FUND - EXISTING PLAN - DIVIDEND - PAYOUT	-	-	63,996,492.28	706.52	-	-
L&T FLOATING RATE FUND DIRECT PLAN - GROWTH	-	-	2,475,038.00	43.32	-	-
RELIANCE LIQUID FUND-CASH PLAN-GROWTH PLAN - GROWTH OPTION	-	-	167,394.59	451.11	-	-
		<b>1,566.65</b>		<b>2,284.99</b>		<b>613.82</b>

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Government Securities include :</b>						
7.32% GOVERNMENT OF INDIA FVRS100 28JAN2024	72,500,000.00	7,455.23	-	-	-	-
7.37% GOVERNMENT OF INDIA FVRS100 16APR2023	13,000,000.00	1,367.44	-	-	-	-
8.24% GOVERNMENT OF INDIA GOVT. STOCK 2027	14,500,000.00	1,529.36	-	-	-	-
		<b>10,352.03</b>	-	-	-	-
<b>Investment in Debt Securities include :</b>						
0.00% TATA CAPITAL FINANCE 26-JUNE-20	15.00	15.62	-	-	-	-
10.50% INDUSIND BANK LIMITED SERIES III-2019 NCD PERPEUAL FVRS10LAC	1,000.00	992.09	-	-	-	-
11% BANK OF INDIA SR-1 PERPETUAL BOND FVRS10LACS	-	-	1,073.00	1,248.83	1,336.00	1,406.30
15.75% MANIPAL HEALTHCARE PRIVATE LIMITED SERIES A NCD 25MR24 FVRS10LAC	1,170.00	1,175.03	-	-	-	-
8.55% IIFCL TRANCHE III SERIES 2A 15YRS	-	0.50	-	-	-	-
8.90% RELIANCE HOME FINANCE LTD SR-I CAT III & IV 3YRS FV RS 1000	6,605.00	6.61	-	-	-	-
9.08% UNION BANK OF INDIA SR-XXIV BD PERPETUAL FVRS10LAC	95.00	99.33	-	-	-	-
9.37% STATE BANK OF INDIA SERIES II BD PERPETUAL FVRS10LAC	1,421.00	1,463.48	-	-	-	-
9.56% STATE BANK OF INDIA SERIES 1 NCD PERPETUAL FVRS10LAC	160.00	166.64	-	-	-	-
9.90% ICICI BANK LIMITED SR DDE18AT 9.90 BD PERPETUAL FVRS10LAC	1,082.00	1,118.32	-	-	-	-
ALLAHABAD BANK SR-I 11.15 LOA PERPETUAL FVRS10LAC	-	-	-	-	275.00	274.98
AMRI HOSPITALS LIMITED LOA 02AP21 FVRS10LAC	1,500.00	1,628.47	-	-	-	-
ANDHRABANK SR-III 10.99 LOA PERPETUAL FVRS10LAC	-	-	-	-	1,385.00	1,421.62
ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000	10,814.00	-	7,221.00	-	3,596.00	-
BANK OF INDIA SR-III 11.5 BD PERPETUAL FVRS10LAC	-	-	-	-	12.00	12.89
CORPORATION BANK SR-II 10.28 LOA PERPETUAL FVRS10LAC	-	-	-	-	1,500.00	1,458.60
ECL FINANCE LIMITED SR-B9C603C BR NCD 10AP17 FVRS1LAC	-	-	-	-	100.00	465.98
ECL FINANCE LIMITED SR-I9J603A BR NCD 05FB20 FVRS1LAC	1.00	0.16	-	-	-	-
EDELWEISS FINANCE & INVESTMENTS LTD G7K503B 04-APRIL-19	150.00	20.05	-	-	-	-
EDELWEISS FINVEST PRIVATE LIMITED SR-A0A702A NCD 26MAY20 FVRS1LAC	500.00	65.40	-	-	-	-
EMAMI INFRASTRUCTURE LIMITED NCD 25MR21 FVRS10LAC	500.00	540.53	-	-	-	-
HDB FINANCIAL SERVICES LIMITED SR-A/0/104 OP 3 NCD 08JL20 FVRS10LAC	15.00	17.20	-	-	-	-

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
HINDUJA LEYLAND FINANCE LIMITED SR 001 BR NCD 17SP24 FVRS10LAC	347.00	368.55	-	-	-	-
ICICI BANK LIMITED SR- DMR17AT 9.2 BD PERPETUAL FVRS10LAC	9.00	8.95	-	-	-	-
IDBI BANK LIMITED SR-II 10.75 BD PERPETUAL FVRS10LAC	-	-	-	-	1,417.00	1,395.11
INDIA REIT FUND SCHEME V	45.75	6.86	162.07	22.70	46.51	5.79
KOTAK MAHINDRA INVESTMENTS LIMITED SR-030 NCD 05AG20 FVRS10LAC	100.00	89.75	-	-	-	-
ORIENTAL BANK OF COMMERCE SR-2 10.95 BD PERPETUAL FVRS10LAC	-	-	-	-	1,400.00	1,447.65
PUNJAB NATIONAL BANK SR-IX9.21 BD PERPETUAL FVRS10LAC LOA UPTO 27AP17	348.00	336.37	-	-	-	-
PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL FVRS10LAC	784.00	737.72	-	-	500.00	499.09
PUNJAB NATIONAL BANK SR-VIII 8.95 LOA PERPETUAL FVRS10LAC	85.00	82.69	100.00	212.47	-	-
PUNJAB NATIONAL BANK SR-XI 8.98 BD PERPETUAL FVRS10LAC LOA UPTO 03SP17	859.00	872.82	-	-	-	-
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/367-A 28-NOV-19	137.00	23.83	137.00	13.70	137.00	70.31
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/369-A TYPE II 02-DEC-19	60.00	10.42	60.00	6.00	60.00	6.00
RELIANCE CAPITAL LIMITED SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC	629.00	111.99	629.00	62.90	629.00	62.90
RELIANCE CAPITAL LIMITED SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC	704.00	125.25	704.00	70.40	704.00	70.40
RELIANCE CAPITAL LIMITED SR-B/364A TYPE I BR NCD 04NV19 FVRS1LAC	336.00	59.59	336.00	33.60	336.00	33.60
RELIANCE CAPITAL LIMITED SR-B/433A BR NCD 09AG21 FVRS1LAC	4,241.00	459.19	3,321.00	333.62	-	-
RELIANCE FINANCIAL LIMITED SR B/190328N BR NCD 11JN22 FVRS1LAC	2,692.00	289.34	-	-	-	-
RELIANCE CAPITAL LIMITED MLD SERIES B/435A 25OCT21 FVRS1LAC	2,243.00	233.96	1,805.00	180.50	-	-
STATE BANK OF INDIA SR-1 9 BD PERPETUAL FVRS10LAC	779.00	815.54	215.00	217.41	203.00	205.61
STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL FVRS10LAC	300.00	305.61	938.00	931.74	730.00	723.42
STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC	-	-	50.00	49.20	-	-
SYNDICATE BANK SR-I 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	-	20.00	19.94
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	-	683.00	714.01
SYNDICATE BANK SR-V 9.8 LOA PERPETUAL FVRS10LAC	383.00	398.98	-	-	-	-

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
UNION BANK OF INDIA SR-XXIII TR-2 9.1 BD PERPETUAL FVRS10LAC	381.00	368.03	-	-	-	-
VIJAYA BANK SR-IV 10.49 LOA PERPETUAL FVRS10LAC	-	-	-	-	300.00	295.54
	<b>13,014.87</b>		<b>3,383.07</b>		<b>10,589.74</b>	
<b>Investment in Equity Instrument include :</b>						
FINEWORTHY SOFTWARE SOLUTION PRIVATE LIMITED	10,000.00	2.18	10,000.00	0.10	10,000.00	0.10
INDIA INFOLINE LTD (FORMERLY KNOWN AS INDIA INFOLINE DIST. CO. LTD.)	-	-	-	-	20.00	-
MF UTILITIES INDIA PRIVATE LIMITED	500,000.00	0.50	500,000.00	0.50	500,000.00	0.50
SHANKARA BUILDING PRODUCTS LIMITED	-	-	-	-	48,769.00	22.44
INDIA ALTERNATIVE ADVISORS PVT. LTD.	1.00	-	1.00	-	-	-
	<b>2.68</b>		<b>0.60</b>		<b>23.04</b>	
<b>Investment in Alternate investment funds include :</b>						
ABAKKUS GROWTH FUND - 1	10,000.00	10.64	-	-	-	-
ASK SELECT FOCUS FUND	10,597.22	10.04	5,000.00	4.76	-	-
BLUME VENTURES (OPPORTUNITIES) FUND II	260,000.00	25.60	-	-	-	-
BLUME VENTURES FUND I	910.00	25.98	1,487.50	27.01	1,487.50	27.54
BOV CAPITAL FUND	500,000.00	45.02	-	-	-	-
DSP AIF PHARMA FUND	100,000.00	9.62	100,000.00	9.62	-	-
GLOBAL DYNAMIC OPPORTUNITIES FUND LTD. CELL 74	-	-	-	-	82,800.00	565.36
GLOBAL DYNAMIC OPPORTUNITIES FUND LTD. CELL 99	-	-	59,120.89	397.86	-	-
GREENLAND SUB-FUND A	500.00	37.33	-	-	-	-
IA ALL CAP FUND	10,356,188.09	93.91	5,645,048.00	54.52	-	-
IA BALANCE FUND	4,666,205.00	49.19	-	-	-	-
IA BLENDED FUND - SERIES 2	3,052,890.54	30.24	-	-	-	-
IA DIVERSIFIED FUND	2,514,771.62	26.49	7,500,000.00	75.85	-	-
IA OPPORTUNITIES FUND - SERIES 1	1,604,462.70	15.83	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 2	2,162,210.48	21.33	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 6	350,000.00	3.57	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 8	1,001,500.59	10.52	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 9	1,000,000.00	10.50	-	-	-	-
ICICI PRUDENTIAL REAL ESTATE AIF II	728,195.63	72.60	728,195.63	80.96	-	-
IIFL ASSET REVIVAL FUND SERIES 2	-	-	10,002,500.00	141.17	10,002,500.00	131.94
IIFL ASSET REVIVAL FUND SERIES 3	-	-	2,943,914.09	38.13	4,716,692.09	57.50
IIFL BEST OF CLASS FUND 1	-	-	10,002,500.00	118.97	5,002,500.00	58.42
IIFL BEST OF CLASS FUND II	-	-	2,500.00	0.03	5,002,500.00	64.19
IIFL BLENDED FUND - SERIES A	7,840,215.00	79.62	2,552,091.07	24.24	-	-
IIFL BLENDED FUND - SERIES B	1,657,151.16	15.15	-	-	-	-
IIFL BLENDED FUND - SERIES C	3,012,500.00	31.61	3,012,500.00	29.53	-	-
IIFL CASH OPPORTUNITIES FUND	-	-	40,058,229.67	483.98	384,525,183.43	4,377.86

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
IIFL FOCUSED EQUITY STRATEGIES FUND	8,012,711.12	109.59	6,581,767.51	82.76	2,500,000.00	28.48
IIFL FUND	-	-	300.00	2.41	-	-
IIFL HIGH GROWTH COMPANIES FUND	5,000,000.00	56.51	-	-	-	-
IIFL INCOME OPPORTUNITIES FUND	-	-	-	-	57,057,308.75	37.47
IIFL INCOME OPPORTUNITIES FUND - SERIES 2	17,500,000.00	177.51	-	-	-	-
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS	1,684.61	0.01	1,684.61	0.01	934,607.75	9.04
IIFL INCOME OPPORTUNITIES SERIES DEBT ADVANTAGE	8,102,978.66	71.83	18,867,792.09	201.66	46,180,362.87	473.96
IIFL INCOME OPPORTUNITIES SERIES REGULAR INCOME	-	-	-	-	200,000,000.00	2001.52
IIFL INDIA PRIVATE EQUITY FUND	11,670,000.00	116.70	-	-	-	-
IIFL INVESTMENT OPPORTUNITIES FUND - SPECIAL SERIES 1	-	-	-	-	7,638,211.44	86.58
IIFL LONG TERM EQUITY GROWTH FUND	1,000,000.00	11.05	1,000,000.00	10.54	-	-
IIFL LONG TERM GROWTH FUND I	10,002,500.00	115.86	10,002,500.00	103.26	-	-
IIFL MULTI-STRATEGY FUND	10,000,000.00	108.38	-	-	-	-
IIFL NATIONAL DEVELOPMENT AGENDA FUND	-	-	-	-	9,466.56	0.09
IIFL PHOENIX CASH OPPORTUNITIES FUND	-	-	2,897,648.43	31.67	1,002,500.00	10.26
IIFL RE ORGANIZE INDIA EQUITY FUND	11,440,326.99	92.18	4,984,299.23	44.95	2,500,000.00	25.09
IIFL REAL ESTATE FUND DOMESTIC SERIES 1	-	-	-	-	2,161,355.00	34.63
IIFL REAL ESTATE FUND DOMESTIC SERIES 2	11,756,552.81	93.75	2,370.00	0.02	2,370.00	0.02
IIFL REAL ESTATE FUND DOMESTIC SERIES 3	47,938,266.05	477.83	30,633,224.76	310.27	29,650,964.38	310.36
IIFL REAL ESTATE FUND DOMESTIC SERIES 4	43,664,218.26	428.96	34,329,178.87	354.09	10,002,500.00	102.44
IIFL SEED VENTURES FUND 1	18,586,993.69	356.47	18,586,993.69	302.13	13,451,908.87	208.63
IIFL SELECT EQUITY FUND	7,195,906.69	72.88	2,038,086.15	19.92	2,000,000.00	20.00
IIFL SELECT SERIES 1	1,680,799.34	22.31	1,680,799.34	21.06	1,676,041.10	18.43
IIFL SELECT SERIES II	5,000,000.00	49.65	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND	12,806,375.48	145.09	6,404,414.27	72.29	1,250,000.00	12.52
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2	6,986,122.90	75.48	6,460,272.53	71.46	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3	12,066,347.19	129.36	6,507,038.40	71.18	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4	14,105,131.65	140.63	11,625,136.50	116.29	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5	8,174,401.54	80.61	5,130,473.10	50.92	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 6	5,000,000.00	51.17	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7	5,002,500.00	51.61	5,002,500.00	50.30	-	-
IIFL YIELD ENHANCER FUND	60,882,728.78	170.81	31,457,114.09	130.33	12,502,500.00	127.83
INDIA ALTERNATIVES PRIVATE EQUITY FUND II	1,373.56	120.36	-	-	-	-
INDIA HOUSING FUND	30,393,275.90	316.58	5,002,500.00	50.27	-	-
INDIAREIT FUND SCHEME I	188.91	0.81	-	-	-	-
IRON PILLAR INDIA FUND 1	2,116,131.54	248.92	291,118.00	29.11	-	-
KAE CAPITAL FUND IIA	2,100.00	210.00	-	-	-	-
MALABAR VALUE FUND	855,837.93	99.43	855,837.93	110.30	386,785.95	41.81
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND	743,825.58	10.99	882,448.76	12.45	624,802.18	7.69



Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
PEGASUS INDIA EVOLVING OPPORTUNITIES FUND	123.53	11.30	-	-	-	-
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	147.02	14.39	147.02	16.90	25.05	2.47
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	154.74	13.88	154.74	16.52	-	-
WHITE OAK INDIA EQUITY FUND	3,206,133.56	36.22	1,293,392.79	13.26	-	-
WHITE OAK INDIA EQUITY FUND II	1,000,000.00	10.48	-	-	-	-
XPONENTIA OPPORTUNITIES FUND I	800.00	80.00	-	-	-	-
YOURNEST ANGEL FUND	1,575.00	-	1,575.00	-	-	-
		<b>5,004.38</b>		<b>3,782.96</b>		<b>8,842.13</b>
<b>Investment in Others include:</b>						
IRB INVIT FUND	8,815,000.00	585.05	20,240,000.00	1,660.40	-	-
		<b>585.05</b>		<b>1,660.40</b>		<b>-</b>
<b>Total</b>		<b>30,525.66</b>		<b>11,112.02</b>		<b>20,068.73</b>

## NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Deposit with exchange	67.20	284.15	228.70
Deposit with Clearing Corporation of India Limited (CCIL)	143.90	22.20	-
Other deposits	86.67	76.03	103.86
Income accrued & due	0.14	0.82	0.11
Fees income accrued & not due	23.41	-	-
Advances to companies under common promoters	20.50	13.59	11.29
Receivable from Employees	1.88	1.47	6.00
Advance for purchase of Investments in units of AIF	175.00	-	-
Others	5.36	24.42	23.04
<b>Total</b>	<b>524.06</b>	<b>422.68</b>	<b>373.00</b>

## NOTE 11. INVENTORIES - (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 01, 2017
Stock in trade	197.51	-	-
<b>Total</b>	<b>197.51</b>	<b>-</b>	<b>-</b>
<b>Aggregate Market Value- Stock in hand - Quoted</b>	<b>197.51</b>	<b>-</b>	<b>-</b>

## NOTE 12. DEFERRED TAXES

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ in Million)

	Opening balance	Addition on acquisition/merger	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment and intangible assets	26.57	(0.22)	31.89	-	-	-	58.24
Carried forward tax losses	10.09	-	(3.49)	0.66	-	-	7.26
Expenses deductible in future years:							
Impairment of Assets	107.55	-	(26.94)	-	-	-	80.61
Retirement benefits for employees	24.98	0.38	(3.03)	-	-	2.42	24.75
Unutilised MAT credit	14.79	-	-	-	1.72	-	16.51
Unrealised profit on investments etc.	0.89	-	(0.89)	-	-	-	-
<b>Total deferred tax assets (A)</b>	<b>184.87</b>	<b>0.16</b>	<b>(2.46)</b>	<b>0.66</b>	<b>1.72</b>	<b>2.42</b>	<b>187.37</b>
Offsetting of deferred tax (assets) with deferred tax liabilities	(14.56)	-	-	-	-	-	(13.04)
<b>Net Deferred tax (assets)</b>	<b>170.31</b>						<b>174.33</b>
<b>Deferred tax liabilities:</b>							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.23	-	(0.23)	-	-	-	-
Unrealised profit on investments etc.	14.33	0.83	(3.48)	-	-	-	11.68
Goodwill on acquisition	-	286.58	(7.12)	-	-	-	279.46
<b>Total deferred tax liabilities (B)</b>	<b>14.56</b>	<b>287.41</b>	<b>(10.83)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291.14</b>
Offsetting of deferred tax liabilities with deferred tax (assets)	(14.56)	-	-	-	-	-	(13.04)
<b>Net Deferred tax liabilities</b>	<b>-</b>	<b>287.41</b>	<b>(10.83)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278.10</b>

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in Million)

	Opening balance	Addition on acquisition/merger	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	6.16	-	20.41	-	-	-	26.57
Carried forward tax losses	18.31	-	(8.28)	0.06	-	-	10.09
Expenses deductible in future years:							
Impairment of Assets	53.23	-	54.32	-	-	-	107.55
Retirement benefits for employees	16.56	-	(0.40)	-	-	8.82	24.98
Unutilised MAT credit	94.25	-	-	-	(79.46)	-	14.79
Unrealised profit on investments etc.	19.49	-	(18.60)	-	-	-	0.89
<b>Total deferred tax assets (A)</b>	<b>208.00</b>	<b>-</b>	<b>47.45</b>	<b>0.06</b>	<b>(79.46)</b>	<b>8.82</b>	<b>184.87</b>
Offsetting of deferred tax (assets) with deferred tax liabilities	(2.07)	-	-	-	-	-	(14.56)
<b>Net Deferred tax (assets)</b>	<b>205.93</b>						<b>170.31</b>

(₹ in Million)

	Opening balance	Addition on acquisition/merger	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax liabilities:</b>							
Difference between book base and tax base of property, plant & equipment and intangible assets	0.74	-	(0.51)	-	-	-	0.23
Unrealised profit on investments etc.	1.33	-	13.00	-	-	-	14.33
<b>Total deferred tax liabilities (B)</b>	<b>2.07</b>	<b>-</b>	<b>12.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.56</b>
Offsetting of deferred tax liabilities with deferred tax (assets)	(2.07)	-	-	-	-	-	(14.56)
<b>Net Deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 13. PROPERTY PLANT AND EQUIPMENT

As at March 31, 2019

(₹ in Million)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Air Conditioner	Computers	Electrical Equipment	Land	Total
<b>Gross Carrying value as on</b>								
<b>April 01, 2018</b>	<b>214.39</b>	<b>18.92</b>	<b>27.91</b>	<b>7.01</b>	<b>84.94</b>	<b>6.75</b>	<b>1.00</b>	<b>360.92</b>
Additions	417.06	-	28.45	21.31	21.34	21.12	-	509.28
Additions related to acquisitions	6.30	1.88	3.42	-	6.48	0.84	-	18.92
Deductions/ Adjustments during the year	0.05	1.88	0.87	0.03	0.15	0.01	-	2.99
Foreign Currency Translation	(0.34)	-	(0.01)	-	(0.05)	-	-	(0.40)
<b>As at March 31, 2019</b>	<b>638.04</b>	<b>18.92</b>	<b>58.92</b>	<b>28.29</b>	<b>112.66</b>	<b>28.70</b>	<b>1.00</b>	<b>886.53</b>
<b>Depreciation</b>								
<b>Upto April 01, 2018</b>	<b>50.02</b>	<b>4.77</b>	<b>3.95</b>	<b>0.64</b>	<b>34.70</b>	<b>0.08</b>	<b>-</b>	<b>94.16</b>
Accumulated Depreciation On Acquisition	5.03	0.52	2.12	-	3.34	0.83	-	11.84
Depreciation for the year	99.24	6.36	11.10	2.89	40.64	4.63	-	164.86
Deductions/Adjustments during the year	0.03	0.73	(0.23)	0.02	0.11	0.01	-	0.67
Foreign Currency Translation	(0.01)	-	-	-	(0.03)	-	-	(0.04)
<b>Upto March 31, 2019</b>	<b>154.27</b>	<b>10.92</b>	<b>17.40</b>	<b>3.51</b>	<b>78.60</b>	<b>5.53</b>	<b>-</b>	<b>270.23</b>
<b>Net Block as at March 31, 2019</b>	<b>483.77</b>	<b>8.00</b>	<b>41.52</b>	<b>24.78</b>	<b>34.06</b>	<b>23.17</b>	<b>1.00</b>	<b>616.30</b>

## As at March 31, 2018

(₹ in Million)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Air Conditioner	Computers	Electrical Equipment	Land	Total
<b>Gross carrying value as on</b>								
<b>April 01, 2017</b>	<b>119.69</b>	<b>16.63</b>	<b>10.53</b>	<b>2.27</b>	<b>58.31</b>	<b>5.67</b>	<b>1.00</b>	<b>214.10</b>
Additions	102.65	5.19	17.77	6.18	27.25	3.37	-	162.41
Deductions/ Adjustments during the year	6.20	2.90	0.30	1.44	0.13	2.29	-	13.26
Foreign Currency Translation	1.75	-	0.09	-	0.49	-	-	2.33
<b>As at March 31, 2018</b>	<b>214.39</b>	<b>18.92</b>	<b>27.91</b>	<b>7.01</b>	<b>84.94</b>	<b>6.75</b>	<b>1.00</b>	<b>360.92</b>
<b>Depreciation</b>								
<b>Upto April 01, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	53.57	5.99	4.09	1.42	35.24	1.86	-	102.17
Deductions/Adjustments during the year	1.80	1.22	0.04	0.78	0.08	1.78	-	5.70
Foreign Currency Translation	1.75	-	0.10	-	0.46	-	-	2.31
<b>Upto March 31, 2018</b>	<b>50.02</b>	<b>4.77</b>	<b>3.95</b>	<b>0.64</b>	<b>34.70</b>	<b>0.08</b>	<b>-</b>	<b>94.16</b>
<b>Net Block as at March 31, 2018</b>	<b>164.37</b>	<b>14.15</b>	<b>23.96</b>	<b>6.37</b>	<b>50.24</b>	<b>6.67</b>	<b>1.00</b>	<b>266.76</b>

## NOTE 14. CAPITAL WORK-IN-PROGRESS:

## As at March 31, 2019

(₹ in Million)

Particulars	As At March 31, 2019
<b>As at April 01, 2018</b>	<b>217.34</b>
Additions	1,714.68
Deductions	197.69
<b>As at March 31, 2019</b>	<b>1,734.33</b>

## As at March 31, 2018

(₹ in Million)

Particulars	As At March 31, 2018
<b>As at April 01, 2017</b>	<b>35.65</b>
Additions	184.64
Deductions	2.95
<b>As at March 31, 2018</b>	<b>217.34</b>

## NOTE 15. GOODWILL ON ACQUISITION

## A summary of changes in the carrying amount of goodwill is as follows:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Carrying value at the beginning of the year			
Goodwill on business acquisition (Refer Note 45)	1,878.51	-	-
<b>Carrying value at the end of the year</b>	<b>1,878.51</b>	<b>-</b>	<b>-</b>

## NOTE 16. OTHER INTANGIBLE ASSETS

As at March 31, 2019

(₹ in Million)

Particulars	Software	Customer Relations	Asset Management Rights	Total
<b>Softwares/Customer Relations/Asset management rights acquired</b>				
Gross Carrying value as on April 01, 2018	73.10	-	-	73.10
Additions	33.24	-	23.96	57.20
Additions related to acquisition	118.30	728.20	-	846.50
Deductions / adjustments during the year	-	-	-	-
Foreign currency translation	(0.02)	-	-	(0.02)
<b>As at March 31, 2019</b>	<b>224.66</b>	<b>728.20</b>	<b>23.96</b>	<b>976.82</b>
<b>Amortisation</b>				
<b>Upto April 01, 2018</b>	<b>33.94</b>	<b>-</b>	<b>-</b>	<b>33.94</b>
Accumulated depreciation on acquisition	21.45	-	-	21.45
Amortisation for the year	36.82	12.97	0.41	50.20
Deductions / adjustments during the year	-	-	-	-
Foreign Currency Translation	-	-	-	-
<b>Upto March 31, 2019</b>	<b>92.21</b>	<b>12.97</b>	<b>0.41</b>	<b>105.59</b>
<b>Net Block as at March 31, 2019</b>	<b>132.45</b>	<b>715.23</b>	<b>23.55</b>	<b>871.23</b>

As at March 31, 2018

(₹ in Million)

Particulars	Software	Customer Relations	Asset Management Rights	Total
<b>Software/Customer Relations/Asset management rights acquired</b>				
Gross Carrying value as on April 01, 2017	41.12	-	-	41.12
Additions	31.98	-	-	31.98
Deductions / adjustments during the year	-	-	-	-
Foreign Currency Translation	-	-	-	-
<b>As at March 31, 2018</b>	<b>73.10</b>	<b>-</b>	<b>-</b>	<b>73.10</b>
<b>Amortisation</b>				
<b>Upto April 01, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the year	33.93	-	-	33.93
Deductions / adjustments during the year	-	-	-	-
Foreign Currency Translation	(0.01)	-	-	(0.01)
<b>Upto March 31, 2018</b>	<b>33.94</b>	<b>-</b>	<b>-</b>	<b>33.94</b>
<b>Net Block as at March 31, 2018</b>	<b>39.16</b>	<b>-</b>	<b>-</b>	<b>39.16</b>

## NOTE 17. OTHER NON FINANCIAL ASSETS

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
<b>Unsecured</b>			
Prepaid expenses	304.85	164.81	67.89
Amounts recoverable	101.09	23.13	31.14
Employee advance against expenses	3.20	1.08	1.48
Others	0.72	1.20	0.92
<b>Total</b>	<b>409.86</b>	<b>190.22</b>	<b>101.43</b>

## NOTE 18. PAYABLES

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
<b>Trade payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	514.73	1,246.30	921.55
<b>Total</b>	<b>514.73</b>	<b>1,246.30</b>	<b>921.55</b>
<b>Other payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	846.42	3,425.94	2,341.08
<b>Total</b>	<b>846.42</b>	<b>3,425.94</b>	<b>2,341.08</b>

## 18.1. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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

(₹ in Million)

Particulars	2018-19	2017-18	2016-17
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.

