

**IIFL WEALTH MANAGEMENT LIMITED
ANNUAL REPORT 2017-18**

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of IIFL Wealth Management Limited ("the Company") together with the Audited Financial Statements for the year ended March 31, 2018.

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

STANDALONE FINANCIAL RESULTS -

Continuing Operations

(₹ in million)

PARTICULARS	2017 - 2018	2016 - 2017
Gross Total Income	6,902.91	4,445.09
Less: Expenditure	4,947.94	3,118.60
Profit / (Loss) Before Taxation	1,954.97	1,326.49
Less: Taxation - Current	509.31	466.38
- Deferred	-23.03	1.60
- Short or Excess Provision of Income Tax	-4.62	-3.97
Net Profit / (Loss) After Tax	1,473.32	862.48

Discontinuing Operations

(₹ in million)

PARTICULARS	2017 - 2018	2016 - 2017
Gross Total Income	362.44	79.62
Less: Expenditure	347.51	76.68
Profit / (Loss) Before Taxation	14.93	2.93
Less: Taxation - Current	3.68	1.03
- Deferred	-	-
- Short or Excess Provision of Income Tax	-	-
Net Profit / (Loss) After Tax	11.25	1.91

Consolidated Financial Results -

(₹ in million)

PARTICULARS	2017 - 2018	2016 - 2017
Gross Total Income	17,378.02	10,828.59
Less: Expenditure	12,417.59	7,198.71
Profit / (Loss) Before Taxation	4,960.43	3,629.88
Less: Taxation - Current	1,140.30	1,210.56
- Deferred	-26.72	-82.14
- MAT Credit Gains	-1.39	-0.18
- Short or Excess Provision of Income Tax	-4.87	-3.05
Net Profit / (Loss) After Tax	3,853.11	2,504.69

2. REVIEW OF BUSINESS AND OPERATIONS:

During FY 2017-2018, the Company continued making good progress in all its business segments. Total Income on a consolidated basis increased to ₹ 17.38 billion, up 60% year on year (y-o-y). Net Profit (after tax) increased to ₹ 3,850 million up 54% y-o-y.

Total Client Assets grew by 38.81% YoY and the Company now manages around ₹ 1317.62 billion in Client assets.

The Domestic Asset management business manages over ₹ 135.83 billion of Assets which comprises of ₹ 117.36 billion in AIF Assets, ₹ 9,460 million in PMS assets and ₹ 9,010 million in Mutual Fund Assets. The

offshore Asset Management business manages ₹ 105.86 billion of assets. The total assets managed under the AMC business is therefore ₹ 241.69 billion resulting in a YOY growth of 20.57%.

The NBFC subsidiary has made great progress, with a closing loan book of over ₹ 67,000 million reporting a growth of 85% 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:

- **Lower Government Borrowing in H1 FY19 – Positive surprise:**

Indian government reduced its borrowing target for the first half of this fiscal year, with gross borrowing through government securities pegged at ₹ 2.88 trillion in the first half of FY19 against ₹ 3.72 trillion in first half of FY18. Though total gross borrowings for fiscal 2019 is budgeted at ₹ 6.05 trillion, higher than previous year's revised estimate of ₹ 5.99 trillion.

- **Pause on monetary policy, though rate hike a possibility towards end of FY19:**

In concurrence with the expectations, RBI maintained status quo on the policy rates and neutral stance. However, MPC's decision was yet again not unanimous (similar to the previous policy meeting), with one member (Dr. Patra) reiterating the case for a rate hike. Although the central bank has lowered inflation projections, we sense that rising domestic demand, stubborn core inflation and fiscal pressure will prompt a long pause, followed by a probable rate hike towards the end of this fiscal year.

- **Lower Headline inflation, though core price pressure sustains:**

With food prices dipping during first two months of this year, CPI projections for H1FY19 is revised lower to 4.7-5.1%, when compared with earlier estimate of 5.1-5.6%. Similarly, for H2FY19, RBI sees inflation at 4.4%, lower than prior projection of 4.4-4.6%. However, core inflation continues to remain sticky around

5.2%, driven by price pressure in the housing segment. The central bank has also cited risks to the inflation projections, emanating from the uncertainty over the revised MSP formula, fiscal slippage of Central & State government and volatile crude oil prices.

- **Growth – Higher trajectory:**

With output gap narrowing and revival in investment activity, RBI projects GDP growth for FY19 at 7.4%, significantly higher than estimates of 6.6% for FY18. Growth during H1FY19 is pegged at 7.3-7.4%, while H2 is seen expanding around 7.3-7.6%.

- **Global GDP estimates ensure Bull-Run longevity:**

The global economic momentum would remain intact for this year and next, given consensual upgrade on global GDP projections by IMF, World Bank and OECD. Stronger US consumer spends, stable exports from Europe and resilient Chinese manufacturing reinstate the perception of a steady global economy.

- **Equity markets would learn to live with Trump's rhetoric:**

Beyond doubt, there would be a recurring fear of assortments and different flavors of the protectionist stance erupting during the Trump regime. Nevertheless, we reckon financial markets would learn to live with the ongoing protectionism rhetoric given the consensus that world trade would not be significantly impacted by the selective trade tariffs by US and China. In fact, global trade volume numbers for the first two months of this year exhibit impressive strength, notwithstanding the trade war bombast. Markets would gradually realise that neither US nor China are implementing tariffs immediately, implying that pricing in the worst at this stage will be quite untimely and ill-conceived. We can also take a leaf out of the currency war episode,

where global equities have done reasonably well despite nations resorting to beggar thy neighbour policy. Deliberate debasement or weakening of currencies initially stoked concerns of a far-reaching, destabilizing impact on global economy. But as we have seen, it failed to depress market sentiment over the long term.

- **Fading impact of negatives, overweight stance intact:**

Indian equities have largely absorbed most of the pain emanating from a string of adverse events, including PNB fiasco, spike in bond yields, BJP's loss in UP by-poll elections and the trade war rhetoric. Although more negative news pertinent to NPA woes of certain banks could still emerge, market response would be limited to knee-jerk reactions. Most negatives are already priced in, with markets responding swiftly and sharp corrections seen in mid-caps and small-caps. The broader 2018-19 positive outlook is intact, though near term risk of Trump's twitter rhetoric cannot be ruled out.

- **Large caps relatively insulated:**

Relative resilience of large-caps corroborates our stance of higher weightage to the same. Large caps are expected to hold well, unless something adverse materializes and drags the Index lower. Stocks like HDFC, ITC, Reliance and Infosys are brimming with promise. In fact, 70% of Nifty components (on weightages) is doing well on Price to Book value basis.

- **Improving variables:**

Auto sales remain healthy, manifested by strongest numbers ever reported by Hero Motors and Maruti. There is traction in tractor sales as well, ditto for air traffic. Bank credit growth is being restored, now growing at double digit growth rate. Implementation of e-way bill could boost GST revenues, while direct tax collections are also on the rise. On political front, outcome of Rajya Sabha elections is deemed positive for the incumbent BJP, with Karnataka likely to spring a positive surprise.

FIXED INCOME:

- **Lower H1FY19 Borrowings softens yields:**

Sovereign bond yields mellowed significantly following the government announcement of the borrowing plan dip. It would raise ₹ 2.88 trillion in the first six months, about 48% of the total borrowing for this fiscal year. This is very low given that the government generally tends to borrow around 60% in the first half. The government will issue less quantum of long tenure bonds and tap more funds from small saving schemes. Hike in FPI limit for government bonds is also in the works. Moreover, issuance of floating rate bonds is deemed short term positive for markets, as it entails relatively lower risk given that interest rates are aligned every six months.

- **Respite for Banks:**

Amid mounting Treasury losses from elevated bond yields, RBI provided much-needed breathing space to banks by sanctioning loss rollover on bond exposure, and set off in ensuing four quarters. PSU banks would largely benefit as they hold abundant government paper, in excess of SLR requirements.

- **Fiscal slippage risk weighs on sentiments:**

Governmental Revenue - Expenditure Gap is expected to remain wide, with India's fiscal deficit during 11 months of FY18 well above budgetary estimates. The fiscal shortfall till February stood at ₹ 7.16 trillion, as against the revised estimate of ₹ 5.95 trillion. Although the government would borrow less in H1FY19, there is a sense that government will backload in the second half in wake of seasonally high credit demand. For this fiscal year, gross borrowings through government securities is budgeted at ₹ 6.05 trillion, higher than the estimates of ₹ 5.99 trillion in FY18.

- **RBI on guard:**

With successive Fed rate hikes and more to follow, RBI is clearly constrained about any accommodation on monetary policy. Domestic issues like sticky core inflation and fiscal slippage concerns would compel it to tighten later this fiscal year. In fact, markets are pricing in a probability of 25-bps repo rate during Q4 FY19. The central bank would likely monitor monsoon developments and its impact on inflation before the decisive call.

- **Range bound yields, tilted towards short duration:**

With a likely RBI rate hike later this fiscal year, bond yields are expected to stay around 7-7.4%, a comfortable 100bps spread over Repo. Positioning at the front end of the curve remains the call as risk-reward is not in favor of long duration moderate-to-low duration exposure. Three-year AAA corporate bonds fetching around 7-8% yield would be in favor.

FUTURE OUTLOOK OF THE BUSINESS:

Indian and Global economic conditions saw a few challenges, led by Trump policy and the US/China trade war. The violence and recent govt fiascos in governance, as well as the PSU banking scams of Nirav Modi, PNB and lately ICICI Bank continue being a shadow on the equity markets. Having said that, the business has done well, with continuing robust growth in all areas of the business. The focus of the year has been on business process engineering and transformation including digitization. IIFL Investment Managers engaged Accenture to map all operational processes across the firm, with a view to tighten governance and introduce digitization and efficiency.

The business closed with assets of ₹ 1317.62 billion and 330+ sales staff, keeping IIFL Investment Managers the clear leader in the industry. The core transaction system will undergo major transformation and replacement going forward, and the RM and Client journeys at IIFL Investment Managers especially will see a major digital thrust. With closing loan book of over ₹ 67 billion, the

NBFC subsidiary continues rapid momentum, and we expect the same momentum over the next few years. The Company's Broking business has started commodities and currency trading for select corporate and High Net Worth (HNW) clients.

The AMC subsidiary created a record, garnering commitments of over ₹ 84.5 billion in the Special Opportunities Fund, including approximately 30 billion from third party channel partners other than IIFL Investment Managers. Wealth spectrum has been successfully implemented as core system of domestic AMC, and the firm is replacing the offshore systems as well.