## NOTE 19. DEBT SECURITIES

(₹ in Million)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
Liability component of compound financial instruments (Secured)	6,241.42	-	-	6,241.42	1,645.25	-	-	1,645.25	434.60	-	-	434.60
Bonds/ Debentures	18,188.13	15,353.04	-	33,541.17	8,355.94	8,561.10	-	16,917.04	5,239.30	12,164.70	-	17,404.00
<b>Total</b>	<b>24,429.55</b>	<b>15,353.04</b>	<b>-</b>	<b>39,782.59</b>	<b>10,001.19</b>	<b>8,561.10</b>	<b>-</b>	<b>18,562.29</b>	<b>5,673.90</b>	<b>12,164.70</b>	<b>-</b>	<b>17,838.60</b>
Debt securities in India	24,429.55	15,353.04	-	39,782.59	10,001.19	8,561.10	-	18,562.29	5,673.90	12,164.70	-	17,838.60
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24,429.55</b>	<b>15,353.04</b>	<b>-</b>	<b>39,782.59</b>	<b>10,001.19</b>	<b>8,561.10</b>	<b>-</b>	<b>18,562.29</b>	<b>5,673.90</b>	<b>12,164.70</b>	<b>-</b>	<b>17,838.60</b>

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost						
Above 5 years	2,714.19	9.16% - 11.18%	-	-	-	-
1-5 years	10,180.07	7.97% - 9.75%	8,302.19	8.00% - 9.73%	3,032.30	8.00% - 9.65%
Less than 1 year	11,535.29	8.00% - 9.73%	1,699.00	8.00% - 9.60%	2,641.60	9.00% - 9.45%
<b>At Fair value through profit or loss</b>						
Above 5 years	13,369.64	Market linked	8,561.10	Market linked	12,164.70	Market linked
1-5 years	1,983.40	Market linked	-	-	-	-
Less than 1 year	-	-	-	-	-	-

The Secured Listed Non-Convertible Debentures of the Company are Secured by pari passu mortgage and charge over the Company's Identified Immovable Property, charge on present and future receivables to the extent equal to the principal and interest amount of the secured non-convertible debentures outstanding at any point of time and first exclusive charge by way of pledge on specific identified liquid or debt fund/ identified bonds/ perpetual bonds issued by bank/ marketable debt securities (being non-capital market investments of the Company) for each tranche in accordance with the respective tranche private placement offer document/ information memorandum.

(₹ in Million)

Particulars	As at March 31, 2019
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2019	2,067.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	106.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	55.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/06/2019	280.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/06/2019	44.20
Market Linked Non Convertible Debenture of Face Value Rs. 10,00,000 Each Redeemable on 25/06/2019	750.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2019	75.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 03/07/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/07/2019	161.50



(₹ in Million)

Particulars	As at March 31, 2019
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/07/2019	4.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	300.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/08/2019	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/08/2019	3.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/08/2019	720.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/08/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2019	125.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2019	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/09/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/09/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/09/2019	23.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/10/2019	63.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/10/2019*	209.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019*	234.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/10/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019	2,584.09
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019*	111.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/11/2019	27.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/11/2019*	45.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019*	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2019	3,406.61
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/12/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2020	128.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2020	3,041.18
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/05/2020	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/08/2020	430.53
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/03/2021	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2021	1,803.45
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09/08/2021*	1,424.11
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2021*	702.79
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/05/2022*	1,954.77
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/05/2022*	2,288.28
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/07/2023	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2023	260.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/02/2024	1,603.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/10/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/11/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2025	970.86
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/07/2025	801.80

(₹ in Million)

Particulars	As at March 31, 2019
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2025	1,504.37
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	1,700.17
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	1,727.66
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/04/2026	2,311.66
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2026	992.89
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026	85.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	45.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026	40.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/02/2027	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2027	470.60
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/12/2028*	681.93
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/01/2029*	706.89
	<b>41,921.23</b>

\* includes Derivative component of Debt Securities

(₹ in Million)

Particulars	As at March 31, 2018
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2018	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/05/2018	450.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/05/2018	194.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/05/2018	15.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/05/2018	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/05/2018	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 17/05/2018	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/07/2018	200.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02/08/2018	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/08/2018	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/08/2018	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 17/08/2018	15.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2018	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/08/2018	82.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2018	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/09/2018	32.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/09/2018	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/09/2018	70.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2019	2,207.47

(₹ in Million)

Particulars	As at March 31, 2018
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	130.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	55.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/06/2019	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/06/2019	140.70
Market Linked Non Convertible Debenture of Face Value Rs. 10,00,000 Each Redeemable on 25/06/2019	750.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2019	75.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 03/07/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/07/2019	171.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/07/2019	29.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	300.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/08/2019	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/08/2019	503.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/08/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2019	125.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2019	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/09/2019	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/09/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/09/2019	48.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/10/2019	63.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/10/2019*	209.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019*	234.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/10/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019*	111.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/11/2019	27.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/11/2019*	45.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019*	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/12/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2020	991.01
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/03/2021	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2021	456.76
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09/08/2021*	1,110.75
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2021*	614.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2023	280.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	250.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/10/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/11/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/11/2026	120.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	210.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	120.00

(₹ in Million)

Particulars	As at March 31, 2018
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026	130.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026	375.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/11/2026	410.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	85.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 01/12/2026	355.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	410.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	70.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026	170.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026	141.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026	144.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/01/2027	110.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/02/2027	90.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2027	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/03/2027	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2027	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/06/2027	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2027	470.60
	<b>19,263.01</b>

\* includes Derivative component of Debt Securities

(₹ in Million)

Particulars	As at April 01, 2017
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/07/2017	98.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/07/2017	55.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/07/2017	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02/08/2017	338.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/08/2017	42.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/08/2017	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2017	40.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/08/2017	160.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/09/2017	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/10/2017	112.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/10/2017	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/10/2017	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/11/2017	130.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/11/2017	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/11/2017	500.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/11/2017	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 01/12/2017	7.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2017	37.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2017	74.30
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/12/2017	3.00

(₹ in Million)

Particulars	As at April 01, 2017
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2017	78.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2017	32.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/02/2018	250.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2018	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/05/2018	450.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/05/2018	194.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/05/2018	15.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/05/2018	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/05/2018	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 17/05/2018	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/07/2018	200.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02/08/2018	150.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/08/2018	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 17/08/2018	15.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2018	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/08/2018	82.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/09/2018	32.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/09/2018	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/09/2018	70.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	130.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/06/2019	140.70
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2019	75.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 03/07/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/07/2019	171.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/07/2019	29.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/08/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2019	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/09/2019	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/09/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/09/2019	48.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/10/2019	63.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/10/2019*	209.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019*	234.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/10/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019*	111.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/11/2019	27.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/11/2019*	45.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019*	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/12/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2023	345.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/12/2023	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	10.00

(₹ in Million)

Particulars	As at April 01, 2017
Debt Securities include :	Issue price (₹ in Mn)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	250.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/01/2024	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/03/2024	200.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/11/2026	470.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	370.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	120.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026	470.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/11/2026	200.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026	1,389.70
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/11/2026	830.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	590.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	130.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 01/12/2026	1,041.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	1,160.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	920.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026	710.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026	426.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026	279.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 17/12/2026	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026	626.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026	270.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/01/2027	460.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2027	70.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/02/2027	197.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2027	80.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/03/2027	250.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/03/2027	100.00
	<b>18,025.20</b>

\* includes Derivative component of Debt Securities

## NOTE 20. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Million)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(a) Term loans												
(i) from banks	-	-	-	-	-	-	-	-	-	-	-	-
(ii) from other parties	4.54	-	-	4.54	9.62	-	-	9.62	16.33	-	-	16.33
(b) Loans repayable on demand												
(i) from banks	1,981.36	-	-	1,981.36	107.45	-	-	107.45	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-	-	-	-	-
(c) Borrowings from Collateralized Borrowing and Lending Obligation (CBLO)	9,850.00	-	-	9,850.00	-	-	-	-	-	-	-	-
Less: Prepaid Discount	(1.87)	-	-	(1.87)	-	-	-	-	-	-	-	-
(d) Commercial papers	3,978.50	-	-	3,978.50	45,850.00	-	-	45,850.00	34,250.00	-	-	34,250.00
Less: Prepaid Discount	(151.72)	-	-	(151.72)	(484.06)	-	-	(484.06)	(279.05)	-	-	(279.05)
<b>Total</b>	<b>15,660.81</b>	<b>-</b>	<b>-</b>	<b>15,660.81</b>	<b>45,483.01</b>	<b>-</b>	<b>-</b>	<b>45,483.01</b>	<b>33,987.28</b>	<b>-</b>	<b>-</b>	<b>33,987.28</b>

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
Above 5 years	-	-	-	-	-	-
1-5 years	-	-	4.54	9.90%	11.03	9.90%
Less than 1 year	15,660.81	8.00% - 10.40%	45,478.47	7.85% - 8.70%	33,976.25	7.20% - 9.90%

- Loans repayable on demand from banks- As at 31st March 2019, the loans are secured by way of pari passu charge on specific receivables. As at 31st March 2018 and 01st April 2017, the loans are secured by way of pari passu charge on receivables and corporate guarantee issued by the holding company. The interest rates on these loans are linked to Marginal Cost of funds based Lending Rate (MCLR) of the lending bank + Spread
- Commercial papers are unsecured short term papers issued at discount. The cost on outstanding Commercial papers ranges from 8% to 10.00% p.a.
- Borrowings from CBLO are secured against Investments in Government Securities.
- Loans from other parties are secured against hypothecation of vehicles.



(₹ in Million)

Particulars	As at March 31, 2019
Term Loan from Other parties includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.54
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.91
Car Loan taken is repayable in monthly installment. Balance Tenure is of 10 months as on balance sheet date	0.53
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.74
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.26
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.28
	<b>4.54</b>

(₹ in Million)

Particulars	As at March 31, 2018
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.21
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 21 months as on balance sheet date	2.02
Car Loan taken is repayable in monthly installment. Balance Tenure is of 22 months as on balance sheet date	1.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	1.41
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	0.49
Car Loan taken is repayable in monthly installment. Balance Tenure is of 24 months as on balance sheet date	0.55
	<b>9.62</b>

(₹ in Million)

Particulars	As at April 01, 2017
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	1.82
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	2.12
Car Loan taken is repayable in monthly installment. Balance Tenure is of 33 months as on balance sheet date	3.03
Car Loan taken is repayable in monthly installment. Balance Tenure is of 34 months as on balance sheet date	1.65
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	2.02
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	0.69
Car Loan taken is repayable in monthly installment. Balance Tenure is of 36 months as on balance sheet date	0.76
	<b>16.33</b>

## NOTE 21. SUBORDINATED LIABILITIES:

(₹ in Million)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
<b>(A)</b>												
Perpetual Debt Instruments to the extent that do not qualify as equity (Unsecured)	1,500.00	-	-	1,500.00	1,500.00	-	-	1,500.00	1,500.00	-	-	1,500.00
Subordinated debt	4,201.34	-	-	4,201.34	4,117.98	-	-	4,117.98	2,935.00	-	-	2,935.00
<b>Total (A)</b>	<b>5,701.34</b>	<b>-</b>	<b>-</b>	<b>5,701.34</b>	<b>5,617.98</b>	<b>-</b>	<b>-</b>	<b>5,617.98</b>	<b>4,435.00</b>	<b>-</b>	<b>-</b>	<b>4,435.00</b>
<b>(B)</b>												
Subordinated liabilities in India	5,701.34	-	-	5,701.34	5,617.98	-	-	5,617.98	4,435.00	-	-	4,435.00
Subordinated liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>5,701.34</b>	<b>-</b>	<b>-</b>	<b>5,701.34</b>	<b>5,617.98</b>	<b>-</b>	<b>-</b>	<b>5,617.98</b>	<b>4,435.00</b>	<b>-</b>	<b>-</b>	<b>4,435.00</b>

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost						
Above 5 years	1,500.00	10.00 %	2,522.98	8.80 % to 10.00%	4,435.00	9.10 % to 9.36%
1-5 years	4,201.34	8.8 % to 9.36%	3,095.00	9.10 % to 9.36%	-	-
Less than 1 year						

\* Indicates Effective Interest Rate

(₹ in Million)

Particulars	As at March 31, 2019
(i) Perpetual Debt Instruments include	
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	<b>1,500.00</b>
(ii) Subordinated debt include	
	<b>Issue price</b>
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	750.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	25.36
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 12/07/2022	10.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 22/07/2022	150.00
11.11% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	175.00

(₹ in Million)

Particulars	As at March 31, 2019
11.18% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	69.22
11.25% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	10.00
11.25% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	230.43
11.30% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	70.05
11.33% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	79.76
11.37% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	111.21
11.40% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	20.25
11.45% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	10.25
11.62% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	82.54
12.18% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	49.06
12.28% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	115.21
11.11% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 10/01/2024	58.00
	<b>4,201.34</b>

(₹ in Million)

Particulars	As at March 31, 2018
(i) Perpetual Debt Instruments include	
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	<b>1,500.00</b>
(ii) Subordinated debt include	
	<b>Issue price</b>
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	750.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 12/07/2022	10.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 22/07/2022	150.00
11.11% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	175.00
11.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	69.22
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.00
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	230.43
11.30% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	70.05
11.33% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	79.76
11.37% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	111.21
11.40% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	20.25
11.45% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.25
11.62% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	82.54
12.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	49.05
12.28% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	115.22
	<b>4,117.98</b>

(₹ in Million)

Particulars	As at April 01, 2017
(i) Perpetual Debt Instruments include	
	<b>Issue price</b>
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	<b>1,500.00</b>
(ii) Subordinated debt include	
9.50 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
9.50 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	750.00
9.10 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
	<b>2,935.00</b>

## NOTE 22. OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued	2,320.81	1,334.73	489.40
Margin money	-	20.95	15.44
Payable on account of purchase of investments	269.10	-	-
Payable to companies under common promoters	5.69	20.72	25.66
Security deposit	0.30	0.30	0.30
Others	164.21	65.30	12.40
<b>Total</b>	<b>2,760.11</b>	<b>1,442.00</b>	<b>543.20</b>

22.1 No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of unclaimed dividend and unclaimed dues on account of NCDs.

## NOTE 23. PROVISIONS:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits			
- Gratuity	85.64	51.45	58.39
- Compensated absences	-	65.79	33.41
<b>Total</b>	<b>85.64</b>	<b>117.24</b>	<b>91.80</b>

## NOTE 24. OTHER NON FINANCIAL LIABILITIES:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Revenue received in advance	-	0.20	21.41
Statutory remittances	259.14	288.94	155.37
Lease rental equilisation	0.92	1.93	0.42
<b>Total</b>	<b>260.06</b>	<b>291.07</b>	<b>177.20</b>

## NOTE 25. SHARE CAPITAL:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

(₹ in Million)

Authorised :	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
100,000,000 (As at March 31, 2018 - 85,000,000; As at April 01, 2017 - 85,000,000) Equity shares of ₹ 2/- each with voting rights		200.00		170.00		170.00
<b>Issued, Subscribed and Paid Up: 84,521,324</b> (As at March 31, 2018 - 79,753,463; As at April 01, 2017 - 77,963,764) Equity shares of ₹ 2/- each fully paidup with voting rights		169.04		159.50		155.93
Less: Treasury stock 35,840 (FY 18 - 1789; FY 17 - 381) Equity shares of ₹ 2/- each	(0.07)	168.97	-	159.50	-	155.93
<b>Total</b>		<b>168.97</b>		<b>159.50</b>		<b>155.93</b>

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn
At the beginning of the year	79,753,463	159.50	77,963,764	155.93	73,958,658	147.92
Add: Issued during the year	4,767,861	9.54	1,789,699	3.57	4,005,106	8.01
Subtotal	84,521,324	169.04	79,753,463	159.50	77,963,764	155.93
Less: Treasury stock						
At the beginning of the year	(1,789)	-	(381)	-	-	-
Movement during the year	(34,051)	(0.07)	(1,408)	-	(381)	-
At the end of the year	(35,840)	(0.07)	(1,789)	-	(381)	-
Outstanding at the end of the year	84,485,484	168.97	79,751,674	159.50	77,963,383	155.93

(c) Movement of shares pursuant to the composite scheme of arrangement (Refer Note 2.1)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn	No. of equity shares	Amount in ₹ Mn
Equity Shares of ₹ 2/- pending issuance pursuant to the Composite scheme of arrangement	45,600,442	91.20	45,568,432	91.14	45,415,456	90.83
Less: Equity shares of ₹ 2/- held by IIFL Holdings Limited to be cancelled	(45,000,000)	(90.00)	(45,000,000)	(90.00)	(45,000,000)	(90.00)
Incremental shares to be issued	600,442	1.20	568,432	1.14	415,456	0.83

(d) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, interim dividend of ₹ 10/- (FY 18 - ₹ 9/-) has been paid and recognised as distribution to equity shareholders.