IIFL Holdings and its subsidiaries have decided to reorganize their corporate structure, through a composite scheme of arrangement, which will result 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 of the composite scheme of arrangement has been filed with the NSE and BSE under the Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 to the Listing Department on March 16, 2018.

4. DIVIDEND:

During the period under review, your Company has declared an interim dividend of ₹ 4.50/- each on October 30, 2017 and January 30, 2018, per equity share with face value ₹ 2, involving a total outlay of ₹ 784,980,823/- (including dividend distribution tax). Your Directors recommend that said interim dividend be considered as final dividend on Equity shares of the Company.

5. SHARE CAPITAL:

As on March 31, 2018, the Authorised Capital of the Company stood at ₹ 170,000,000

divided into 8,50,00,000 shares of ₹ 2/- each and the paid up share capital of the Company has increased from ₹ 15,59,27,528/- to ₹ 15,95,06,926/- during the year under review, pursuant to allotment of 17,89,699 shares to employees under ESOP Schemes.

6. TRANSFER TO RESERVES:

During the FY 2017-2018, the Company has not transferred any amount to General Reserve. During the PY 2016-2017, the Company has transferred an amount of ₹ 17.64 million to Debenture Redemption Reserve.

7. DEPOSITS:

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

8. DETAILS OF SUBSIDIARIES:

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. DIRECTORS:

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

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

Mr. Nirmal Jain and Mr. Venkataraman Rajamani are liable to retire by rotation and being eligible, offer themselves for re-appointment.

i. Meetings of the Board of Directors -

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

ii. Committees of the Board -

In accordance with the Companies Act, 2013, the Board has constituted following Committees as per the applicable provision of Companies Act, 2013.

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

(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 & internal policies. The Committee met 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 terms of reference of audit committee, inter alia, includes;

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

(ii) Nomination And Remuneration Committee:

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

(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 will act as the principal arm to undertake CSR initiatives on behalf of the IIFL Group.

iii. Separate meeting of Independent Directors:

In compliance with provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on March 28, 2018 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.

iv. Declaration by Independent Directors -

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/ she meets

the criteria of independent laid down in section 149(6) of the Companies Act, 2013.

B. KEY MANAGERIAL PERSONNEL:

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

10. CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the financial year, your Company deployed 2.37% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects, refer point no. 4 and 5 of the Annual Report on CSR activities annexed with this report.

All CSR efforts have been directed towards identifying and undertaking projects that hold the potential to create long-term social impact, to empower marginalized communities and enhance their quality of life. In alignment with this objective, in FY17-18, the Company undertook a number of projects in the core areas of encouraging entrepreneurship, tribal

developments, woman empowerment and healthcare and education.

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

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

11. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the financial year 2017-18 is available for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the said information may write to the Company Secretary at the registered office of your Company.

12. EMPLOYEE STOCK OPTION / PURCHASE SCHEME:

During the financial year, the Company under its IIFL Wealth Employee Stock Option Schemes has allotted 17,89,699 equity shares. The details of options granted, vested, exercised, etc. are as follows:

PARTICULARS		
A	Options granted during the year	1,220,853
B	Exercise Price (per share)	47,032 @ ₹ 339/- 1,625,247 @ ₹ 282/- 51,570 @ ₹ 19/- 65,850 @ ₹ 16/-
C	Options Vested during the year	760,838
D	Options Exercised during the year	1,789,699
E	Total no. of shares arising as result of exercise of Options	1,789,699
F	Options lapsed	Nil
G	Variation in terms of Options	Nil
H	Money realised by exercise of Options (In ₹)	₹ 476,296,932/-
I	Total number of options in force	3,869,688
J	Employee wise details of options granted to:	

- Key Managerial Personnel	Name	Options
	Mihir Nanavati (CFO)	50,000
	Ashutosh Naik (CS)	11,395
- 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
	Anirudha Taparia	80100
	Balaji Raghavan	70000
- identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	Name	Options
	-	-
	-	-

The Board of Directors and Shareholders of the Company have approved grant of employee stock option(s) under IIFL Wealth Employee Stock Option Scheme – 2012 and IIFL Wealth Employee Stock Option Scheme 2015. On July 21, 2017, January 13, 2018 and January 28, 2018 the Company granted 9,50,000, 1,21,141 and 1,49,712 option(s) respectively to its employees at a grant price of ₹ 417/- per share.

13. RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY:

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

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

14. EXTRACT OF ANNUAL RETURN:

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

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

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

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

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

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

17. AUDITORS:

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

18. FEMA COMPLIANCE:

With reference to Circular No. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 relating to Foreign Direct Investment Policy, the

Company has not made any downstream investments during the F.Y. 2017-18.

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, 2018. 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 - IV**. There are no qualifications, reservations or observations in the Secretarial Audit report.

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

The details of loans, guarantees or investments made are provided in the standalone financial statement (Please refer Note No. 12 and 16).

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement 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. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 35 in the standalone financial results of the Company for the financial year ended March 31, 2018.

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

The management frequently puts circulars on corporate intranet, IWIN for the employees educating them on ways and means to conserve 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 safeguarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

Foreign exchange earnings / outgo :

- a.) The Foreign exchange earnings: ₹ 362.67 million (P.Y. ₹ NIL)
- b.) The Foreign exchange expenditure: ₹ 53.556 million (P.Y. ₹ 23.97 million)

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

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

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

Your Directors further state that during the year under review your Company has formulated and adopted a '**Policy for Prevention / Prohibition /**

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

25. DIRECTORS RESPONSIBILITY STATEMENT:

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

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

The Directors further confirm that, they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

26. ACKNOWLEDGEMENTS:

Your Directors record their sincere appreciation of the dedication and commitment of its employees in achieving

and sustaining excellence in all areas of its operations. Your Directors thank the shareholders, customers, vendors, bankers, regulators, stock exchanges, other statutory bodies and other stakeholders for their continued support to the Company.

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

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

- Nomination and Remuneration Policy of the Company as Annexure I.

- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18 - Annexure - II.
- Form No. MGT-9 - Extract of Annual Return as on the financial year ended March 31, 2018 - Annexure - III.
- Secretarial Audit Report for the financial year ended March 31, 2018 - Annexure - IV.

For and on behalf of the Board of Directors

Karan Bhagat

Managing Director

DIN: 03247753

Date: May 03, 2018

Place: Mumbai

Yatin Shah

Executive Director

DIN: 03231090

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

NOMINATION AND REMUNERATION POLICY

I. OBJECTIVE:

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

II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
 - Managing Director, or Chief Executive Officer or Manager
 - Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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

III. ROLE OF COMMITTEE:

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

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

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

1. Appointment Criteria and Qualifications:

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

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

2. Removal:

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

3. Retirement:

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

V. REMUNERATION:

A. Directors:

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

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

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

b. Non-Executive Director:

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

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

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

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.

ANNEXURE II

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
FOR THE FINANCIAL YEAR 2017-18**

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	IIFL Wealth Management Limited ("the Company") has carried out CSR activities through IIFL Foundation and contributed to CSR Projects, as referred below. The CSR Policy has been uploaded on website under link http://www.indiaonline.com/aboutus/iifl-csr-policy
2. The Composition of the CSR Committee	CSR Committee of the Company comprises of: (i) Mr. Nilesh Vikamsey, (ii) Mr. Nirmal Jain, (iii) Mr. Karan Bhagat, and (iv) Mr. Sandeep Naik
3. Average net profit of the company for last three financial years	INR 1,412,992,378/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 28,259,848/-
5. Details of CSR spent during the financial year	
a) Total amount to be spent for the financial year;	INR 28,259,848/-
b) Amount Spent; and	INR 33,511,239 /-
c) Amount unspent, if any.	NIL

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

SR. NO	PROJECTS/ ACTIVITIES	SECTOR	LOCATIONS	AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE (RS.)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS (RS.)	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD (RS.)	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY (RS.)
1	Development of Sports by providing world class platform for young budding players	Promotion of Sports	Across India	23,523,713/-	23,523,713/-	23,523,713/-	23,523,713/- Through India Infoline Foundation
2	Support and nurturing to players from under privileged backgrounds	Promotion of Sports	Maharashtra	1,813,526/-	1,813,526/-	1,813,526/-	1,813,526/- Through India Infoline Foundation
3	Medical support to poor patients	Combating diseases	Pune Maharashtra	2,000,000/-	2,000,000/-	2,000,000/-	2,000,000/- Through India Infoline Foundation
4	Promotion of Education to school dropout children	Education	Rajasthan	1,074,000/-	1,074,000/-	1,074,000/-	1,074,000/- Through India Infoline Foundation
5	Smart Shala Program	Education	Jharkhand	2,500,000/-	2,500,000/-	2,500,000/-	2,500,000/- Through India Infoline Foundation

SR. NO	PROJECTS/ ACTIVITIES	SECTOR	LOCATIONS	AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE (RS.)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS (RS.)	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD (RS.)	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY (RS.)
6	Educational support to children from marginalized communities	Education	Maharashtra	1,600,000/-	1,600,000/-	1,600,000/-	1,600,000/- Through India Infoline Foundation
7.	Educational support to tribal out of school children	Education	West Bengal	1,000,000/-	1,000,000/-	1,000,000/-	1,000,000/- Through India Infoline Foundation

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report
- During the financial year 2017-18, the Company successfully deployed 2.37 % of its average net profits of the preceding three years on CSR projects. In line with the company's CSR strategy, the Company has focused its efforts on identifying and undertaking CSR projects that support the overarching mission of contributing proactively towards Nation building. Women Empowerment, Education and Health continue to be one of the key focus areas.