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

(e) Details of shareholders holding more than 5% equity shares after giving effect to the Composite scheme of arrangement (Refer note 2.1):

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of equity shares	% holding	No. of equity shares	% holding	No. of equity shares	% holding
General Atlantic Singapore Fund Pte Ltd	18,619,550	21.9%	18,053,050	22.5%	18,053,050	23.0%
FIH Mauritius Investments Ltd	12,091,635	14.2%	12,091,635	15.1%	12,091,635	15.4%
Nirmal Jain	6,628,857	7.8%	6,850,285	8.5%	7,321,714	9.3%
Karan Bhagat	5,991,875	7.0%	4,810,526	6.0%	4,810,526	6.1%
HWIC Asia Fund Class A Share	4,051,790	4.8%	4,051,790	5.0%	3,987,142	5.1%

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding company, please refer note. 38

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

NOTE 26. OTHER EQUITY:

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Securities premium	18,124.02	10,692.33	10,202.20
General reserve	183.50	133.50	133.50
Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934	879.25	516.29	204.25
Capital reserve	111.00	97.25	84.70
ESOP Reserve	97.02	74.68	55.29
Retained earnings	9,393.55	6,921.44	4,353.18
Debenture Redemption Reserve	12.50	-	-
Foreign exchange fluctuation reserve	133.14	32.80	8.55
<b>Total</b>	<b>28,933.98</b>	<b>18,468.29</b>	<b>15,041.67</b>

NOTE 27. INTEREST INCOME

(₹ in Million)

Particulars	2018-19				2017-18			
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total
Interest on loans	-	5,909.38	-	5,909.38	-	5,279.98	-	5,279.98
Interest income from investments	-	-	574.72	574.72	-	-	1,156.48	1,156.48
Interest on deposits with banks	-	53.28	-	53.28	-	153.03	-	153.03
Other interest income	-	0.52	-	0.52	-	1.33	-	1.33
<b>Total</b>	<b>-</b>	<b>5,963.18</b>	<b>574.72</b>	<b>6,537.90</b>	<b>-</b>	<b>5,434.34</b>	<b>1,156.48</b>	<b>6,590.82</b>

## NOTE 28. DIVIDEND &amp; DISTRIBUTION INCOME ON INVESTMENTS

(₹ in Million)

Particulars	2018-19	2017-18
Dividend Income	13.50	10.41
Distribution income on investments	280.33	475.32
<b>TOTAL</b>	<b>293.83</b>	<b>485.73</b>

## NOTE 28A. Fee And Commission Income

## Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The fees are recognised as per the terms and periodicity defined in the respective contracts. The table also includes a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

(₹ in Million)

Particulars	2018-19	2017-18
Distribution fees, commission and related income	5,652.91	6,823.05
Brokerage income	295.46	427.34
Advisory fees and related income	328.01	6.45
Trustee fees	71.71	32.97
Asset and portfolio management related fees	1,733.28	1,541.92
<b>TOTAL</b>	<b>8,081.37</b>	<b>8,831.73</b>

## NOTE 29. NET GAIN/LOSS ON FAIR VALUE CHANGE:

(₹ in Million)

Particulars	2018-19	2017-18
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	716.31	702.92
- Derivatives	(143.43)	(25.70)
(B) Others		
<b>Total net gain/(loss) on fair value changes (C)</b>	<b>572.88</b>	<b>677.22</b>
(D) Fair value changes:		
- Realised	594.33	820.41
- Unrealised	(21.45)	(143.19)
<b>Total net gain/(loss) on fair value changes</b>	<b>572.88</b>	<b>677.22</b>

## NOTE 30. OTHER INCOME

(₹ in Million)

Particulars	2018-19	2017-18
Interest income	98.71	188.74
Change in fair value of investments	173.91	(383.20)
Dividend income	0.52	660.38
Distribution income	0.44	-
Miscellaneous income	8.97	96.15
Profit/(loss) on sale of fixed assets	(0.75)	0.53
<b>Total</b>	<b>281.80</b>	<b>562.60</b>



## NOTE 31. FINANCE COST

(₹ in Million)

Particulars	2018-19			2017-18		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	2,222.43	2,222.43	-	3,469.44	3,469.44
Interest on debt securities	(40.23)	1,469.51	1,429.28	933.08	642.79	1,575.87
Interest on subordinated liabilities	-	567.52	567.52	-	476.43	476.43
Other finance cost	-	51.36	51.36	-	65.89	65.89
<b>Total</b>	<b>(40.23)</b>	<b>4,310.82</b>	<b>4,270.59</b>	<b>933.08</b>	<b>4,654.55</b>	<b>5,587.63</b>

## NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS (REFER NOTE 37)

(₹ in Million)

Particulars	2018-19		2017-18	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
On loans	-	(75.56)	-	135.77
On Trade receivables	-	(1.08)	-	(9.71)
<b>Total</b>	<b>-</b>	<b>(76.64)</b>	<b>-</b>	<b>126.06</b>

## NOTE 33. EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	2018-19	2017-18
Salaries and wages	3,056.80	3,673.37
Contribution to provident and other funds	90.97	71.09
Share based payments to employees	28.38	37.48
Staff welfare expenses	152.91	82.05
Gratuity expense (Refer Note 33.1)	27.66	(2.09)
Leave encashment	(45.01)	33.88
<b>Total</b>	<b>3,311.71</b>	<b>3,895.78</b>

## NOTE 33.1

## Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

For the year ended 31st March 2019

(₹ in Million)

Particulars	2018-19	2017-18
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Funded/Unfunded	Funded/Unfunded
Starting period	01-Apr-18	01-Apr-17
Date of reporting	31-Mar-19	31-Mar-18
Period of reporting	12 Months	12 Months
<b>Assumptions (previous period)</b>		
Expected return on plan assets	6.63%- 7.78%	6.63%- 7.78%
Rate of discounting	7.71%- 7.80%	6.63%- 7.78%
Rate of salary increase	7%-8%	5%-8%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 5% p.a.
Mortality rate during employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality rate after employment	N.A.	N.A.
<b>Assumptions (current period)</b>		
Expected return on plan assets	7.53%-7.64%	7.53%-7.71%
Rate of discounting	7.53%-7.70%	7.53%-7.80%
Rate of salary increase	5%-10%	5%-10%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality rate after employment	N.A.	N.A.
<b>Table showing change in the present value of projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the period	136.13	109.82
Interest cost	10.50	7.60
Current service cost	24.05	21.87
Past service cost	-	(27.82)
Liability transferred in/ acquisitions	17.66	5.29
(Liability transferred out/ divestments)	(2.13)	(5.30)
(Benefit paid directly by the employer)	(0.44)	(1.20)
(Benefit paid from the fund)	(8.43)	(0.54)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.62	3.49
Actuarial (gains)/losses on obligations - due to change in financial assumptions	2.28	12.00

(₹ in Million)

Particulars	2018-19	2017-18
Actuarial (gains)/losses on obligations - due to experience	4.76	10.92
Present value of benefit obligation at the end of the period	185.00	136.13
<b>Table showing change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the period	84.68	51.43
Interest income	6.89	3.74
Contributions by the employer	-	30.00
Assets transferred in/acquisitions	13.22	-
(Benefit paid from the fund)	(8.43)	(0.54)
Return on plan assets, excluding interest income	3.00	0.05
Fair value of plan assets at the end of the period	99.36	84.68
<b>Amount recognized in the balance sheet</b>		
(Present value of benefit obligation at the end of the period)	(185.00)	(136.13)
Fair value of plan assets at the end of the period	99.36	84.68
Funded status (surplus/ (deficit))	(85.64)	(51.45)
Net (liability)/asset recognized in the balance sheet	(85.64)	(51.45)
<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	136.13	109.82
(fair value of plan assets at the beginning of the period)	(84.68)	(51.43)
<b>Net liability/(asset) at the beginning</b>	<b>51.45</b>	<b>58.39</b>
Interest cost	10.50	7.60
(Interest income)	(6.89)	(3.74)
Net interest cost for current period	3.61	3.86
<b>Expenses recognized in the statement of profit or loss for current period</b>		
Current service cost	24.05	21.87
Net interest cost	3.61	3.86
Past service cost	-	(27.82)
Expenses recognized	27.66	(2.09)
<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	7.65	26.41
Return on plan assets, excluding interest income	(2.99)	(0.05)
Net (income)/expense for the period recognized in oci	4.66	26.36
<b>Balance sheet reconciliation</b>		
Opening net liability	51.45	58.39
Expenses recognized in statement of profit or loss	27.66	(2.09)
Expenses recognized in OCI	4.66	26.36
Net liability/(asset) transfer in	4.44	5.29
Net (liability)/asset transfer out	(2.13)	(5.30)
(Benefit paid directly by the employer)	(0.44)	(1.20)
(Employer's contribution)	-	(30.00)
Net liability/(asset) recognized in the balance sheet	85.64	51.45
<b>Category of assets</b>		
Government of India assets	-	-
State government securities	-	-
Special deposits scheme	-	-

(₹ in Million)

Particulars	2018-19	2017-18
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	99.36	84.68
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
<b>Total</b>	<b>99.36</b>	<b>84.68</b>
<b>Other details</b>		
No of active members	975	852
Per month salary for active members	87.98	72.13
Weighted average duration of pbo	69	62
Average expected future service	60	51
Projected benefit obligation (pbo)	185.00	136.13
Prescribed contribution for next year (12 months)	54.93	30.00
<b>Maturity analysis of the benefit payments</b>		
1st following year	14.59	10.62
2nd following year	13.90	10.51
3rd following year	15.14	11.17
4th following year	15.73	12.00
5th following year	17.22	11.89
Sum of years 6 to 10	73.73	57.32
Sum of years 11 and above	222.47	182.88
<b>Sensitivity analysis</b>		
PBO on current assumptions	(12.77)	134.10
Delta effect of +1% change in rate of discounting	14.67	(10.00)
Delta effect of -1% change in rate of discounting	8.56	11.53
Delta effect of +1% change in rate of salary increase	(8.42)	6.85
Delta effect of -1% change in rate of salary increase	2.03	(6.71)
Delta effect of +1% change in rate of employee turnover	(2.40)	1.63
Delta effect of -1% change in rate of employee turnover	-	(1.95)

The above mentioned plans are valued by independent actuaries using the projected unit credit method.

In view of non-availability of break-up of Insurer managed funds, the details could not be disclosed

**33.2 DEFINED CONTRIBUTION PLANS:**

(₹ in Million)

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

Particulars	2018-19	2017-18
Contribution to provident fund	90.52	70.95
Contribution to ESIC	0.45	0.14
Contribution to labour welfare fund	#	#
<b>Total</b>	<b>90.97</b>	<b>71.09</b>

# Amount less than ₹ 10,000.

**NOTE 34. OTHER EXPENSES:-**

(₹ in Million)

Particulars	2018-19	2017-18
Operations and fund management expenses	168.99	167.62
Rent and energy cost	446.70	414.88
Insurance	5.94	9.78
Repairs & maintenance	14.90	10.01
Marketing, advertisement and business promotion expenses	449.84	417.15
Travelling & conveyance	236.88	187.69
Legal & professional fees	266.50	230.53
Communication	43.54	44.03
Software charges / Technology cost	130.65	101.50
Office & other expenses	136.82	160.44
Directors' fees and commission	15.22	12.57
Remuneration to Auditors :		
Audit fees (net of GST input credit)	10.53	8.60
Other services (net of GST input credit)	2.40	2.40
Goods & Service tax	0.15	0.29
Certification expenses	0.13	2.10
Out Of pocket expenses	0.69	0.26
Corporate social responsibility expenses & donation (Refer Note 43)	71.68	62.89
<b>Total</b>	<b>2,001.56</b>	<b>1,832.74</b>

**NOTE 35. INCOME TAXES**

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in Million)

Particulars	2018-19	2017-18
<b>Consolidated statement of Profit and Loss:</b>		
(a) Profit and Loss section:		
(i) Current Income tax :		
Current income tax expense	1,642.21	1,138.91
Effect of previously unrecognised tax losses and tax offsets used during the current year	-	-
Tax expense in respect of earlier years	(0.01)	(4.87)
	<b>1,642.20</b>	<b>1,134.04</b>
(ii) Deferred Tax:		
Tax expense on origination and reversal of temporary differences	(8.36)	(34.97)
Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	-	-

(₹ in Million)

Particulars	2018-19	2017-18
Effect on deferred tax balances due to the change in income tax rate	-	-
	<b>(8.36)</b>	<b>(34.97)</b>
<b>Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)]</b>	<b>1,633.84</b>	<b>1,099.07</b>
<b>(b) Other Comprehensive Income (OCI) Section:</b>		
<b>(i) Items not to be reclassified to profit or loss in subsequent periods:</b>		
<b>(A) Current tax expense/(income):</b>		
On re-measurement of defined benefit plans	-	-
<b>(B) Deferred tax expense/(income):</b>		
On re-measurement of defined benefit plans	2.42	8.82
<b>Income tax expense reported in the other comprehensive income</b>	<b>2.42</b>	<b>8.82</b>

**(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:** (₹ in Million)

Particulars	2018-19	2017-18
<b>(a) Profit/(loss) before tax</b>	<b>5,379.31</b>	<b>4,900.76</b>
(b) Income tax expense at tax rates applicable to individual entities	1,986.71	1,466.89
<b>(c) (i) Tax on income subject to lower tax rate</b>		
(A) Gains on investments (including fair valuation)	(125.77)	(36.76)
<b>(d) (ii) Tax on Income exempt from Tax</b>		
(A) Income from Investments (Including tax suffered income on investment in AIF)	(95.93)	(250.96)
(B) Income exempt on account of Merger	-	(38.09)
<b>(iii) Tax on expense not tax deductible</b>		
Expenses not allowable as tax deductible as per tax laws	12.87	28.67
(iv) Tax effect of losses of current year on which no deferred tax benefit is recognised	30.46	10.21
(v) Tax on Dividend earned from Offshore subsidiary	(145.26)	(62.76)
(vi) Effect on deferred tax due to change in Income tax	(0.01)	(28.19)
(vii) Tax effect on various other items	(29.23)	10.06
<b>Total effect of tax adjustments [(i) to (vii)]</b>	<b>(352.87)</b>	<b>(367.82)</b>
(e) Tax expense recognised during the year	1,633.84	1,099.07

**NOTE 36. EARNINGS PER SHARE:****Basic and diluted earnings per share ["EPS"] computed in accordance with IND AS 33 "Earnings per share".**

(₹ in Million)

Particulars		2018-19	2017-18
Face value of equity shares in ₹ fully paid up		2.00	2.00
<b>BASIC</b>			
Profit after tax as per Consolidated Statement of Profit and Loss before Other Comprehensive Income	A	3,745.47	3,801.69
Weighted average number of shares subscribed*	B	83,915,167	79,105,199
Face value of equity shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	44.63	48.06

(₹ in Million)

Particulars		2018-19	2017-18
<b>DILUTED</b>			
Profit after tax as per Consolidated Statement of Profit and Loss before Other Comprehensive Income	A	3,745.47	3,801.69
Weighted average number of shares subscribed*	B	83,915,167	79,105,199
Add: Potential equity shares on account of conversion of employee stock option	C	2,454,209	2,634,966
Weighted average number of shares outstanding	D=B+C	86,369,376	81,740,165
Diluted EPS (₹)	A/D	43.37	46.51

\*including 580,199 (As at March 31, 2018 - 470,442) weighted average no. of shares pending issuance as at the year end as per the Composite Scheme of Arrangement (Refer note 3)

## NOTE 37. DISCLOSURE PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS: DISCLOSURES"

### Financial Risk Management

#### 37A.1. Credit Risk

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

##### 1) Lending operations - Loans

The Lending Operations of the Group have a well-defined framework within which credit risk is assumed, managed and monitored. Credit function closely oversees management and control of credit risks and associated operational risks. The credit proposals are evaluated having regard to specified prudent exposure limits and approved by the appropriate authority, approved by the Board of Directors (the Board) of the entity engaged in lending business. The risk management policies including exposure limits are defined and reviewed along with the Board.

The carrying amount of Loans arising from lending business which may be subject to credit risk are as per table below:

(₹ in Million)

Particulars	Apr 2018- Mar 2019				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loans to Customers *	49,107.60	-	-	-	49,107.60
<b>Total gross carrying amount</b>	<b>49,107.60</b>	-	-	-	<b>49,107.60</b>
Loss allowance	(228.00)	-	-	-	(228.00)
Carrying amount	48,879.60	-	-	-	48,879.60

(₹ in Million)

Particulars	Apr 2017- Mar 2018				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loans to Customers *	68,341.30	-	-	-	68,341.30
<b>Total gross carrying amount</b>	<b>68,341.30</b>	-	-	-	<b>68,341.30</b>
Loss allowance	(303.56)	-	-	-	(303.56)
Carrying amount	68,037.74	-	-	-	68,037.74

\* Excludes loans to staff, loans under CBLO and Inter corporate Deposits.



## Reconciliation of Expected Credit Loss/ Impairment Loss allowance with regards to lending operations for FY 18-19 is as follows

(₹ in Million)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
<b>Loss allowance as at 01.04.2018</b>	<b>303.56</b>	-	-	-	<b>303.56</b>
Provision on loans originated during the year	67.12	-	-	-	67.12
Net change in provision on continuing loans	(73.59)	-	-	-	(73.59)
Provision on loans derecognised during the year	(69.09)	-	-	-	(69.09)
<b>Loss allowance as at 31.03.2019</b>	<b>228.00</b>	-	-	-	<b>228.00</b>

## Reconciliation of loan loss reserves with regards to lending operations for FY 17-18 is as follows

(₹ in Million)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
<b>Loss allowance as at 01.04.2017</b>	<b>167.78</b>	-	-	-	<b>167.78</b>
Provision on loans originated during the year	134.04	-	-	-	134.04
Net change in provision on continuing loans	14.74	-	-	-	14.74
Provision on loans derecognised during the year	(13.01)	-	-	-	(13.01)
<b>Loss allowance as at 31.03.2018</b>	<b>303.55</b>	-	-	-	<b>303.55</b>

The group has outstanding loans under CBLO arrangement, staff and Inter corporate deposits. The Group has not made any provision for ECL on these loans as credit risk is considered insignificant.

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

(₹ in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	4.27	13.98
Movement in expected credit loss allowances on trade receivable	(1.08)	(9.71)
<b>Balance at the end of the year</b>	<b>3.19</b>	<b>4.27</b>

**Credit concentration and gradation**

The Group provides loans mainly to High Net Worth Individuals (HNIs) against securities/collaterals in form of financial instruments (Loans against Securities - LAS). The Company does not have a significant concentration with regard to single/group borrower and industry.

The Group sanctions and monitors these loans based on underlying securities. In order to manage credit risk Loan to Value (representing value of securities/collateral against the loans outstanding) is decided/re-adjusted at the time of sanction and on ongoing basis as a part of monitoring of loans. As such the Group has not implemented the system for credit grading of borrowers since most of its loans are against collaterals in from underlying financial instruments.

**2) Trade and other Receivables**

The Group's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under

Portfolio Management scheme and Advisory services arrangements. The Group has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

### 3) Others

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds, derivative financial instruments and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is considered to be insignificant.

The credit risk in respect of Derivative Financial instruments and investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments. Derivative transactions are transacted on exchanges with central counterparties or entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. Considering the above, the credit risk on such instruments is considered to be insignificant.

Credit Risk on Other Financial assets is considered very low as the counterparty is mainly stock exchanges.

### 37B. Liquidity Risk

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

The following table shows the maturity profile of Financial liabilities:

(₹ in Million)

Financial liabilities	As at 31st March 2019					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	2,516.09	-	-	331.08	2,006.79	178.22
Trade Payables	514.73	475.32	-	39.41	-	-
Other Payables	846.42	846.42	-	-	-	-
Debt Securities	39,782.59	2,067.92	2,881.57	6,585.70	12,163.57	16,083.83
Borrowings (Other than Debt Securities)	15,660.81	11,358.33	2,329.21	1,973.27	-	-
Subordinated Liabilities	5,701.34	-	-	-	4,201.34	1,500.00
Other financial liabilities	2,760.11	589.67	436.28	436.88	1,044.15	253.13
<b>Total</b>	<b>67,782.09</b>	<b>15,337.66</b>	<b>5,647.06</b>	<b>9,366.34</b>	<b>19,415.85</b>	<b>18,015.18</b>

(₹ in Million)

Financial liabilities	As at 31st March 2018					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	814.25	-	-	-	814.25	-
Trade Payables	1,246.31	377.55	-	868.76	-	-
Other Payables	3,425.94	3,425.94	-	-	-	-
Debt Securities	18,562.29	150.00	1,549.00	-	8,302.19	8,561.10
Borrowings (Other than Debt Securities)	45,483.01	14,293.93	31,181.93	2.60	4.55	-
Subordinated Liabilities	5,617.98	-	-	-	3,095.00	2,522.98
Other financial liabilities	1,442.00	119.41	211.35	-	738.17	373.07
<b>Total</b>	<b>76,591.78</b>	<b>18,366.83</b>	<b>32,942.28</b>	<b>871.36</b>	<b>12,954.16</b>	<b>11,457.15</b>

### 37C. Market Risk

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

#### 37C.1 Currency Risk

The Group (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Group has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2018-2019 are as below:

Particulars	USD	MUR	Euro	CHF
Cash and Cash Equivalents	125.75	0.22	-	-
Trade Receivables	20.13	-	-	-
Other Financial Assets	0.30	-	-	-
Trade Payables	18.90	0.18	1.14	0.67

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2017-2018 are as below:

Particulars	USD	MUR	Euro	CHF
Cash and Cash Equivalents	260.09	0.66	-	-
Trade Receivables	46.30	-	-	-
Other Financial Assets	0.29	-	-	-
Trade Payables	12.49	-	-	-

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

(₹ in Million)

Particulars	2018-19	2017-18
<b>Increase</b>		
Impact on Profit and Loss after tax	1.26	2.95
Impact on Equity	1.26	2.95
<b>Decrease</b>		
Impact on Profit and Loss after tax	(1.26)	(2.95)
Impact on Equity	(1.26)	(2.95)

### 37C.2 Interest rate risk

The Group has considered interest rate risk on financial assets and liabilities accounted for on amortised cost basis.

The Group's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings/debt securities.

The carrying amount of floating rate liabilities and related interest rate sensitivity is as below:

(₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018
Floating Rate Liabilities (Debt Securities and Borrowings)	5,387.98	107.45

A hypothetical 0.25% shift in underlying benchmark rates will have the below impact :

(₹ in Million)

Impact on Profit and Loss after tax and equity	2018-19
Increase of 0.25%	(8.76)
Decrease of 0.25%	8.76

The loans arising from lending operations generally provide for of reset of the interest rates based on its Prime lending Rate (PLR).

The Group aims to reset PLR on its loan book on the basis of, inter-alia, actualized /expected change in its overall borrowing costs.

This enables the Group to mitigate interest risk on revision/ repricing of interest bearing liabilities. As such the Group does not carry any interest rate risk on account of the above. As required under applicable accounting standard, impact of hypothetical change in PLR on its loan books by 0.25% would be as follows:

(₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018
Loans	49,107.60	68,341.30
<b>Impact on Profit and Loss after tax and equity</b>		
Increase of 0.25%		79.87
Decrease of 0.25%		(79.87)

**37C.3 Other Price Risk**

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

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

(₹ in Million)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Financial Assets</b>		
Derivative financial instruments	960.95	49.75
Investments	30,525.66	11,112.02
	<b>31,486.61</b>	<b>11,161.77</b>
<b>Financial Liabilities</b>		
Derivative financial instruments	2,516.09	814.25
Debt securities	15,353.04	8,561.10
	<b>17,869.13</b>	<b>9,375.35</b>

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

Investments in AIFs / MFs /others	1% change in the NAV/price
Financial assets and liabilities including derivative assets and liabilities linked to equity index/ others	1% change in the underlying index or in value of the instruments as the case may be
Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/price movements in the interest bearing securities	0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value

(₹ in Million)

Below is the sensitivity analysis for the year :

Particulars	2018-19	2017-18
<b>Increase</b>		
Impact on Profit and Loss after tax	50.78	65.23
Impact on Equity	50.78	65.23
<b>Decrease</b>		
Impact on Profit and Loss after tax	(50.78)	(65.23)
Impact on Equity	(50.78)	(65.23)

**37D. Capital Management**

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

**37E. Category Wise Classification for applicable Financial Assets and Liabilities**

(₹ in Million)

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	1,646.23	-	-	1,646.23
(b)	Bank balance other than (a) above	1,127.95	-	-	1,127.95
(c)	Derivative financial instruments	-	960.95	-	960.95
(d)	Receivables				
	(I) Trade receivables	2,960.74	-	-	2,960.74
	(II) Other receivables	4,244.56	-	-	4,244.56

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
(e)	Loans	49,664.60	-	-	49,664.60
(f)	Investments	-	30,525.66	-	30,525.66
(g)	Other financial assets	524.06	-	-	524.06
	<b>Total</b>	<b>60,168.14</b>	<b>31,486.61</b>	<b>-</b>	<b>91,654.75</b>
<b>Financial Liabilities</b>					
(a)	Derivative financial instruments	-	2,516.09	-	2,516.09
(b)	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	514.73	-	-	514.73
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	846.42	-	-	846.42
(c)	Debt securities	24,429.55	15,353.04	-	39,782.59
(d)	Borrowings (other than debt securities)	15,660.81	-	-	15,660.81
(e)	Subordinated liabilities	5,701.34	-	-	5,701.34
(f)	Other financial liabilities	2,760.11	-	-	2,760.11
	<b>Total</b>	<b>49,912.96</b>	<b>17,869.13</b>	<b>-</b>	<b>67,782.09</b>

(₹ in Million)

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>					
(a)	Cash and cash equivalents	5,262.56	-	-	5,262.56
(b)	Bank balance other than (a) above	2,189.46	-	-	2,189.46
(c)	Derivative financial instruments	-	49.75	-	49.75
(d)	Receivables				
	(I) Trade receivables	1,951.96	-	-	1,951.96
	(II) Other receivables	3,106.72	-	-	3,106.72
(e)	Loans	70,561.18	-	-	70,561.18
(f)	Investments	-	11,112.02	-	11,112.02
(g)	Other financial assets	422.68	-	-	422.68
	<b>Total</b>	<b>83,494.56</b>	<b>11,161.77</b>	<b>-</b>	<b>94,656.33</b>

(₹ in Million)

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Liabilities</b>					
(a)	Derivative financial instruments	-	814.25	-	814.25
(b)	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,246.30	-	-	1,246.30
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,425.94	-	-	3,425.94
(c)	Debt securities	10,001.19	8,561.10	-	18,562.29
(d)	Borrowings (other than debt securities)	45,483.01	-	-	45,483.01
(e)	Subordinated liabilities	5,617.98	-	-	5,617.98
(f)	Other financial liabilities	1,442.00	-	-	1,442.00
	<b>Total</b>	<b>67,216.42</b>	<b>9,375.35</b>	<b>-</b>	<b>76,591.77</b>

**37E.1. Fair values of financial instruments**

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

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

The Group uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps."