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

Date: May 03, 2018	Karan Bhagat Chairman, CSR Committee & Managing Director	Nirmal Jain Director
Place: Mumbai	DIN: 03247753	DIN: : 00010535

ANNEXURE III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U74140MH2008PLC177884
ii) Registration Date	January 17, 2008
iii) Name of the Company	IIFL Wealth Management Limited
iv) Category / Sub-Category of the Company	Public Company, Limited by shares
v) Address of the Registered office and contact details	IIFL House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91-22-3958 5600 Fax: +91-22-4646 4706
vi) Whether listed Company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime Private Limited Address : C-101, 247 Park, LBS Marg, Vikhroli (West) - 400083 Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 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	6,619	93.31%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6.	IIFL Alternate Asset Advisors Limited	U74120MH2011PLC219930	Subsidiary Company	100	2(87)
7.	IIFL Wealth Finance Limited	U65990MH1994PLC080646	Subsidiary Company	100	2(87)
8	IIFL Private Wealth Management (Dubai) Limited	Not Applicable	Subsidiary Company	100	2(87)
9	IIFL Inc	Not Applicable	Subsidiary Company	100	2(87)
10	IIFL Private Wealth Hong Kong Ltd	Not Applicable	Subsidiary Company	100	2(87)
11	IIFL Private Wealth (Suisse) SA	Not Applicable	Subsidiary Company	100	2(87)
12	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd)	Not Applicable	Subsidiary Company	100	2(87)
13	IIFL (Asia) Pte. Limited	Not Applicable	Subsidiary Company	100	2(87)
14	IIFL Capital Pte. Limited	Not Applicable	Step-down Subsidiary Company	100	2(87)
15	IIFL Securities Pte. Limited	Not Applicable	Step-down Subsidiary Company	100	2(87)
16	IIFL Capital (Canada) Limited	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 2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2018)				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	45,000,000	0	45,000,000	57.72	45,000,000	0	45,000,000	56.42	-1.30
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	45,000,000	0	45,000,000	57.72	45,000,000	0	45,000,000	56.42	-1.30
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1ST APRIL 2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2018)				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	45,000,000	0	45,000,000	57.72	45,000,000	0	45,000,000	56.42	-1.30
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.	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	18,053,050	0	18,053,050	23.16	18,053,050	0	18,053,050	22.64	-0.52
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	765,097	0	765,097	0.98	1,224,109	0	1,224,109	1.53	0.55
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14,145,617	0	14,145,617	18.14	15,476,304	0	15,476,304	19.42	1.28
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	32,963,764	0	32,963,764	42.28	34,753,463	0	34,753,463	43.58	1.32
Total Public Shareholding (B) = (B)(1)+(B)(2)	32,963,764	0	32,963,764	42.28	34,753,463	0	34,753,463	43.58	1.32
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	77,963,764	0	77,963,764	100	79,753,463	0	79,753,463	100	0.00

ii) Shareholding of Promoters

SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR (1ST APRIL 2017)			SHAREHOLDING AT THE END OF THE YEAR (31ST MARCH 2018)			% CHANGE IN SHAREHOLDING DURING THE YEAR
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
IIFL Holdings Limited	45,000,000	57.72	Nil	45,000,000	56.42	Nil	-1.30
Total	45,000,000	57.72	Nil	45,000,000	56.42	Nil	-1.30

*Note: There is no change in the total shareholding of promoters between 01-04-2017 and 31-03-2018. The decrease in % of total shares of the Promoter from 57.72% to 56.42% is pursuant to allotment of 1789699 equity shares to employees of the Company under ESOP scheme of the company

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

	SHAREHOLDING AT THE BEGINNING OF THE YEAR (AS ON 01-04-2017)		CUMULATIVE SHAREHOLDING DURING THE YEAR (31-03-2018)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
At the beginning of the year	45,000,000	57.72	45,000,000	57.72
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the end of the 31/03/2017	45,000,000	56.42	45,000,000	56.42

*Note: There is no change in the total shareholding of promoters between 01-04-2017 and 31-03-2018. The decrease in % of total Promoters' Shareholding from 57.72% to 56.42% is pursuant to allotment of 1789699 equity shares to eligible employees under ESOP scheme of the company

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

FOR EACH OF THE TOP 10 SHAREHOLDERS	NO. OF SHARES AT THE BEGINNING (01-04-17)/ END OF THE YEAR (31-03-18)		DATE	INCREASE/ (DECREASE) IN SHARE HOLDING*	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-17 TO 31-03-18)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1. General Atlantic Singapore Fund Pte. Ltd	18,053,050	23.16	-	-	-	18,053,050	22.64
2. Anirudha Taparia	456,000	0.58	-	-	-	456,000	0.58
			29/04/2017	36,000	Allotment of shares under ESOP	492,000	0.62
			23/09/2017	36,000	Allotment of shares under ESOP	528,000	0.66

FOR EACH OF THE TOP 10 SHAREHOLDERS	NO. OF SHARES AT THE BEGINNING (01-04-17)/ END OF THE YEAR (31-03-18)		DATE	INCREASE/ (DECREASE) IN SHARE HOLDING*	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-17 TO 31-03-18)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
3. Jiten Surtani	416,430	0.53	-	-	-	416,430	0.53
			30/06/2017	5,440	Allotment of shares under ESOP	421,870	0.53
	-	-	02/08/2017	1,200	Allotment of shares under ESOP	423,070	0.53
4. Pravin Bhalerao	400,000	0.51	-	-	-	400,000	0.50
5. Vinay Ahuja	400,000	0.51	-	-	-	400,000	0.50
6. Sandeep Jethwani	292,704	0.38				292,704	0.38
	-	-	02/08/2017	17,760	Allotment of shares under ESOP	310,464	0.39
7. Umang Papneja	301,102	0.39	-	-	-	301,102	0.39
	-	-	23/09/2017	4,380	Allotment of shares under ESOP	305,482	0.38
8. Pravin Somani	181,665	0.23	-	-	-	181,665	0.23
			30/06/2017	5,000	Allotment of shares under ESOP	186,665	0.23
	-	-	02/08/2017	11,329	Allotment of shares under ESOP	197,994	0.25
9. V Girish	186,518	0.24	-	-	-	186,518	0.24
	-	-	23/09/2017	1,140	Allotment of shares under ESOP	187,658	0.24
10. Prashasta Seth	151,779	0.21	-	-	-	151,779	0.21
	151,779	0.21	30/12/2017	23,300	Allotment of shares under ESOP	175,079	0.22

Note: * The changes in the % of the shareholding of the above shareholders was due to allotment of shares under ESOP to the employees during the year.

v) Shareholding of Directors and Key Managerial Personnel:

NAME	NO. OF SHARES AT THE BEGINNING (01-04-17)/ END OF THE YEAR (31-03-18)		DATE	INCREASE/ (DECREASE) IN SHARE HOLDING*	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-17 TO 31-03-18)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
A. DIRECTORS:							
1. Karan Bhagat, Managing Director	4,810,526	6.17	-	-	-	4,810,526	6.03
2. Yatin Shah, Executive Director	3,310,526	4.25	-	-	-	3,310,526	4.15
3. Amit Shah, Non-Executive Director	1,818,421	2.46	-	-	-	1,818,421	2.46
	-	-	30-01-2018	9,00,000	Allotment of shares under ESOP	2,718,421	3.41
B. KEY MANAGERIAL PERSONNEL (KMPs)							
1. Mr. Ashutosh Naik	3,337	0.00	-	-	-	3,337	0.00
			30/06/2017	40	Allotment of shares under ESOP	3,377	0.00
	-	-	30/12/2017	3,277	Allotment of shares under ESOP	6,654	0.01
2. Mihir Nanavati	NIL						

Note: * The changes in the % of the shareholding of the above Directors / KMPs was due to allotment of shares under ESOP to the Directors/ KMPs during the year.

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

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,337,468	3,961,897,181	-	3,978,234,649
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,337,468	3,961,897,181	-	3,978,234,649
Change in Indebtedness during the financial year				
• Addition	-	176,344,208,000	22,893,330,000	199,237,538,000
• Reduction	-6,720,520	-176,832,812,884	-22,407,233,805	-199,246,767,209
Net Change	-6,720,520	-488,604,884	486,096,195	-9,229,209
Indebtedness at the end of the financial year				
i) Principal Amount	9,616,948	3,473,292,297	486,096,195	3,969,005,440
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,616,948	3,473,292,297	486,096,195	3,969,005,440

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	44,153,034	34,780,422	78,933,456
(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			
- others, specify	Nil	Nil	Nil
5. Others, please specify (PF)	23,47,358.07	1,853,174.40	4,200,532.47
TOTAL (A)	46,500,392.10	36,633,596.40	83,133,988.50
Ceiling as per the Act	₹ 20.55 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	Nil	Nil	240,000	315,000	Nil	Nil	Nil	555,000
- Commission	Nil	Nil	1,000,000	500,000	Nil	Nil	Nil	1,500,000
- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (1)	NIL	NIL	1,240,000	815,000				2,055,000
ii. Other Non-Executive Directors								
- Fee for attending board/ committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL (B)= (1+2)	NIL	NIL	1,240,000	815,000				2,055,000
Total Managerial Remuneration* : ₹ 84,633,988.50/- (includes commission paid to other Director, i.e., an Independent Director)								
Ceiling for Total Managerial Remuneration – 10% of **Net profit, i.e., ₹ 20.55 Crore.								
Ceiling for Total Remuneration to other Directors – 1% of the **Net Profit, i.e., ₹ 2.055 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	12,109,806	11,264,826	23,374,632
b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	429,059	429,059
c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2. Stock Option*	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission			
- as % of profit			
- others, specify	Nil	Nil	Nil
5. Others, please specify (PF)	646,668	Nil	646,668
TOTAL	12,756,474	11,693,885	24,450,359

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE IV

Secretarial Audit Report for the financial year ended 31st March 2018

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the year under review not applicable to the Company);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);
- (vi) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- (viii) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;
- (ix) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1993;

(x) The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;

We have examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India for the period from 1st April 2017 to 30th September, 2017 and Revised Secretarial Standards for the period from 1st October, 2017 to 31st March, 2018;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (during the year under review not applicable to the Company).

We further report that:

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

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

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

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

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

- The Company allotted 17,89,699 equity shares of ₹ 2 each fully paid up under provisions of IIFL Wealth Employee Stock Option Scheme - 2012 and IIFL Wealth Employee Stock Option Scheme - 2015 ("ESOP Schemes") to all eligible employees on April 29, 2017, June 30, 2017, August 2, 2017, September 23, 2017, December 30, 2017, January 30, 2018.
- The Nomination and Remuneration Committee on July 21, 2017, January 13, 2018 and Jan 28, 2018 approved grant of options to the employees of the Company under provisions of IIFL Wealth Employee Stock Option Scheme - 2012 and IIFL Wealth Employee Stock Option Scheme - 2015 ("ESOP Schemes") totaling 12,20,853 options.
- The Board in its meeting held on October 30, 2017 and January 30, 2018 declared an Interim dividend of ₹ 4.50/- per equity share.

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

**Dipti Mehta
Partner**

FCS No : 3667

CP No. : 3202

Place : Mumbai

Date : May 03, 2018

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. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)****Dipti Mehta
Partner
FCS No : 3667
CP No. : 3202**

Place : Mumbai

Date : May 03, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), 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.

Auditor's Responsibility

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

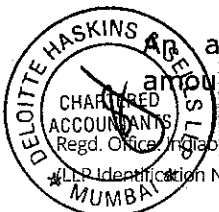
In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

Our audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures

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

LLP Identification No. AAB-8737



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

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

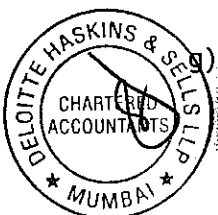
Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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.

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



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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/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Place: Mumbai
Date : 03 May 2018

Report on Internal Financial Controls Over Financial Reporting

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

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

We have audited the internal financial controls over financial reporting of **IIFL WEALTH 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

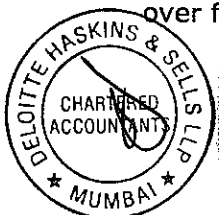
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

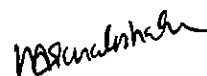
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 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 does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax,



Service 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, Excise Duty is not applicable to the Company.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (c) The details of Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2013-14	4,068,930

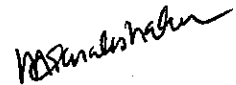
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial 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.



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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (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 : 03 May 2018


HFL WEALTH MANAGEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	159,506,926	155,927,528
(b) Reserves and Surplus	4	13,750,402,606	12,578,095,487
Sub total		13,909,909,532	12,734,023,015
(3) Non Current Liabilities			
(a) Long-term borrowings	5	4,548,227	11,030,111
(b) Long-term provisions		-	-
Sub total		4,548,227	11,030,111
(4) Current liabilities			
(a) Short-term borrowings	6	3,959,388,492	3,961,897,182
(b) Trade payables	7	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		163,640,219	102,488,767
(c) Other current liabilities	8	3,771,799,961	2,512,741,358
(d) Short-term provisions	9	729,644,010	287,775,433
Sub total		8,624,472,682	6,864,902,740
TOTAL		22,538,930,441	19,609,955,866
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	250,897,874	199,553,011
(ii) Intangible assets	11	14,921,544	34,367,891
(iii) Capital work-in-progress		209,082,736	32,395,104
(iv) Intangible assets under development		1,678,760	1,678,760
Sub total		476,580,914	267,994,766
(b) Non-current investments	12	11,205,833,497	11,138,295,002
(c) Deferred Tax Asset (Net)	13	49,416,991	26,382,128
(d) Long-term loans & advances	14	395,037,030	322,068,422
(e) Other non-current assets	15	3,300,000	-
Sub total		11,653,587,518	11,486,745,552
(2) Current assets			
(a) Current investments	16	1,156,521,275	5,608,320
(b) Trade receivables	17	1,404,915,438	1,970,825,280
(c) Cash and Cash Equivalents	18	4,958,465,000	3,568,882,005
(d) Short-term loans & advances	19	138,272,308	108,986,255
(e) Other current assets	20	2,750,587,988	2,200,913,688
Sub total		10,408,762,009	7,855,215,548
TOTAL		22,538,930,441	19,609,955,866
See accompanying selected explanatory notes forming part of the standalone financial statements			

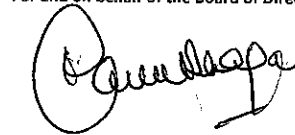
In terms of our report attached

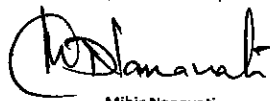
For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

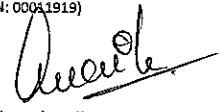
Place : Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors


Karan Bhagat
Managing Director
(DIN: 03247753)


Mihir Nanavati
Chief Financial Officer


R. Venkataraman
Director
(DIN: 00041919)


Ashutosh Naik
Company Secretary


IIFL WEALTH MANAGEMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	2017-18	2016-17
A. CONTINUING OPERATIONS			
INCOME:			
Revenue from Operations	21	5,832,716,728	4,260,382,118
Other Income	22	1,070,193,964	184,709,298
Total Revenue		6,902,910,692	4,445,091,416
EXPENSES:			
Employee Benefit Expenses	23	2,595,865,862	1,627,449,111
Other Expenses	24	1,501,382,047	1,225,352,273
Finance Charges	25	515,371,482	178,494,092
Depreciation and Amortisation	26	120,205,702	83,556,603
Provision & Write off	27	221,090,887	6,307,114
Total Expenditure		4,953,915,980	3,121,159,193
Profit before tax from continuing operations		1,948,994,712	1,323,932,223
Tax expenses :			
Current tax		504,973,934	465,920,140
Deferred tax expenses/ (Credit)		(21,753,635)	1,162,657
Short / (excess) provision for income tax		(4,622,245)	(3,968,610)
Total Tax Expenses		478,598,054	463,114,187
Profit from continuing operations after Tax (A)		1,470,396,658	860,818,036
B. DISCONTINUING OPERATIONS			
Profit from discontinuing operations before Tax		20,909,364	5,496,814
Current tax		6,735,613	1,930,968
Profit from discontinuing operations after Tax (B)		14,173,751	3,565,846
C. TOTAL OPERATIONS			
Profit after tax for the year		1,484,570,409	864,383,882
Earning Per Share- Basic	28		
- Continuing Operation		18.70	11.64
- Total Operation		18.88	11.68
Earning Per Share- Diluted	28		
- Continuing Operation		18.08	11.55
- Total Operation		18.25	11.59
Face Value Per Share		2.00	2.00
See accompanying selected explanatory notes forming part of the standalone financial statements			

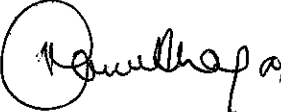
In terms of our report attached


For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner

Place : Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors


Karan Bhagat
Managing Director
(DIN: 03247753)


R. Venkataraman
Director
(DIN: 0001919)


Mihir Nanavati
Chief Financial Officer


Ashutosh Naik
Company Secretary

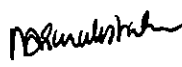
IFL WEALTH MANAGEMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	2017-2018	2016-2017
Continuing Operation		
A. Cash flows from operating activities		
Net profit before taxation	1,948,994,712	1,323,932,223
Adjustments for:		
Depreciation and amortisation	120,205,702	83,556,603
Provisions for Gratuity	11,995,184	25,758,098
Provisions for Compensated Absences	23,346,710	14,525,950
Provision for Doubtful debts	-	2,623,600
Provision for Diminution in Investment	221,090,130	3,750,000
Other Provision	757	(66,486)
Interest Income	(346,403,059)	(66,321,349)
Interest expenses	515,156,396	172,108,217
(Profit)/Loss on Sale of Fixed Assets	(533,028)	905,186
Dividend Income	(1,023,056,495)	(116,837)
Profit on sale of Investments	300,013,008	(213,155,042)
Loss on Sale of Subsidiary	-	95,235,049
Operating profit before working capital changes	1,770,810,017	1,442,795,212
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	582,259,922	(1,446,115,878)
Increase/ (Decrease) in Current/Non Current Liabilities	479,807,093	(143,788,654)
Cash generated/ (used in) from operations	2,832,877,032	(147,169,319)
Net income tax (paid) / refunds	(507,664,376)	(460,305,023)
Net cash generated from/ (used in) operating activities (A)	2,325,212,656	(607,474,342)
B. Cash flows from Investing activities		
Purchase of Investments	(262,752,251,612)	(105,529,092,160)
Sale of Investments	261,017,741,022	106,242,570,509
Purchase of Subsidiary	(5,044,000)	-
Sale of Subsidiary	-	111,450
Interest Received	344,820,214	66,463,173
Dividend Received	1,023,056,495	116,837
Purchase of fixed assets (includes intangible assets)	(330,373,913)	(217,097,553)
Sale of fixed assets (includes intangible assets)	2,993,427	2,100,000
Fixed Deposit placed	-	-
Inter Corporate Deposit given	(153,626,440,848)	(2,819,402,062)
Inter Corporate Deposit repaid	153,614,785,936	2,819,424,519
Net cash generated from/(used in) investing activities (B)	(710,713,280)	565,194,713
C. Cash flows from financing activities		
Proceeds from Issuance of Share Capital	3,579,398	(141,989,788)
Securities Premium on issue of shares	472,717,534	1,002,128,451
Short Term Borrowings Taken	195,278,149,508	41,030,796,981
Short Term Borrowings-Repayment	(196,581,681,293)	(40,629,286,499)
Long Term Borrowings-Repayment	(6,720,520)	(504,809,038)
Interest Paid	(510,049,784)	(236,413,749)
Dividend Paid (including Dividend Distribution Tax)	(784,980,823)	(534,089,405)
Net cash generated from/ (used in) financing activities (C)	(2,128,985,980)	(13,663,047)
D. Discontinuing Operations		
Net cash from/(used in) operating activities (a)	640,390,641	(42,052,909)
Net cash from/(used in) investing activities (b)	(184,743,971)	(640,724,851)
Net cash from/(used in) financing activities (c)	1,199,988,866	2,780,778,667
Net cash generated from/ (used in) discontinuing operations (D)	1,655,635,536	2,098,000,906
Net increase in cash and cash equivalents (A+B+C+D)	1,141,148,932	2,042,058,231
Opening Cash and Cash Equivalents (as per Note 18)	2,918,882,005	876,823,774
Closing Cash and Cash Equivalents (as per Note 18)	4,060,030,937	2,918,882,005
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	4,060,030,937	2,918,882,005
Add: In Fixed Deposits with original maturity more than 3 months		
- In Deposit account	10,000,000	10,000,000
- In Deposit account as collateral with Exchange	314,950,000	265,000,000
- In Deposit account under lien	573,484,063	375,000,000
Cash and Cash Equivalents (Refer Note 18)	4,958,465,000	3,568,882,005
See accompanying notes forming part of the standalone financial statements		

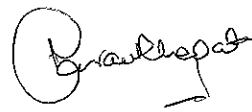
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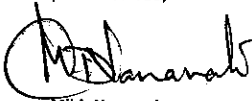
For Deloitte Haskins & Sells LLP
Chartered Accountants

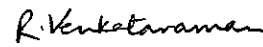

Pallavi A. Gorakshakar
Partner

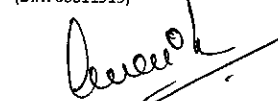
Place : Mumbai
Date: May 03, 2018

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

IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

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. It acts as wealth managers, financial consultants, management consultants, advisors and provides counselling services, financial services and facilities of every description and to mobilize funds and assets of various companies, mutual fund, individual investors, firms, associations and other corporate bodies, private and institutional investors.