**37E. 1a. Financial instruments measured at fair value – Fair value hierarchy**

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

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

(₹ in Million)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	1,566.65	-	-	1,566.65
Investments in Debt securities	-	13,014.87	-	13,014.87
Investments in Government Securities	-	10,352.03	-	10,352.03
Investments in Equity Shares *	-	-	2.68	2.68
Investments in Alternate Investment Funds #	-	-	5,004.38	5,004.38
Investments in Others	585.05	-	-	585.05
Derivatives financial Assets	-	960.95	-	960.95
<b>Total Assets</b>	<b>2,151.70</b>	<b>24,327.85</b>	<b>5,007.06</b>	<b>31,486.61</b>
<b>Financial Liabilities measured at Fair values</b>				
Bonds/ Debentures	-	15,353.04	-	15,353.04
Derivative financial liabilities	-	2,516.09	-	2,516.09
<b>Total Liabilities</b>	<b>-</b>	<b>17,869.13</b>	<b>-</b>	<b>17,869.13</b>

\* The fair values of unlisted equity are determined basis the independent third party valuations.

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

(₹ in Million)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	2,284.99	-	-	2,284.99
Investments in Debt securities	-	3,383.07	-	3,383.07
Investments in Equity Shares *	-	-	0.60	0.60
Investments in Alternate Investment Funds #	-	-	3,782.96	3,782.96
Investments in Others	1,660.40	-	-	1,660.40
Derivatives financial Assets	-	49.75	-	49.75
<b>Total Assets</b>	<b>3,945.39</b>	<b>3,432.82</b>	<b>3,783.56</b>	<b>11,161.77</b>
<b>Financial Liabilities measured at Fair values</b>				
Bonds/ Debentures	-	8,561.10	-	8,561.10
Derivative financial liabilities	-	814.25	-	814.25
<b>Total Liabilities</b>	<b>-</b>	<b>9,375.35</b>	<b>-</b>	<b>9,375.35</b>

\* The fair values of unlisted equity are determined basis the independent third party valuations.

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

**Financial assets measured at amortised cost:**

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

**Financial liabilities measured at amortised cost:**

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

(₹ in Million)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Debt securities		24,334.65		24,334.65
Subordinated liabilities		5,694.12		5,694.12
<b>Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b>				
	As at at 31st March, 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Debt securities		9,939.53		9,939.53
Subordinated liabilities		5,586.63		5,586.63



**NOTE 38.**

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

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

Particulars	ESOP 2012	ESOP 2015
No. of options granted upto March 31,2019	2,731,935 (A - 1,240,900; B - 752,550; C - 607,500; D - 117,100; E - 13,885)	9,242,941 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827; F - 170,028 )
Grant dates	A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014, E - January 28, 2018	A - July 02, 2015, B - November 10, 2016 C- July 21, 2017; D - January 13, 2018; E - January 28, 2018; F - January 29, 2019
Method of accounting	Fair value	Fair value
Vesting plan	Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options
Exercise period	Seven years from the date of grant	Seven years from the date of grant
Grant price (₹ Per Share)	A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, D - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D E - ₹ 417.00, F - ₹ 1661.00
Fair value on the date of grant of option (₹ Per Share)	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00

**(B) Movement of options granted:****As at March 31, 2019**

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of April 01, 2018	24,975	3,740,357
Granted during the year	0	170,028
Exercised during the year	4,390	273,971
Lapsed during the year	1,390	163,978
Options outstanding as at March 31, 2019	19,195	3,472,436
Exercisable at the end of the year March 31, 2019	5,310	872,067
Weighted average exercise price for the options exercised during the year FY 18-19	₹ 17.54	₹ 325.02
Range of exercise price for the options outstanding at the end of the year March 31, 2019	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

## As at March 31, 2018

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of April 01, 2017	128,510	4,305,612
Granted during the year	13,885	1,206,968
Exercised during the year	117,420	1,672,279
Lapsed during the year		99,944
Options outstanding as at March 31, 2018	24,975	3,740,357
Exercisable at the end of the year March 31, 2018	11,090	227,462
Weighted average exercise price for the options exercised during the year FY 17-18	₹ 17.32	₹ 283.60
Range of exercise price for the options outstanding at the end of the year March 31, 2018	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

**Fair Value Assumptions:**

The fair value of options have been estimated on the date of grant using Black Scholes model. Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	6.67%-9.09%	6.19%-7.86%
Expected average life	2-5 years	2-5 years
Expected volatility of Share Price	10.00%	10.00%
Dividend yield	3%-23.19%	1.5% - 3%
Fair value on the date of the grant	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00

### NOTE 39. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

**Capital and Other Commitments**

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets	649.47	88.35	71.42
Commitments on investments	1,918.08	718.16	1,154.08
<b>Total</b>	<b>2,567.55</b>	<b>806.51</b>	<b>1,225.50</b>

**Contingent Liabilities**

(₹ in Million)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Bank guarantees (refer note 39.1)	1,419.40	1,100.00	750.00
Corporate guarantee	2,100.00	2,000.00	-
Disputed income tax demand*	182.21	4.07	-
<b>Total</b>	<b>3,701.61</b>	<b>3,104.07</b>	<b>750.00</b>

39.1 Fixed Deposits amounting to ₹ 800.75 Mn (FY 18 - ₹ 573.48 Mn; FY 17 - ₹ 375.00 Mn) are pledged against this.

\* Amount paid under protest with respect to income tax demand ₹ 35.76 Mn (As at March 31, 2018 - Nil and As at April 01, 2017 - Nil)

Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.

## NOTE 40. MINIMUM LEASE RENTALS

The Group has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 413.74 Mn (FY 18 - ₹ 385.46 Mn) has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding are as under:

(₹ in Million)

Particulars	As At March 31, 2019	As At April 1, 2018
Due for		
- Up to One year	122.43	322.87
- One to Five years	272.30	152.28
- Above Five years	0.29	-
<b>Total</b>	<b>395.02</b>	<b>476.15</b>

## NOTE 41. DISCLOSURE AS PER IND AS 108 "SEGMENT REPORTING":

### 41.1 Services from which reportable segments derive their revenues

The Group's Operating Segments are identified as those segments that engage in business activities to earn revenues and incur expenses whose results are regularly reviewed by Chief operating decision maker.

The Company has following business segments, which are its reportable segments.

- (i) **Wealth Management:** Wealth management segment comprises distribution of financial products, advisory, equity and debt broking, estate planning and managing financial products essentially in the nature of advisory. The Segment also includes Lending and Investment activities which are complimentary to Wealth management activities and largely provided to or arise from servicing its clients under Wealth management.
- (ii) **Asset Management:** Asset management segment generally comprises management of pooled funds under various products and structures such as mutual funds, alternative asset funds, portfolio management and related activities.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

For financial statement presentation purposes various individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- The methods use to provide the service to the customers are the same;
- The services provided are guided by similar regulatory provisions and framework.

### 41.2 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. (₹ in Million)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Wealth Management	13,988.68	4,970.85	15,552.00	4,470.54
Asset Management	1,783.20	408.46	1,596.10	430.22
<b>Total</b>	<b>15,771.88</b>	<b>5,379.31</b>	<b>17,148.10</b>	<b>4,900.76</b>

The accounting policies of the reportable segments are the same as the group's accounting policies. Segment profit represents the profit before tax earned by each segment post allocation of all identifiable other income, direct expenses, finance cost and other cost.

### 41.3 Segment assets and liabilities

(₹ in Million)

Segment assets	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Wealth Management	95,575.64	93,392.03	73,254.99
Asset Management	1,786.84	2,171.98	2,410.64
<b>Total segment assets</b>	<b>97,362.48</b>	<b>95,564.01</b>	<b>75,665.63</b>
Unallocated assets	439.74	101.77	298.63
<b>Consolidated total assets</b>	<b>97,802.22</b>	<b>95,665.78</b>	<b>75,964.26</b>

(₹ in Million)

Segment liabilities	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Wealth Management	67,851.51	76,660.60	60,327.83
Asset Management	276.28	339.48	261.89
<b>Total segment liabilities</b>	<b>68,127.79</b>	<b>77,000.08</b>	<b>60,589.72</b>
Unallocated liabilities	570.28	36.77	176.11
<b>Consolidated total liabilities</b>	<b>68,698.07</b>	<b>77,036.85</b>	<b>60,765.83</b>

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than
- All liabilities are allocated to reportable segments other than

#### 41.4 Other segment information

(₹ in Million)

Depreciation and amortisation	For the year ended March 31, 2019	For the year ended March 31, 2018
Wealth Management	204.13	129.61
Asset Management	10.93	6.49
<b>Total</b>	<b>215.06</b>	<b>136.10</b>

(₹ in Million)

Interest Income included in segment revenue	For the year ended March 31, 2019	For the year ended March 31, 2018
Wealth Management	6,630.03	6,753.35
Asset Management	6.57	26.21
<b>Total</b>	<b>6,636.60</b>	<b>6,779.56</b>

(₹ in Million)

Finance Cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Wealth Management	4,270.59	5,587.41
Asset Management	#	0.22
<b>Total</b>	<b>4,270.59</b>	<b>5,587.63</b>

# Amount less than ₹ 10,000.

#### 41.5 Geographical information

(₹ in Million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Segment Revenue</b>	<b>Segment Revenue</b>
India	14,726.45	15,606.06
Mauritius	916.39	1,239.13
Singapore	115.69	271.54
Others	13.35	31.37
<b>Total</b>	<b>15,771.88</b>	<b>17,148.10</b>

**NOTE 42. RELATED PARTY DISCLOSURES:**

Related party disclosures for the year ended 31st March, 2019

**a) List of Related parties:**

NATURE OF RELATIONSHIP	NAME OF PARTY
Director/ Key Managerial Personnel	Mr. Karan Bhagat, Managing Director Mr. Yatin Shah, Whole-time Director Mr. Amit Shah, Non-Executive Director (resigned w.e.f. January 24, 2019) Mr. Nirmal Jain, Director Mr. Venkataraman Rajamani, Director Mr. Nilesh Vikamsey, Independent Director Ms. Geeta Mathur, Independent Director Mr. Sandeep Achyut Naik, Director Mr. Shantanu Rastogi, Director
Other Related Parties (Holding Company) (Refer Note 2.1)	IIFL Holdings Limited
Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	IIFL Securities Limited (Formerly known as India Infoline Limited) IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited) India Infoline Finance Limited IIFL Home Finance Limited IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited) IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited) IIFL Wealth (UK) Limited IIFL Capital Inc. IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited) Clara Developers Private Limited Samasta Microfinance Limited (w.e.f March 01, 2017) Ayusha Dairy Private Limited (w.e.f March 01, 2017) IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)
Other Related Parties	General Atlantic Singapore Fund Pte Limited Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat) Ms. Madhu Jain (Spouse of Mr. Nirmal Jain) Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah) India Infoline Foundation Kyrush Investments Kyrush Realty Private Limited Naykia Realty Private Limited India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017) Yatin Investment Orpheous Trading Private Limited Ardent Impex Private Limited Spaia Capital Limited Spaia P2P Limited Spaia Insurance Brokers Limited MNJ Consultants Private Limited Sunder Bhawar Ventures Private Limited Sunder Bhanwar Holiday Home Private Limited ( Upto Mar 04, 2018) Khimji Kunverji & Co (Chartered Accountant Firm of Mr. Nilesh Vikamsey) Yatin Prakash Shah (HUF) Nirmal Madhu Family Private Trust Kalki Family Private Trust Kush Family Private Trust Kyra Family Private Trust Bhagat Family Private Trust Kyrush Family Private Trust Naykia Family Private Trust Prakash Shah Family Private Trust Naysa Shah Family Private Trust Kiaah Shah Family Private Trust

**b) List of Transactions of the Group with the related parties net off Eliminations**

(₹ in Million)

Nature of Transaction	Year	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties(Holding Company) (Refer Note 2.1)	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Total
<b>Share Capital Issued:</b>						
Amit Shah	2018-19	-	-	-	-	-
	2017-18	-	(1.80)	-	-	(1.80)
General Atlantic Singapore Fund Pte Ltd	2018-19	-	1.13	-	-	1.13
	2017-18	-	-	-	-	-
<b>Securities Premium Received:</b>						
Amit Shah	2018-19	-	-	-	-	-
	2017-18	-	(252.00)	-	-	(252.00)
General Atlantic Singapore Fund Pte Ltd	2018-19	-	939.82	-	-	939.82
	2017-18	-	-	-	-	-
<b>Sale of Investment</b>						
IIFL Holdings Limited	2018-19	-	-	-	-	-
	2017-18	-	-	(0.00)#	-	(0.00)#
<b>Subscription of NCD</b>						
India Infoline Finance Limited	2018-19	-	-	-	643.92	643.92
	2017-18	-	-	-	-	-
IIFL Home Finance Limited	2018-19	-	-	-	892.24	892.24
	2017-18	-	-	-	-	-
Samasta Microfinance Limited	2018-19	-	-	-	1,214.99	1,214.99
	2017-18	-	-	-	-	-
<b>Redemption of NCD</b>						
India Infoline Finance Limited	2018-19	-	-	-	204.86	204.86
	2017-18	-	-	-	-	-
IIFL Home Finance Limited	2018-19	-	-	-	147.13	147.13
	2017-18	-	-	-	-	-
<b>ICD taken</b>						
IIFL Holdings Limited	2018-19	-	-	-	-	-
	2017-18	-	-	(165.00)	-	(165.00)
India Infoline Finance Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(565.00)	(565.00)
<b>ICD repaid</b>						
IIFL Holdings Limited	2018-19	-	-	-	-	-
	2017-18	-	-	(165.00)	-	(165.00)
India Infoline Finance Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(565.00)	(565.00)
<b>ICD Given</b>						
IIFL Management Services Limited	2018-19	-	-	-	65.00	65.00
	2017-18	-	-	-	-	-
<b>Loan Given</b>						
Karan Bhagat	2018-19	157.70	-	-	-	157.70
	2017-18	(150.00)	-	-	-	(150.00)
Yatin Shah	2018-19	59.20	-	-	-	59.20
	2017-18	(150.11)	-	-	-	(150.11)
Nirmal Jain	2018-19	1,507.72	-	-	-	1,507.72
	2017-18	(2,764.49)	-	-	-	(2,764.49)
Venkataraman Rajamani	2018-19	1,500.00	-	-	-	1,500.00
	2017-18	(2,505.88)	-	-	-	(2,505.88)
Madhu Jain	2018-19	-	1,507.72	-	-	1,507.72
	2017-18	-	(1,255.96)	-	-	(1,255.96)

(₹ in Million)