Note 2. Significant Accounting Policies:

2.1 Basis of Preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates:

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

2.3 Fixed assets and Depreciation:

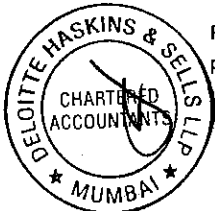
Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in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

Estimated useful life of the assets is as under:

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

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

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

2.4 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current investments are stated at lower of cost or market / fair value. Non-current investments are carried at cost. Provision for diminution in value of non-current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

2.5 Cash and cash equivalents:

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

2.6 Cash flow statement:

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

2.7 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

2.8 Impairment of assets:

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

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

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

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

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

2.9 Taxation:

Tax expense comprises current and deferred tax.

Income Tax

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

Deferred Tax

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

Minimum Alternate Tax (MAT)

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

2.10 Revenue Recognition:

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

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

2.11 Other Income Recognition:

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

2.12 Translation of foreign currency items :

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

2.13 Employee Benefits:

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

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

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

2.14 Deferred Employee Stock Compensation:

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

2.15 Operating Leases:

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

2.16 Preliminary Expenses:

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

2.17 Earnings per Share:

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

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

2.18 Service tax/ Goods and Services Tax input credit:

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

2.19 Borrowing cost:

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

2.20 Operating Cycle:

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 3. Share Capital:

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

Authorised :	As at March 31,2018	As at March 31,2017
85,000,000 Equity Shares of ₹ 2/ each with Voting Rights (Previous Year 85,000,000 Equity Shares of ₹ 2/ each)	170,000,000	170,000,000
Issued, Subscribed and Paid Up:		
79,753,463 (Previous Year 77,963,764 equity shares of ₹ 2/ each) Equity Shares of ₹ 2/ each fully paidup with Voting Rights	159,506,926	155,927,528

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	77,963,764	155,927,528	73,958,658	147,917,316
Add: Issued during the year	1,789,699	3,579,398	4,005,106	8,010,212
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	79,753,463	159,506,926	77,963,764	155,927,528

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2018, interim dividend of ₹ 9 (P.Y. ₹ 6) has been paid and recognised as distribution to equity shareholders.

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

(d) Details of shares held by holding company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%

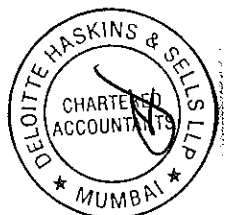
(e) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%
General Atlantic Singapore Fund Pte Ltd	18,053,050	22.64%	18,053,050	23.16%
Karan Bhagat	4,810,526	6.03%	4,810,526	6.17%

(f) Shares reserved for issue under options:

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

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium Account		
Opening Balance	10,211,660,945	9,209,532,495
Premium on shares issued during the year	472,717,533	1,002,128,450
Closing Balance	10,684,378,478	10,211,660,945
Debenture Redemption Reserve		
Opening Balance	-	44,855,442
Addition During The Year (Refer Note 4.1)	-	17,644,558
Transferred to General Reserve	-	(62,500,000)
Closing Balance	-	-
Surplus in the Statement of Profit and Loss		
Opening Balance	2,232,934,542	1,920,284,623
Addition: Profit during the Year	1,484,570,409	864,383,882
Less: Appropriations		
Interim Dividend Paid	(712,910,664)	(443,751,949)
Dividend Distribution Tax	(72,070,159)	(90,337,456)
General Reserve	-	-
Debenture Redemption Reserve	-	(17,644,558)
Closing Balance	2,932,524,128	2,232,934,542
General Reserve		
Opening Balance:	133,500,000	71,000,000
Addition During The Year	-	62,500,000
Utilized During The Year	-	-
Closing Balance	133,500,000	133,500,000
Total	13,750,402,606	12,578,095,487

4.1 Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹NIL (P.Y ₹17,644,558/-) has been transferred to debenture redemption reserve account till the date of buy back of the debentures. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the previous year.



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 5. Long-term borrowings:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Loans		
Vehicle Loan (Refer Note 5.1)	4,548,227	11,030,111
Total	4,548,227	11,030,111

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

Note 6. Short Term borrowings:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Commercial Paper	3,500,000,000	4,000,000,000
Less: Unexpired discount (Refer Note 6.1)	(26,707,703)	(38,102,818)
Inter corporate deposits (ICD) – Related Party (Refer note 35)	486,096,195	-
Total	3,959,388,492	3,961,897,182

6.1 Unexpired discount on commercial paper is net of ₹ 23,058,803/- (P.Y. ₹ 17,997,181) towards discount accrued but not due.

Note 7: Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises-- Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for Expenses	46,248,190	23,606,117
- Accrued Salaries and Benefits	6,444,052	1,864,665
- Provision for Expenses	110,947,977	77,017,985
Total	163,640,219	102,488,767

Details under the Micro, Small and Medium Enterprises Development Act, 2006:

	2017 - 18	2016 - 17
a) Principal amount and interest due thereon remaining unpaid to any supplier at the end year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Details under the Micro, Small and Medium Enterprises Development Act, 2006. (Continued)

	2017 - 18	2016 - 17
c) The 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

Note: 8. Other current liabilities:

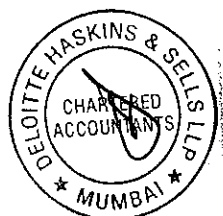
(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of Long term debt - Secured (Refer Note 5.1)	5,068,721	5,307,357
Payable to Holding Co / Group Companies	19,129,399	17,060,406
Statutory Liabilities Payable	225,330,350	134,315,219
Advances against expenses	-	5,000,000
Income received in advance	201,278	4,324,420
Payable to Clients for trade settlement	3,378,206,150	2,293,283,287
Payable to Exchange for trade settlement	139,926,829	47,797,715
Payable to Employees	15,932	5,209,453
Others	3,921,302	443,501
Total	3,771,799,961	2,512,741,358

Note 9. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for employee benefits:		
- Provision for Compensated Absences	50,317,314	27,306,624
- Provision for Gratuity (Refer note 23)	14,751,135	33,108,902
- Provision for Bonus	660,824,729	222,034,217
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 1,050,091,776) (Previous Year- ₹1,054,614,388)	3,750,832	5,325,690
Total	729,644,010	287,775,433



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 10. Tangible Assets:
(Amount in ₹)

Particulars	Furniture Fixture	Vehicles *	Office Equipment	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2017	145,546,853	29,402,721	13,673,127	99,858,258	8,891,035	297,371,994
Additions	90,803,746	5,192,828	23,593,774	26,644,539	3,364,524	149,599,411
Deductions/ Adjustments during the year	(1,797,130)	(3,861,848)	(952,000)	(4,794,717)	(1,798,610)	(13,204,305)
As at March 31, 2018	234,553,469	30,733,701	36,314,901	121,708,080	10,456,949	433,767,100
Depreciation						
Upto April 01, 2017	32,594,348	12,775,767	5,507,529	42,675,392	4,265,947	97,818,983
Depreciation for the year	49,841,808	5,988,377	3,968,581	34,377,916	1,617,468	95,794,150
Deductions/Adjustments during the year	(1,034,995)	(2,188,381)	(938,704)	(4,783,217)	(1,798,610)	(10,743,907)
Upto March 31, 2018	81,401,161	16,575,763	8,537,406	72,270,091	4,084,805	182,869,226
Net Block as at March 31, 2018	153,152,308	14,157,938	27,777,495	49,437,989	6,372,144	250,897,874
Net Block as at March 31, 2017	112,952,505	16,626,954	8,165,598	57,182,866	4,625,088	199,553,011

Tangible Assets: (Previous Year)
(Amount in ₹)

Particulars	Furniture Fixture	Vehicles *	Office Equipment	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2016	53,657,273	29,402,721	10,739,567	39,941,543	9,171,189	142,912,293
Additions	108,970,352	-	5,913,421	62,342,042	1,668,281	178,894,096
Deductions/ Adjustments during the year	(17,080,772)	-	(2,979,861)	(2,425,327)	(1,948,435)	(24,434,395)
As at March 31, 2017	145,546,853	29,402,721	13,673,127	99,858,258	8,891,035	297,371,994
Depreciation						
Upto April 01, 2016	20,077,343	6,895,223	6,217,281	18,582,005	4,764,374	56,536,226
Depreciation for the year	26,878,951	5,880,544	2,028,861	26,505,329	1,418,282	62,711,967
Deductions/Adjustments during the year	(14,361,946)	-	(2,738,613)	(2,411,942)	(1,916,709)	(21,429,210)
Upto March 31, 2017	32,594,348	12,775,767	5,507,529	42,675,392	4,265,947	97,818,983
Net Block as at March 31, 2017	112,952,505	16,626,954	8,165,598	57,182,866	4,625,088	199,553,011
Net Block as at March 31, 2016	33,579,930	22,507,498	4,522,286	21,359,538	4,406,815	86,376,067

* The above fixed asset (Vehicles) are hypothecated against loans from financial institution.



IIFL WEALTH MANAGEMENT LIMITED

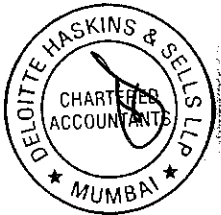
Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 11. Intangible Assets (other than internally generated):

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2017	71,586,877
Additions	7,505,587
Deductions / Adjustments during the year	-
As at March 31, 2018	79,092,464
Amortisation	
As at April 1, 2017	37,218,986
Amortisation for the year	26,951,934
Deductions / Adjustments during the year	-
Up to March 31, 2018	64,170,920
Net Block as at March 31, 2018	14,921,544
Net Block as at March 31, 2017	34,367,891

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

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2016	47,762,594
Additions	23,824,283
Deductions / Adjustments during the year	-
As at March 31, 2017	71,586,877
Amortisation	
As at April 1, 2016	15,321,936
Amortisation for the year	21,897,050
Deductions / Adjustments during the year	-
Up to March 31, 2017	37,218,986
Net Block as at March 31, 2017	34,367,891
Net Block as at March 31, 2016	32,440,658



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 12. Non Current Investments (At cost):

(Amount in ₹)