Nature of Transaction	Year	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties(Holding Company) (Refer Note 2.1)	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Total
<b>Loan Received Back</b>						
Karan Bhagat	2018-19	-	-	-	-	-
	2017-18	(150.00)	-	-	-	(150.00)
Yatin Shah	2018-19	-	-	-	-	-
	2017-18	(150.11)	-	-	-	(150.11)
Nirmal Jain	2018-19	1,507.72	-	-	-	1,507.72
	2017-18	(2,764.49)	-	-	-	(2,764.49)
Venkataraman Rajamani	2018-19	1,500.00	-	-	-	1,500.00
	2017-18	(2,505.88)	-	-	-	(2,505.88)
Madhu Jain	2018-19	-	1,507.72	-	-	1,507.72
	2017-18	-	(1,255.96)	-	-	(1,255.96)
<b>Advances Towards Capital Asset Given</b>						
IIFL Facilities Services Limited	2018-19	-	-	-	1,700.00	1,700.00
	2017-18	-	-	-	-	-
<b>Fees Earned For Services (including Brokerage) rendered</b>						
IIFL Securities Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(109.62)	(109.62)
Samasta Microfinance Limited	2018-19	-	-	-	106.72	106.72
	2017-18	-	-	-	-	-
India Infoline Finance Limited	2018-19	-	-	-	18.87	18.87
	2017-18	-	-	-	(12.27)	(12.27)
IIFL Home Finance Limited	2018-19	-	-	-	53.64	53.64
	2017-18	-	-	-	-	-
Karan Bhagat	2018-19	-	-	-	-	-
	2017-18	(0.00)#	-	-	-	(0.00)#
Yatin Prakash Shah HUF	2018-19	0.00#	-	-	-	0.00#
	2017-18	(0.00)#	-	-	-	(0.00)#
Kyra Family Private Trust	2018-19	-	-	-	-	-
	2017-18	(0.00)#	-	-	-	(0.00)#
Kalki Family Private Trust	2018-19	0.01	-	-	-	0.01
	2017-18	-	-	-	-	-
Bhagat Family Private Trust	2018-19	-	-	-	-	-
	2017-18	(0.00)#	-	-	-	(0.00)#
Kyrush Family Private Trust	2018-19	-	-	-	-	-
	2017-18	(0.00)#	-	-	-	(0.00)#
<b>Interest Income on ICD Given</b>						
IIFL Management Services Limited	2018-19	-	-	-	2.11	2.11
	2017-18	-	-	-	-	-
<b>Income on Investment</b>						
India Infoline Finance Limited	2018-19	-	-	-	3.31	3.31
	2017-18	-	-	-	-	-
IIFL Home Finance Limited	2018-19	-	-	-	0.76	0.76
	2017-18	-	-	-	-	-
<b>Interest Income on Loan Given</b>						
Karan Bhagat	2018-19	0.14	-	-	-	0.14
	2017-18	(0.45)	-	-	-	(0.45)
Yatin Shah	2018-19	0.05	-	-	-	0.05
	2017-18	(1.08)	-	-	-	(1.08)
Nirmal Jain	2018-19	2.72	-	-	-	2.72
	2017-18	(5.59)	-	-	-	(5.59)



(₹ in Million)

Nature of Transaction	Year	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties(Holding Company) (Refer Note 2.1)	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Total
Venkataraman Rajamani	2018-19	2.72	-	-	-	2.72
	2017-18	(4.84)	-	-	-	(4.84)
Madhu Jain	2018-19	-	2.72	-	-	2.72
	2017-18	-	(2.45)	-	-	(2.45)
<b>Interest Expense on ICD Taken</b>						
IIFL Holdings Limited	2018-19	-	-	-	-	-
	2017-18	-	-	(0.29)	-	(0.29)
<b>Fees/Expenses incurred/Reimbursed For Services Procured</b>						
IIFL Holdings Limited	2018-19	-	-	65.16	-	65.16
	2017-18	-	-	-	-	-
IIFL Securities Limited	2018-19	-	-	-	54.54	54.54
	2017-18	-	-	-	(53.49)	(53.49)
IIFL Wealth (UK) Limited	2018-19	-	-	-	91.72	91.72
	2017-18	-	-	-	(55.22)	(55.22)
India Infoline Finance Limited	2018-19	-	-	-	14.35	14.35
	2017-18	-	-	-	(6.87)	(6.87)
IIFL Capital Inc.	2018-19	-	-	-	33.91	33.91
	2017-18	-	-	-	-	-
IIFL Management Services Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.44)	(0.44)
IIFL Facilities Services Limited	2018-19	-	-	-	263.34	263.34
	2017-18	-	-	-	(249.17)	(249.17)
5 Paisa Capital Limited	2018-19	-	(0.00)#	-	-	(0.00)#
	2017-18	-	(0.10)	-	-	(0.10)
IIFL Capital Pte Ltd	2018-19	-	-	-	4.38	4.38
	2017-18	-	-	-	-	-
<b>Corporate Social Responsibility Expenses (CSR)</b>						
India Infoline Foundation Limited	2018-19	-	43.11	-	-	43.11
	2017-18	-	(47.84)	-	-	(47.84)
<b>Remuneration To KMPs</b>						
Karan Bhagat	2018-19	50.18	-	-	-	50.18
	2017-18	(44.15)	-	-	-	(44.15)
Yatin Shah	2018-19	40.08	-	-	-	40.08
	2017-18	(34.86)	-	-	-	(34.86)
<b>Gratuity Expenses</b>						
<b>Sitting Fees/Commission To Directors</b>						
Geeta Mathur	2018-19	1.07	-	-	-	1.07
	2017-18	(0.82)	-	-	-	(0.82)
Nilesh Vikamsey	2018-19	1.54	-	-	-	1.54
	2017-18	(1.24)	-	-	-	(1.24)
<b>Dividend Paid</b>						
IIFL Holdings Limited	2018-19	-	-	450.00	-	450.00
	2017-18	-	-	(405.00)	-	(405.00)
Karan Bhagat	2018-19	59.92	-	-	-	59.92
	2017-18	(43.29)	-	-	-	(43.29)
Yatin Shah	2018-19	33.11	-	-	-	33.11
	2017-18	(29.79)	-	-	-	(29.79)
Amit Shah	2018-19	-	15.68	-	-	15.68
	2017-18	-	(20.42)	-	-	(20.42)

(₹ in Million)

Nature of Transaction	Year	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties(Holding Company) (Refer Note 2.1)	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Total
General Atlantic Singapore Fund Pte Ltd	2018-19	-	186.20	-	-	186.20
	2017-18	-	(162.48)	-	-	(162.48)
<b>Reimbursement of expenses Received</b>						
IIFL Capital Inc.	2018-19	-	-	-	24.53	24.53
	2017-18	-	-	-	(4.82)	(4.82)
<b>Reimbursement of expenses Paid</b>						
IIFL Holdings Limited	2018-19	-	-	26.13	-	26.13
	2017-18	-	-	(32.82)	-	(32.82)
IIFL Securities Limited	2018-19	-	-	-	14.06	14.06
	2017-18	-	-	-	(48.62)	(48.62)
IIFL Capital Inc.	2018-19	-	-	-	0.82	0.82
	2017-18	-	-	-	(0.75)	(0.75)
IIFL Facilities Services Limited	2018-19	-	-	-	0.01	0.01
	2017-18	-	-	-	(0.54)	(0.54)
IIFL Management Services Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(1.23)	(1.23)
India Infoline Commodities Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.18)	(0.18)
<b>Other funds received</b>						
IIFL Management Services Limited	2018-19	-	-	-	1.17	1.17
	2017-18	-	-	-	(0.02)	(0.02)
IIFL Facilities Services Limited	2018-19	-	-	-	17.01	17.01
	2017-18	-	-	-	(0.00)#	(0.00)#
IIFL Securities Limited	2018-19	-	-	-	0.12	0.12
	2017-18	-	-	-	(0.20)	(0.20)
IIFL Insurance Brokers Ltd.	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.22)	(0.22)
IIFL Home Finance Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.12)	(0.12)
India Infoline Finance Limited	2018-19	-	-	-	0.11	0.11
	2017-18	-	-	-	(0.61)	(0.61)
IIFL Holdings Limited	2018-19	-	-	0.02	-	0.02
	2017-18	-	-	-	-	-
<b>Other funds paid</b>						
IIFL Securities Limited	2018-19	-	-	-	1.30	1.30
	2017-18	-	-	-	(0.48)	(0.48)
India Infoline Finance Limited	2018-19	-	-	-	0.00#	0.00#
	2017-18	-	-	-	(0.07)	(0.07)
IIFL Facilities Services Limited	2018-19	-	-	-	0.00#	0.00#
	2017-18	-	-	-	(0.00)#	(0.00)#
IIFL Holdings Limited	2018-19	-	-	-	0.07	0.07
	2017-18	-	-	-	-	-
5 Paisa Capital Limited	2018-19	-	0.02	-	-	0.02
	2017-18	-	-	-	-	-
IIFL Insurance Brokers Ltd.	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.70)	(0.70)

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

(₹ in Million)

Nature of Transaction	Year	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties(Holding Company) (Refer Note 2.1)	Other Related Parties (Fellow Subsidiaries) (Refer Note 2.1)	Total
<b>Sundry payables:</b>						
India Infoline Finance Limited	2018-19	-	-	-	4.87	4.87
	2017-18	-	-	-	(7.42)	(7.42)
IIFL Holdings Limited	2018-19	-	-	-	-	-
	2017-18	-	-	(0.58)	-	(0.58)
IIFL Capital Inc.	2018-19	-	-	-	15.37	15.37
	2017-18	-	-	-	-	-
IIFL Securities Limited	2018-19	-	-	-	9.16	9.16
	2017-18	-	-	-	-	-
IIFL Wealth (UK) Limited	2018-19	-	-	-	4.28	4.28
	2017-18	-	-	-	-	-
IIFL Facilities Services Limited	2018-19	-	-	-	(0.00)#	(0.00)#
	2017-18	-	-	-	-	-
<b>Sundry receivables:</b>						
IIFL Management Services Limited	2018-19	-	-	-	3.06	3.06
	2017-18	-	-	-	-	-
IIFL Securities Limited	2018-19	-	-	-	0.45	0.45
	2017-18	-	-	-	(0.04)	(0.04)
IIFL Facilities Services Limited	2018-19	-	-	-	17.00	17.00
	2017-18	-	-	-	-	-
<b>Loan Given:</b>						
Karan Bhagat	2018-19	157.84	-	-	-	157.84
	2017-18	-	-	-	-	-
Yatin Shah	2018-19	59.25	-	-	-	59.25
	2017-18	-	-	-	-	-
<b>ICD Given</b>						
IIFL Management Services Limited	2018-19	-	-	-	65.00	65.00
	2017-18	-	-	-	-	-
<b>Receivable from Broker:</b>						
IIFL Securities Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.26)	(0.26)
India Infoline Commodities Limited	2018-19	-	-	-	-	-
	2017-18	-	-	-	(0.03)	(0.03)

## Note:

- I) Figures in bracket represents previous year figures.
- II) Related parties are identified and certified by the management.
- III) The Remuneration for FY 2016-17 includes Gratuity cost as per actuarial valuation. No provision is included in the remuneration for FY 2017-18 and FY 2018-19 as FY 2016-17 as FY 2016-17 includes provision for gratuity made as per actuarial valuation as applicable to above persons. For FY 2017-18 and FY 2018-19 no provision is made on actuarial basis due to ceiling on gratuity payment as per the Group Policy on Gratuity

# Amount less than ₹ 10,000.

**NOTE 43. CORPORATE SOCIAL RESPONSIBILITY**

During the year, the Group has spent ₹ 66.70 Mn (FY 17-18 - ₹ 49.40 Mn) as against ₹ 63.79 Mn (FY 18 - ₹ 44.09 Mn) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Group was focused on implementing long term high impact projects approved by the CSR Committee. IIFL Group is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.

**NOTE 44. SUMMARY OF CONSOLIDATION:**

The Consolidated Financial Statements represents consolidation of financial statements of the Holding Company with its following subsidiaries:

Subsidiary	Country of incorporation	Proportion of ownership interest		
		As at Mar 31, 2019	As at Mar 31, 2018	As at Mar 31, 2017
IIFL Distribution Services Limited	India	100%	100%	100%
IIFL Investment Adviser and Trustee Services Limited	India	100%	100%	100%
IIFL Alternate Asset Advisors Limited	India	100%	100%	100%
IIFL Asset Management Limited	India	100%	100%	100%
IIFL Trustee Limited	India	100%	100%	100%
India Alternatives Investment Advisors Private Limited (Upto 31st March, 2017)	India	-	-	71%
IIFL Wealth Finance Limited	India	100%	100%	100%
IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)	India	100%	-	-
IIFL Wealth Advisors (India) Limited (w.e.f November 22, 2018)	India	100%	-	-
IIFL Altiore Advisors Limited (w.e.f November 05, 2018)	India	100%	-	-
IIFL Wealth Employee Welfare benefit Trust	India	100%	-	-
IIFL Wealth Employee Benefit Trust	India	-	100%	100%
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)	Mauritius	100%	100%	100%
IIFL Private Wealth (Suisse) SA (upto February 27, 2019)	Switzerland	-	100%	100%
IIFL Inc	New York	100%	100%	100%
IIFL (Asia) Pte. Limited	Singapore	100%	100%	100%
IIFL Securities Pte. Limited	Singapore	100%	100%	100%
IIFL Capital Pte. Limited	Singapore	100%	100%	100%
IIFL Private Wealth Management (Dubai) Limited	Dubai	100%	100%	100%
IIFL Private Wealth Hong Kong Limited	Hong Kong	100%	100%	100%
IIFL Capital (Canada) Limited (w.e.f November 3, 2018)	Canada	100%	100%	-

**NOTE 45. BUSINESS COMBINATION****A Subsidiaries acquired**

Particulars	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	Consideration transferred (Amount in ₹ Mn)
IIFL Wealth Advisors (India) Limited	Wealth Management, and Advisory business	November 22, 2018	100%	2,530.24
IIFL Altiore Advisors Limited	Wealth Management, and Advisory business	November 05, 2018	100%	83.30
				<b>2,613.54</b>

**B Assets acquired and liabilities recognised at the date of acquisition**

(₹ in Million)

Particulars	IIFL Wealth Advisors (India) Limited	IIFL Altiore Advisors Limited
<b>Financial Assets</b>		
Cash and cash equivalents	5.08	0.36
Bank Balance other than above	0.04	-
Trade Receivables	34.91	0.95
Investments	208.74	-
Other financial assets	6.80	0.14
<b>Non-Financial Assets</b>		
Current tax assets (Net)	-	0.04
Property, plant and equipment	7.08	-
Other intangible assets	4.85	-
Other non-financial assets	7.11	-
<b>Financial Liabilities</b>		
Trade & other payables	(52.29)	(4.62)
Borrowings	-	(4.07)
Other financial liabilities	(6.72)	(1.50)
<b>Non-Financial Liabilities</b>		
Current tax liabilities (Net)	(2.82)	-
Provisions	(2.02)	-
Deferred tax liabilities (Net)	(0.67)	-
	<b>210.09</b>	<b>(8.70)</b>

**C Goodwill arising on acquisition**

(₹ in Million)

Particulars	IIFL Wealth Advisors (India) Limited	IIFL Altiore Advisors Limited	Total
Consideration transferred	2,530.24	83.30	2,613.54
<b>Less : Value of identifiable assets</b>			
Intangible assets	728.20	92.00	820.20
Other net assets	210.10	(8.70)	201.40
<b>Goodwill arising on acquisition of subsidiaries</b>	<b>1,591.94</b>	<b>-</b>	<b>1,591.94</b>
Deferred tax Liability recognised on customer relation	254.46	32.11	286.57
<b>Total Goodwill</b>	<b>1,846.40</b>	<b>32.11</b>	<b>1,878.51</b>

**D Impact of acquisitions on the results of the Group**

The profit for the year ended March 31, 2019 includes Rs. 34.01 Mn attributable to additional business generated by IIFL Wealth Advisors (India) Limited and net of loss of Rs. 1.20 Mn attributable to IIFL Altiore Advisors Limited. Revenue for the year includes Rs. 10.25 Mn in respect of IIFL Wealth Advisors (India) Limited and Rs. Nil in respect of IIFL Altiore Advisors Limited.