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Unquoted: Trade Investments:						
Investment in equity shares of Group Company						
India Infoline Limited				₹ 10	20	1,500
Sub Total						1,500
Investment in equity shares of Subsidiary companies						
IIFL Distribution Services Ltd	₹100	5,120	153,354,384	₹100	5,120	153,354,384
IIFL Investment Advisers and Trustee Services Ltd.	₹10	35,225,000	354,000,000	₹10	35,225,000	354,000,000
IIFL Alternate Asset Advisors Ltd.	₹10	50,000	9,149,236	₹10	50,000	9,149,236
IIFL Asset Management Company Ltd.	₹10	32,100,000	525,000,000	₹10	32,100,000	525,000,000
IIFL Trustee Ltd.	₹10	500,000	5,000,000	₹10	500,000	5,000,000
IIFL Wealth Finance Limited	₹10	262,449,733	9,636,300,000	₹10	262,449,733	9,636,300,000
IIFL Private Wealth (Suisse) SA	CHK 1000	100	3,395,378	CHK 1000	100	3,395,378
IIFL Asia Pte. Ltd.	S\$ 1	14,000,000	264,500,000	S\$ 1	14,000,000	264,500,000
IIFL Private Wealth Management Dubai Ltd.	AED 3.67	918,442	42,500,000	AED 3.67	918,442	42,500,000
IIFL Private Wealth Hongkong Ltd.	HK\$ 1	6,476,324	43,800,000	HK\$ 1	6,476,324	43,800,000
IIFL Inc. (USA)	\$0.01	140	54,143,161	\$0.01	140	54,143,161
IIFL Asset Management (Mauritius) Limited	\$1.00	69,975	37,945,763	\$1.00	69,975	37,945,763
IIFL Capital (Canada) Limited	CA\$ 1	100,000	5,044,000	-	-	-
Sub Total			11,134,131,922			11,129,087,922
Unquoted: Non Trade Investments:						
Investment in equity shares						
India Alternatives Investment Advisors Pvt. Ltd.	₹10	1	8,501	₹10	1	8,501
Less: Diminution			(8,501)			(8,501)
Sub Total			-			-
Investment in Alternative Investments Fund						
IIFL Real Estate Fund (Domestic) Series 1 - Class B Carry units	-	-	-	₹10	58	580
Motilal Oswal Focused Growth Opportunities Fund - Class C Carry units	₹10	20,000	200,000	₹10	20,000	200,000
Sundaram Alternative Opportunities Fund Nano Cap Series I - Class E (NAV - ₹ 114,922.7791, P.Y. ₹100,000)	₹100,000	147	16,700,000	₹100,000	25	2,505,000
Ask Select Focus Fund - Class E (NAV - ₹ 951.3506, P.Y. NIL)	₹1000	5,000	5,000,000	-	-	-
DSP BlackRock AiF Pharma Fund - Class C (NAV - ₹ 96.2200, P.Y. NIL)	₹100	100,000	10,000,000	-	-	-
White Oak India Equity Fund - Class I (NAV - ₹ 10.2555, P.Y. NIL)	₹10	1,293,393	13,000,000	-	-	-
Yournest Angel Fund - Scheme 1 (NAV - ₹ 1.0000, P.Y. NIL)	₹1	1,575	1,575	-	-	-
Motilal Oswal Focused Growth Opportunities Fund Carry Units - Class B (NAV - ₹ 14.1023, P.Y. ₹ 12.3818) (Refer Note 12.1)	₹10	862,449	10,000,000	₹10	604,802	6,500,000
Sundaram Alternative opportunities Fund Nanocap Series II - Class E (NAV - ₹ 1,06,745.5141, P.Y. NIL)	₹100000	154	16,700,000	-	-	-
Sundaram Alternative opportunities Fund Nanocap Series II - Class I (NAV - ₹ 1,08,332.6074, P.Y. NIL)	₹100000	1	100,000	-	-	-
Sub Total			71,701,575			9,205,580
Investments in Bonds & Debentures						
19% Debentures Of Arch Agro Industries Pvt. Ltd.				₹10,000	3,625	20,816,610
Less: Diminution						(20,816,610)
Sub Total						-
Grand Total			11,205,833,497			11,138,295,002
Aggregate Value of Unquoted Investments			11,205,841,998			11,138,303,503
Aggregate Diminution in value of Investments			(8,501)			(20,825,111)

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 13. Deferred Tax Asset (Net):

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken (credit)/ booked expenses of ₹ (23,034,862) (P.Y. ₹ 1,604,562) for continuing operations and ₹ (1,281,227) (P.Y. ₹ 441,905) for discontinuing operations in the Statement of Profit and Loss towards deferred tax asset (net) during the year on account of timing differences

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
On Depreciation	18,994,662	(592,656)
On Employee Benefits	13,705,320	10,418,516
On Provision for doubtful debts	2,674,737	2,649,018
On Long Term Capital Loss (Refer Note 13.1)	14,042,272	13,907,250
Total	49,416,991	26,382,128

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

Note 14. Long Term Loans and Advances:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered good		
- Deposits Paid	47,906,375	48,686,275
- Deposit with exchange	284,050,000	228,700,000
- Prepaid Expense	14,823,516	6,028,464
- Loans & advances to employees	263,758	-
Sub Total	347,043,649	283,414,739
Advance Income Tax (Net of provision of tax of ₹ 834,648,576/-) (Previous year ₹ 533,298,006/-)	47,993,381	38,653,683
Total	395,037,030	322,068,422

Note 15. Other Non-Current Assets :

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Deposit account (Original Maturity more than 12 Months)	3,300,000	-
Total	3,300,000	-



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 16. Current Investments (At lower of cost and market value, unless otherwise stated):

(Amount in ₹)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Quoted, Non Trade Investments						
Investment in Mutual funds						
Indiabulls Blue Chip Fund - Direct Plan - Dividend - Payout (NAV - ₹ 11.0400, P.Y. ₹ Nil)	10	63,996,492	948,428,016	-	-	-
Reliance Liquid Fund-Cash Plan-Growth Plan - Growth Option (NAV - ₹ 2,694.9173, P.Y. ₹ Nil)	1,000	167,395	450,000,000	-	-	-
Less: Provision for Diminution			(241,906,741)			-
Sub Total			1,156,521,275			-
Unquoted, Non Trade Investments						
Investment in Equity Shares						
Shankara Building Products Limited (NAV-₹ 240.7173)	-	-	-	10	12,192	5,608,320
Sub Total			-			5,608,320
Grand Total			1,156,521,275			5,608,320
Aggregate Value of Quoted Investments			1,398,428,016			-
Aggregate Value of Unquoted Investments			-			5,608,320
Market Value of Quoted Investments			1,157,635,854			-

Note:

Market Value of Investments in quoted mutual funds represents the Net Asset Value of the units issued by the mutual funds



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 17. Trade Receivable:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	36,371,335	211,479,012
- Considered doubtful	7,654,352	7,654,352
Provision for doubtful receivables	(7,654,352)	(7,654,352)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	1,368,544,103	1,759,346,268
- Considered doubtful	-	-
- Provision for doubtful receivables	-	-
Total	1,404,915,438	1,970,825,280

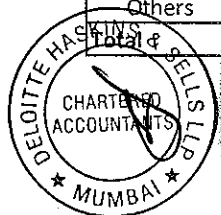
Note 18. Cash and Cash Equivalents:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	516,084	624,663
Balances with Banks		
- In Current accounts	309,178,410	340,256,436
- In Client accounts	1,350,336,443	498,000,906
- In Deposit accounts (Original Maturity less than 3 months)	2,400,000,000	2,080,000,000
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statement)	4,060,030,937	2,918,882,005
Other Bank Balances:		
- In Deposit account (Original Maturity from 3 to 12 Months)	10,000,000	10,000,000
- In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months)	314,950,000	265,000,000
- In Deposit account under lien (Original Maturity from 3 to 12 Months)(Refer Note 18.1)	573,484,063	375,000,000
Total Other Bank Balances (b)	898,434,063	650,000,000
Total (a+b)	4,958,465,000	3,568,882,005

18.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y ₹ 375,000,000/-) are lien marked with banks to avail Bank guarantee facilities.

Note 19. Short Term Loans and Advances:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Inter Corporate Deposits (ICD)(Related Party) (Refer Note 35)	27,811,585	16,156,673
Other Loans and Advances		
- Advances recoverable in cash or in kind or for value to be received	17,101,292	4,210,654
- Prepaid Expenses	53,798,144	45,438,783
- Deposit	12,493,693	7,149,012
- Receivable from Holding/ Group companies (Refer Note 35)	21,860,030	19,228,968
- Goods & Service tax Input Credit	2,004,724	9,506,214
- Loans & advances to employees	2,724,876	7,189,421
- Others	477,964	106,530
Total	138,272,308	108,986,255



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 20. Other Current Assets:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Receivable from Exchange for trade settlement	90,416,376	795,410,218
Receivable from Clients for trade settlement	2,636,301,678	1,384,923,042
Interest accrued but not due on Fixed Deposits	23,754,371	20,543,796
Others	115,563	36,632
Total	2,750,587,988	2,200,913,688

Note 21. Revenue from Operations:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Distribution Fees	5,711,889,026	3,853,487,636
Commission Income	103,126,192	367,653,028
Investment / Fund Management Fees	17,701,510	39,241,454
Total	5,832,716,728	4,260,382,118

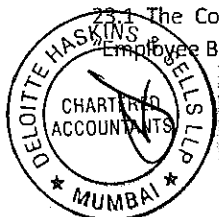
Note 22. Other Income:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Profit/ (Loss) from		
- Sale of Current Investments	(56,113,441)	89,704,274
- Sale of Non Current Investments	-	90,150,000
- Sale of shares of subsidiary	-	(95,235,049)
- Sale of Fixed Assets	533,028	-
- Trading Activities from Mutual fund - Current Investments	(243,899,567)	33,300,768
Interest Income		
- Current Investments	98,205,309	33,769,736
- Non - Current Investments	-	6,169,238
- Fixed Deposits	873,414	9,953,134
- Inter Corporate Deposits (Refer Note no 35)	247,013,056	16,422,150
- Staff loan	25,957	7,091
- Others	285,323	-
Dividend Income on Investments - Current	660,382,535	116,442
Dividend Income from Subsidiary/ Fellow Subsidiary Company	362,673,960	395
Miscellaneous income	214,390	351,119
Total	1,070,193,964	184,709,298

Note 23. Employee Benefit Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Salaries and Bonus	2,463,127,661	1,535,424,801
Contribution to Provident Fund and Other Funds (Refer Note 23.2)	48,499,632	38,004,159
Gratuity Expense (Refer Note 23.1)	11,995,184	25,758,098
Staff Welfare Expenses	48,896,675	13,736,103
Compensated Absences	23,346,710	14,525,950
Total	2,595,865,862	1,627,449,111