The financial position and results (after eliminations) of IIFL Wealth Securities IFSC Limited, IIFL Wealth Employee Welfare benefit Trust during the year ended March 31, 2019, IIFL Capital (Canada) Limited which became subsidiary during the year ended March 31, 2018 and India Alternatives Investment Advisors Private Limited (IAIA) which ceased to be a subsidiary during the year ended March 31, 2017 are given below:

(₹ in Million)

Particulars Name of the subsidiary	As at March 31, 2019		As at March 31, 2018
	IIFL Wealth Securities IFSC Limited	IIFL Wealth Employee Welfare benefit Trust	IIFL Capital (Canada) Limited
<b>Assets</b>			
Financial Assets	0.39	-	3.22
Non-financial Assets	-	35.73	0.68
<b>Total</b>	<b>0.39</b>	<b>35.73</b>	<b>3.90</b>
<b>Liabilities</b>			
Financial Liabilities	0.65	36.68	1.07
Non-Financial Liabilities	0.01	0.14	-
<b>Total</b>	<b>0.66</b>	<b>36.82</b>	<b>1.07</b>
	<b>2018-2019</b>	<b>2018-2019</b>	<b>2017-2018</b>
Revenue for the period ended	-	-	0.02
Expenses for the period ended	1.26	0.05	5.29
<b>Profit / (Loss) before tax for the period ended</b>	<b>(1.26)</b>	<b>(0.05)</b>	<b>(5.28)</b>
<b>Profit / (Loss) after tax for the period ended</b>	<b>(1.26)</b>	<b>(0.05)</b>	<b>(5.28)</b>

#### NOTE 46. UNDISTRIBUTED PROFITS

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

#### NOTE 47. SUBSEQUENT EVENTS

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

#### NOTE 48. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issuance by the Board of Directors on May 13, 2019

For and on behalf of the Board of Directors

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

**R. Venkataraman**  
Director  
(DIN: 00011919)

Place: Mumbai  
Date: May 13, 2019

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

## Annexure A

"Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

Sr. No.	Particulars	Reporting Currency	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover/Income	Profit/(Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of Shareholding
1	IIFL Trustee Limited "	INR	5.00	27.03	1.00	39.92	7.89	-	29.17	21.68	6.03	15.65	-	100.00%
2	IIFL Distribution Services Limited	INR	0.51	51.14	1.00	74.31	22.66	2.18	188.18	9.29	2.36	6.93	-	100.00%
3	IIFL Asset Management Ltd	INR	321.00	1,542.68	1.00	2,083.09	219.41	30.51	1,582.11	726.70	131.71	594.99	-	100.00%
4	IIFL Alternate Asset Advisors Limited	INR	2.49	2,311.48	1.00	2,515.46	201.49	126.11	735.51	158.46	25.91	132.55	-	100.00%
5	IIFL Investment Adviser and Trustee Services Limited	INR	352.25	262.12	1.00	737.34	122.97	-	532.86	243.47	70.49	172.98	-	100.00%
6	IIFL Wealth Finance Limited	INR	3,054.94	15,953.89	1.00	85,086.94	66,078.11	29,393.74	7,097.04	2,731.37	916.29	1,815.08	-	100.00%
7	IIFL Wealth Advisors (India) Limited	INR	53.43	190.67	1.00	307.98	63.88	231.79	333.31	109.95	27.19	82.76	-	100.00%
8	IIFL Altiore Advisors Limited	INR	1.08	(10.98)	1.00	1.51	11.41	-	1.92	(7.53)	-	(7.53)	-	100.00%
9	IIFL Wealth Securities IFSC Limited	INR	1.00	(1.26)	1.00	0.39	0.65	-	-	(1.26)	-	(1.26)	-	100.00%
10	IIFL Wealth Employee Welfare Benefit Trust	INR	0.01	(1.11)	1.00	35.73	36.83	35.47	0.25	(1.11)	-	(1.11)	-	100.00%
11	IIFL (Asia) Pte. Limited	INR S \$	473.17 14.00	(148.84) (7.60)	1.00 50.71	325.23 6.41	0.90 0.02	320.99 6.33	0.15 -	(0.91) (0.02)	- -	(0.91) (0.02)	- -	100.00%



Sr. No.	Particulars	Reporting Currency	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover/Income	Profit/(Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of Shareholding
12	IIFL Securities Pte. Limited	INR	49.15	45.81	1.00	97.82	2.86	-	33.23	(35.82)	-	(35.82)	-	100.00%
		S \$	1.03	0.84	50.71	2.10	0.23	-	0.65	(0.70)	-	(0.70)	-	-
13	IIFL Capital Pte. Limited	INR	252.91	(135.45)	1.00	162.85	45.39	-	115.38	(134.27)	-	(134.27)	-	100.00%
		S \$	5.30	(2.98)	50.71	3.21	0.90	-	2.09	(2.61)	-	(2.61)	-	-
14	IIFL Inc	INR	61.69	(14.37)	1.00	50.41	3.09	-	120.81	19.30	3.40	15.90	-	100.00%
		USD	1.03	(0.35)	69.28	0.73	0.04	-	1.73	0.28	0.05	0.23	-	-
15	IIFL Private Wealth Management (Dubai) Limited	INR	57.99	127.70	1.00	195.57	9.88	-	146.90	93.23	-	93.23	-	100.00%
		AED	3.37	6.47	18.86	10.37	0.52	-	7.93	4.90	-	4.90	-	-
16	IIFL Private Wealth Hong Kong Limited	INR	51.90	14.33	1.00	66.89	0.66	-	5.39	(0.57)	(0.28)	(0.29)	-	100.00%
		HKD	6.48	1.02	8.83	7.58	0.07	-	0.61	(0.06)	0.03	(0.03)	-	-
17	IIFL Asset Management (Mauritius) Limited	INR	4.19	631.18	1.00	692.89	57.52	82.35	916.39	367.08	10.48	356.60	-	100.00%
		USD	0.07	9.10	69.28	10.00	0.83	1.19	13.11	5.25	0.15	5.10	-	-
18	IIFL Capital (Canada) Limited	INR	5.04	0.76	1.00	9.07	3.27	-	26.76	3.18	0.21	2.97	-	100.00%
		CAD	0.10	0.01	51.93	0.17	0.06	-	0.50	0.06	0.00	0.06	-	-

Note 1: All subsidiaries have common year end March 31, 2019 hence no additional information under Section 129(3) read with Rule 5 has been disclosed.

Note 2: Names of the subsidiaries which are yet to commence operations: IIFL Wealth Securities IFSC Limited

Note 3: Names of the subsidiaries which liquidated or sold during the year: IIFL Private Wealth (Suisse) SA

### For and on behalf of the Board of Directors of IIFL Wealth Management Limited

**Karan Bhagat**

Managing Director

(DIN: 03247753)

**R. Venkataraman**

Director

(DIN: 00011919)

Place : Mumbai

Dated: August 21, 2019

**Mihir Nanavati**

Chief Financial Officer

**Ashutosh Naik**

Company Secretary

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

Nilesh Vikamsey, Chairman and Independent Director  
Nirmal Jain, Non-Executive Director  
R. Venkataraman, Non-Executive Director  
Karan Bhagat, Managing Director  
Yatin Shah, Whole-time Director  
Geeta Mathur, Independent Director  
Sandeep Naik, Non-Executive Director  
Shantanu Rastogi, Non-Executive Director  
Subbaraman Narayan, Independent Director

## **COMMITTEES OF BOARD**

### **AUDIT COMMITTEE**

Geeta Mathur, Chairperson  
Nilesh Vikamsey  
Shantanu Rastogi

### **NOMINATION AND REMUNERATION COMMITTEE**

Ms. Geeta Mathur, Chairperson  
Mr. Nirmal Jain  
Mr. Nilesh Vikamsey  
Mr. Sandeep Naik

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Karan Bhagat  
Nirmal Jain  
Nilesh Vikamsey  
Sandeep Naik

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

R. Venkataraman  
Geeta Mathur  
Yatin Shah

### **RISK MANAGEMENT COMMITTEE**

R. Venkataraman  
Karan Bhagat  
Nilesh Vikamsey  
Shantanu Rastogi  
Geeta Mathur

## **CHIEF FINANCIAL OFFICER**

Mihir Nanavati

## **COMPANY SECRETARY**

Ashutosh Naik

## **AUDITORS**

Deloitte Haskins & Sells LLP, Chartered Accountants

## **INTERNAL AUDITORS**

KPMG

## **REGISTERED & CORPORATE OFFICE**

IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai (MH) – 400 013

## **BANKERS**

ICICI BANK LIMITED, HDFC BANK LIMITED

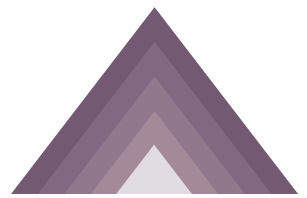
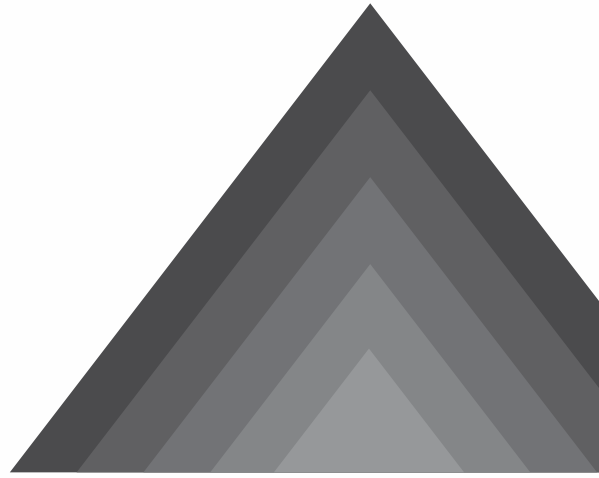
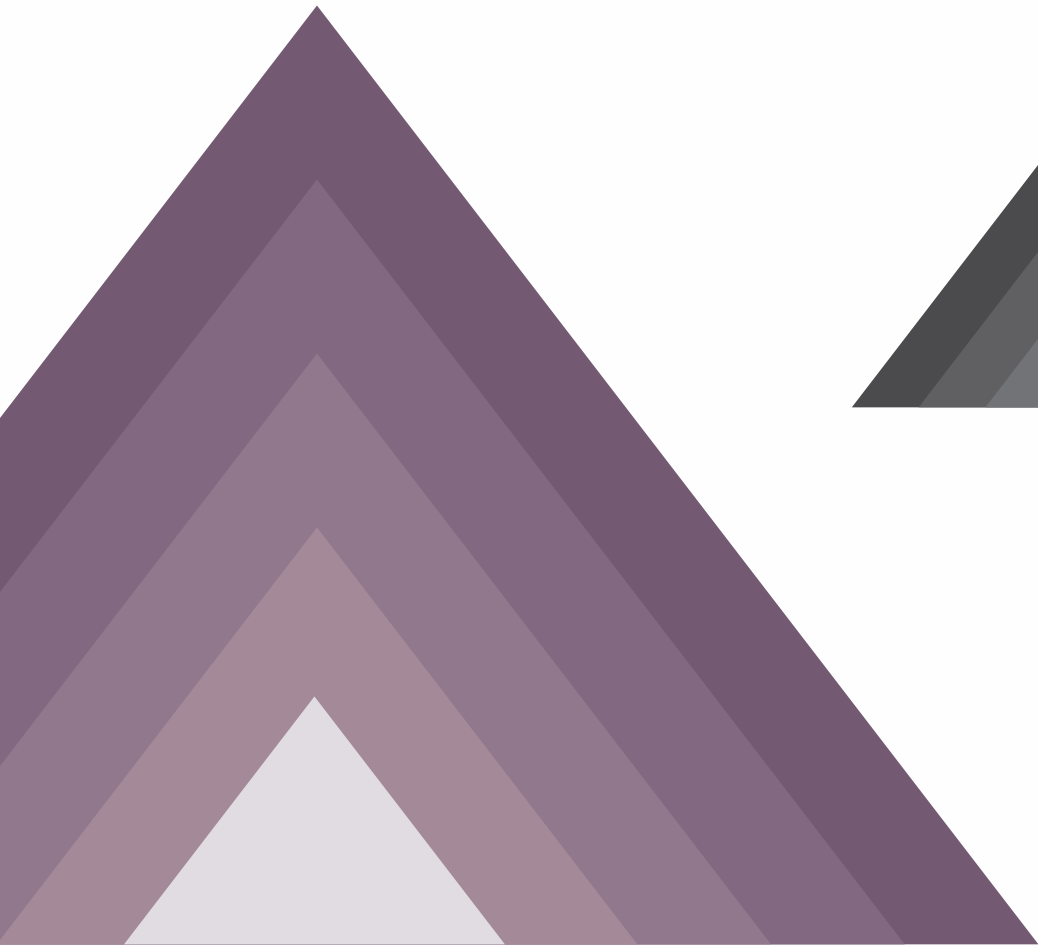
## **CORPORATE IDENTIFICATION NUMBER**

U74140MH2008PLC177884

### **CAUTIONARY STATEMENT:**

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Wealth Management Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.









IIFL WEALTH MANAGEMENT LIMITED

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