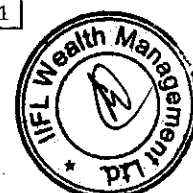
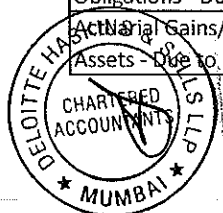
23.1 The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Assumptions	2017-2018	2016-2017			
Discount rate	7.71%	7.27%			
Salary Escalation	7.50%	5.00%			
Attrition rate	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.			
Change in Benefit Obligation	2017-2018	2016-2017			
Liability at the beginning of the year	84,091,679	56,144,939			
Interest Cost	6,113,465	4,412,992			
Current Service Cost	(9,558,597)	11,810,946			
Liability transferred in	1,463,324	3,205,326			
Liability transferred out	(2,395,639)	(1,338,777)			
Benefit paid	(308,480)	(2,872,699)			
Actuarial (gain)/ Loss on obligations	19,791,173	12,728,952			
Liability at the end of the year	99,196,925	84,091,679			
Fair value of Plan Assets	2017-2018	2016-2017			
Fair Value of Plan Assets at the beginning of the year	50,982,777	50,807,251			
Expected return on Plan Assets	3,706,448	3,993,450			
Contributions by the employer	30,000,000	-			
Benefits paid	(308,480)	(2,872,699)			
Actuarial Gain/(Loss) on Plan Assets	65,045	(945,225)			
Fair Value of Plan Assets at the end of the year	84,445,790	50,982,777			
Amount Recognised in the Balance Sheet	2017-2018	2016-2017			
Liability at the end of the year	99,196,925	84,091,679			
Fair Value of Plan Assets at the end of the year	84,445,790	50,982,777			
Differences	14,751,135	33,108,902			
Amount of (liability)/ Asset Recognised in the Balance Sheet	14,751,135	33,108,902			
Expenses Recognised in the Statement of Profit & Loss Account	2017-2018	2016-2017			
Current Service cost	(9,558,597)	11,810,946			
Interest Cost (net of expected return on plan assets)	2,407,017	419,542			
Actuarial Gain or Loss	19,726,128	13,674,177			
Total Expenses	12,574,548	25,904,665			
Expenses for discontinuing operations	(579,364)	(146,567)			
Expenses Recognised in the Statement of Profit & Loss Account for continuing operations	11,995,184	25,758,098			
Balance Sheet Reconciliation	2017-2018	2016-2017			
Opening Net liability	33,108,902	5,337,688			
Expense as above	12,574,548	25,904,665			
Net Transfer In	1,463,324	3,205,326			
Net Transfer Out	(2,395,639)	(1,338,777)			
Employers contribution	(30,000,000)	-			
Liability/(Asset) Recognised in Balance sheet	14,751,135	33,108,902			
Experience Adjustment	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of the Obligation	99,196,925	84,091,679	56,144,939	36,269,744	25,008,366
Fair Value of Plan Assets	84,445,790	50,982,777	50,807,251	39,437,189	13,272,375
(Surplus) or Deficit	14,751,135	33,108,902	5,337,688	(3,167,445)	11,735,991
Actuarial (Gains)/ Losses on Obligations - Due to Experience	7,560,422	7,643,444	18,527,869	5,775,369	2,955,562
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	65,045	(945,225)	1,170,062	(24,297)	49,761



IIFL WEALTH MANAGEMENT LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018**

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

Estimated amount of payment in respect of Gratuity to the fund will be ₹ 14,751,135/- in F.Y 2018-2019
(Previous year ₹ 33,108,902/-)

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

23.2 Defined Contribution Plans:

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

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Contribution to Provident Fund	48,427,906	37,981,454
Contribution to ESIC	70,883	20,781
Contribution to Labour Welfare Fund	843	1,924
TOTAL	48,499,632	38,004,159

Note 24. Other Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Advertisement Expenses	6,236,961	5,847,993
Exchange and Statutory Charges	787,558	939,874
Marketing and Commission Expenses	327,682,810	177,436,476
Brokerage and Other Operating Expenses	295,606,467	189,647,944
Bank Charges	595,498	242,351
Communication Expenses	19,865,211	13,953,680
Donation	2,855,000	17,198,000
Electricity Expenses	19,491,756	10,240,462
Legal and Professional Charges	115,238,731	172,526,268
Corporate social responsibility(CSR) expenses (Refer Note-38)	33,511,239	24,012,000
Office Expenses	70,378,095	63,448,470
Miscellaneous Expenses	998,098	5,134,128
Postage and Courier Expenses	4,943,521	2,338,580
Printing and Stationery	19,311,648	8,705,975
Manpower Outsource expenses	103,572,090	73,439,883
Rent Expenses (Refer Note 37)	280,418,213	188,252,005
Insurance charges	12,830,092	8,314,164
Rates and Taxes	5,499,335	38,917,196
Repairs and maintenance:		
- Computers	1,976,505	1,725,917
- Others	5,628,488	1,762,906



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 24. Other Expenses (continued):

(Amount in ₹)

Particulars	2017-2018	2016-2017
Remuneration to Auditors		
- Statutory Audit (net of Service Tax/Goods and Services tax)	1,082,067	470,157
- Other services (net of Service Tax/Goods and Services tax)	1,800,000	1,800,000
- Swachh Bharat Cess	3,243	13,377
- Certification work and other matters (net of Service Tax/Goods and Service tax)	536,973	543,522
- Out of Pocket Expenses	28,353	168,518
Software Charges	39,529,526	32,644,358
Commission & sitting fees to non executive directors	2,561,568	2,287,925
(Profit)/Loss on Sale of Assets	-	905,186
Travelling and Conveyance	128,413,001	182,434,958
Total	1,501,382,047	1,225,352,273

Note 25. Finance Cost:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Interest Expenses		
- Non convertible debentures	-	36,954,225
- Commercial papers	417,191,368	76,602,183
- Inter corporate deposits (Refer note 35)	96,921,837	54,351,404
- Term loan & others	1,017,591	2,093,436
- Delayed payment of taxes	215,086	8,383,189
Bank Guarantee expenses	-	-
Other borrowing cost	25,600	109,655
Total	515,371,482	178,494,092

Note 26. Depreciation & Amortisation:

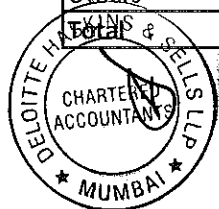
(Amount in ₹)

Particulars	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note 10)	95,678,963	62,711,967
Amortisation of Intangible Assets (Refer Note 11)	24,526,739	20,844,636
Total	120,205,702	83,556,603

Note 27. Provisions and Write off:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Charge for diminution in value of investments	221,090,130	3,750,000
Provision for Doubtful Debts	-	2,623,600
Others	757	(66,486)
Total	221,090,887	6,307,114



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 28. Basic and Diluted Earnings Per Share

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

PARTICULARS		2017-2018	2016-2017
BASIC			
Continuing Operations			
Profit after tax as per Statement of Profit and Loss	A	1,470,396,658	860,818,036
Weighted Average Number of Shares Subscribed	B	78,636,546	73,980,604
Face Value of Equity Shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	18.70	11.64
Total Operations			
Profit after tax as per Statement of Profit and Loss	A	1,484,570,409	864,383,882
Weighted Average Number of Shares Subscribed	B	78,636,546	73,980,604
Face Value of Equity Shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	18.88	11.68
DILUTED			
Continuing Operations			
Potential Equity Shares on account of conversion of Employee Stock Option	C	2,710,523	572,860
Weighted Average Number of Shares Outstanding	D=B+C	81,347,069	74,553,464
Diluted EPS (₹)	A/D	18.08	11.55
Total Operations			
Potential Equity Shares on account of conversion of Employee Stock Option	C	2,710,523	572,860
Weighted Average Number of Shares Outstanding	D=B+C	81,347,069	74,553,464
Diluted EPS (₹)	A/D	18.25	11.59

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

Note 30. Capital and Other Commitments

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 83,765,470/- (Previous year ₹ 89,542,493/-)

Note 31. Contingent Liabilities at Balance Sheet date

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees (Refer Note 31.1)	1,100,000,000	750,000,000
Corporate Guarantee (Refer Note 31.2)	2,000,000,000	-
Disputed Income Tax Demand	4,068,930	-

31.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y. ₹ 375,000,000/-) are pledged against this.

31.2 Corporate Guarantee issued to a bank towards the provision of credit facilities to a subsidiary of the Company.

Note 32. There are no pending litigations by and on the Company as on the balance sheet date.



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 33. 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.

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

Particulars	ESOP 2012	ESOP 2015
No. of options granted	2,731,935 (A - 1,234,900; B - 758,550; C - 724,600, D - 13,885)	9,072,913 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827)
Grant Dates	A - March 28, 2012; B - August 29, 2013; C - Jun 03, 2014, D - January 28, 2018	A - July 02, 2015, B - November 10, 2016 C - July 21, 2017; D - January 13, 2018; E - January 28, 2018
Method of accounting	Intrinsic Value	Intrinsic 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
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 - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D & E - ₹ 417.00
Fair Value on the date of Grant of Option (₹ Per Share)	₹ 11.80 - ₹ 417.00	₹ 274.00 - ₹ 417.00

(B) Movement of options granted:

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	128,510	4,310,024
Granted during the year	13,885	1,206,968
Exercised during the year	117,420	1,672,279
Lapsed during the year	-	-
Options outstanding at the end of the year	24,975	3,844,713
Exercisable at the end of the year	11,090	227,662
Weighted average exercise price for the options exercised during the year	₹ 17.32	₹ 283.60
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

Movement of options granted (Previous year):

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	6,965,945
Granted during the year	-	900,000
Exercised during the year	449,185	3,555,921
Lapsed during the year	13,835	-
Options outstanding at the end of the year	128,510	4,310,024
Exercisable at the end of the year	194,835	1,214,766
Weighted average exercise price for the options exercised during the year	₹ 16.41	₹ 282.00
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 19.00	₹ 282.00



IIFL WEALTH MANAGEMENT LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Fair Value Methodology:**

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

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

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	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	17.43%-23.19%	3%
Fair value on the date of the grant	₹ 11.80-417	₹ 274-417

Previous Year:

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	8.38%-9.47%	7.87%-6.39%
Expected average life	3 years	3 years
Expected volatility of Share Price	Nil	Nil
Dividend yield	0.00%-38.45%	1.25%-1.64%
Fair value on the date of the grant	₹ 11.80-18.96	₹ 274.00-319.00

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

(a) Pro-forma Profit after tax

Particulars	Current year	Previous year
Net Profit as reported	1,484,570,409	864,383,882
Less:		
Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 39,659,818/- (Previous year ₹ 64,085,705/-)]	25,934,438	41,907,534
Net Profit (Pro-forma)	1,458,635,971	822,476,348

(b) Pro-forma Earnings per Share

Particulars	Current year	Previous year
Basic earnings per share (as reported)	18.88	11.68
Basic earnings per share (pro-forma)	18.55	11.12
Diluted earnings per share (as reported)	18.25	11.59
Diluted earnings per share (pro-forma)	17.93	11.03

Note 34. Segment Reporting:

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

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



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 35. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2018.

a) List of Related parties:

Nature of relationship	Name of party
Holding Company	IIFL Holdings Limited
Subsidiary Companies	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 Limited IIFL (Asia) Pte Limited IIFL Inc IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritius) Ltd IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited IIFL Capital (Canada) Limited
Fellow Subsidiaries	India Infoline Limited India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Facilities Services Limited Samasta Microfinance Ltd Ayusha Dairy Pvt. Ltd 5 Paisa Capital Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc Clara Developers Private Ltd India Infoline Foundation
Group Company	India Infoline Housing Finance Limited IIFL Asset Reconstruction Limited
Key Management Personnel	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director
Other related parties	Mr. Nirmal Jain Mr. R. Venkataraman Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Madhu Jain Mrs. Aditi Athavankar Mrs. Dhara Shah Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)



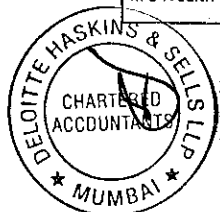
IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

b) Significant Transactions with Related Parties

(Amount in `)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Investment						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(620,000,000)	-	-	-	(620,000,000)
Share Capital Issued:						
Karan Bhagat	-	-	-	-	-	-
	-	-	-	-	(4,800,000)	(4,800,000)
Yatin Shah	-	-	-	-	-	-
	-	-	-	-	(1,800,000)	(1,800,000)
Amit Shah	-	-	-	-	1,800,000	1,800,000
	-	-	-	-	-	-
Securities Premium Received:						
Amit Shah	-	-	-	-	252,000,000	252,000,000
	-	-	-	-	-	-
Purchase of inventories/Investment (Net)						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(2,750,000,000)	-	-	-	(2,750,000,000)
Sale of inventories (Net)						
IIFL Holdings Limited	1,500	-	-	-	-	1,500
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	185,341	-	-	-	185,341
	-	-	-	-	-	-
Dividend Income						
IIFL Private Wealth (Mauritius) Ltd	-	362,673,500	-	-	-	362,673,500
	-	-	-	-	-	-
India Infoline Limited	-	-	460	-	-	460
	-	-	(395)	-	-	(395)
Arranger Fees Income/ Marketing Support Income/ Referral Fee/ Brokerage - Authorised Person						
India Infoline Limited	-	-	109,623,506	-	-	109,623,506
	-	-	(367,653,027)	-	-	(367,653,027)
India Infoline Finance Limited	-	-	12,271,124	-	-	12,271,124
	-	-	(52,120,960)	-	-	(52,120,960)
IIFL Asset Management Limited	-	10,699,162	-	-	-	10,699,162
	-	(143,566,342)	-	-	-	(143,566,342)
India Alternatives Investment Advisors Pvt Limited	-	-	-	-	-	-
	-	(14,000,000)	-	-	-	(14,000,000)
Brokerage on Security Trading						
IIFL Asset Management Limited	-	1,007,283	-	-	-	1,007,283
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	97,550	-	-	-	97,550
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	40	-	-	-	40
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	1,304,844	-	-	-	1,304,844
	-	-	-	-	-	-
Interest Income on Inter Corporate Deposits						
IIFL Alternate Asset Advisors Limited	-	4,880,396	-	-	-	4,880,396
	-	(756,399)	-	-	-	(756,399)
IIFL Investment Adviser and Trustee Services Limited	-	6,433,861	-	-	-	6,433,861
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	186,357	-	-	-	186,357
	-	-	-	-	-	-
IIFL Asset Management Limited	-	4,087,678	-	-	-	4,087,678
	-	(3,994,896)	-	-	-	(3,994,896)
IIFL Wealth Finance Limited	-	230,933,736	-	-	-	230,933,736
	-	(7,684,932)	-	-	-	(7,684,932)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Interest Income on Investment						
IIFL Wealth Finance Limited	-	1,188,236	-	-	-	1,188,236
	-	-	-	-	-	-
Interest Expenses on NCD						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(2,613,878)	-	-	-	(2,613,878)
Interest Expense on Inter Corporate Deposits						
IIFL Distribution Services Limited	-	1,379,318	-	-	-	1,379,318
	-	(1,730,877)	-	-	-	(1,730,877)
IIFL Asset Management Limited	-	59,116,279	-	-	-	59,116,279
	-	(10,032,212)	-	-	-	(10,032,212)
IIFL Investment Adviser and Trustee Services Limited	-	20,559,287	-	-	-	20,559,287
	-	(8,824,937)	-	-	-	(8,824,937)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(472,603)	-	-	(472,603)
IIFL Wealth Finance Limited	-	25,732,577	-	-	-	25,732,577
	-	(34,705,227)	-	-	-	(34,705,227)
IIFL Alternate Asset Advisors Limited	-	6,967,169	-	-	-	6,967,169
	-	(6,475,890)	-	-	-	(6,475,890)
IIFL Holding Limited	-	-	-	-	-	-
	(5,660,137)	-	-	-	-	(5,660,137)
Manpower Outsourcing Expenses						
IIFL Distribution Services Limited	-	93,840,040	-	-	-	93,840,040
	-	(67,238,654)	-	-	-	(67,238,654)
Advisory Fee Expense						
IIFL Investment Adviser and Trustee Services Limited	-	24,000,000	-	-	-	24,000,000
	-	(24,000,000)	-	-	-	(24,000,000)
Referral Fees - Expenses						
India Infoline Finance Limited	-	-	6,867,918	-	-	6,867,918
	-	-	(10,253,269)	-	-	(10,253,269)
Research Fees - Expenses						
India Infoline Limited	-	-	22,500,000	-	-	22,500,000
	-	-	-	-	-	-
Guest House - Expenses						
IIFL Properties Private Limited	-	-	-	-	-	-
	-	-	(290,000)	-	-	(290,000)
Corporate Social Responsibility Expenses (CSR)						
India Infoline Foundation	-	-	-	32,841,239	-	32,841,239
	-	-	-	(7,262,000)	-	(7,262,000)
Rent Expenses						
IIFL Facilities Services Limited	-	-	217,913,135	-	-	217,913,135
	-	-	(135,730,251)	-	-	(135,730,251)
Remuneration						
Karan Bhagat	-	-	-	-	44,153,034	44,153,034
	-	-	-	-	(40,128,096)	(40,128,096)
Yatin Shah	-	-	-	-	34,780,422	34,780,422
	-	-	-	-	(31,531,068)	(31,531,068)
Dividend Paid						
IIFL Holdings Limited	405,000,000	-	-	-	-	405,000,000
	(270,000,000)	-	-	-	-	(270,000,000)
Karan Bhagat	-	-	-	-	43,294,734	43,294,734
	-	-	-	-	(14,463,156)	(14,463,156)
Yatin Shah	-	-	-	-	29,794,734	29,794,734
	-	-	-	-	(14,463,156)	(14,463,156)
Amit Shah	-	-	-	-	20,415,789	20,415,789
	-	-	-	-	(10,910,526)	(10,910,526)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Other funds received						
India Infoline Limited	-	-	-	-	-	-
			(4,190,967)			(4,190,967)
IIFL Trustee Limited	-	276,188	-	-	-	276,188
IIFL Investment Adviser and Trustee Services Limited	-	6,720,906	-	-	-	6,720,906
	-	(2,422,429)	-	-	-	(2,422,429)
IIFL Alternate Asset Advisors Limited	-	762,242	-	-	-	762,242
	-	(346,216)	-	-	-	(346,216)
IIFL Distribution Services Limited	-	8,927,692	-	-	-	8,927,692
	-	(5,442,513)	-	-	-	(5,442,513)
India Alternatives Investment Advisors Pvt Ltd	-	-	-	-	-	-
	-	(823,669)	-	-	-	(823,669)
IIFL Asset Management Limited	-	6,886,722	-	-	-	6,886,722
	-	(403,988)	-	-	-	(403,988)
IIFL Wealth Finance Limited	-	7,841,960	-	-	-	7,841,960
	-	(2,221,942)	-	-	-	(2,221,942)
IIFL Management Services Limited	-	-	-	9,141	-	9,141
	-	-	-	-	-	-
Other funds paid						
India Infoline Limited	-	-	136,486	-	-	136,486
	-	-	(41,437)	-	-	(41,437)
IIFL Alternate Asset Advisors Limited	-	8,932	-	-	-	8,932
	-	-	-	-	-	-
IIFL Asset Management Limited	-	221,832	-	-	-	221,832
	-	(1,586,967)	-	-	-	(1,586,967)
IIFL Distribution Services Limited	-	359,501	-	-	-	359,501
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	19,521	-	-	-	19,521
	-	(225,753)	-	-	-	(225,753)
IIFL Investment Adviser and Trustee Services Limited	-	3,543,900	-	-	-	3,543,900
	-	(16,604)	-	-	-	(16,604)
Inter Corporate Deposit given						
IIFL Investment Adviser and Trustee Services Limited	-	6,567,000,000	-	-	-	6,567,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	3,721,000,000	-	-	-	3,721,000,000
	-	(572,100,000)	-	-	-	(572,100,000)
IIFL Distribution Services Limited	-	68,500,000	-	-	-	68,500,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,474,138,000	-	-	-	2,474,138,000
	-	(457,116,307)	-	-	-	(457,116,307)
IIFL Wealth Finance Limited	-	140,795,000,000	-	-	-	140,795,000,000
	-	(1,750,000,000)	-	-	-	(1,750,000,000)
Inter Corporate Deposit received back						
IIFL Investment Adviser and Trustee Services Limited	-	6,567,000,000	-	-	-	6,567,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	3,721,000,000	-	-	-	3,721,000,000
	-	(572,100,000)	-	-	-	(572,100,000)
IIFL Distribution Services Limited	-	68,500,000	-	-	-	68,500,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,449,138,000	-	-	-	2,449,138,000
	-	(457,116,307)	-	-	-	(457,116,307)
IIFL Wealth Finance Limited	-	140,795,000,000	-	-	-	140,795,000,000
	-	(1,750,000,000)	-	-	-	(1,750,000,000)



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Inter Corporate Deposit taken						
IIFL Distribution Services Limited	-	85,000,000	-	-	-	85,000,000
	-	(119,500,000)	-	-	-	(119,500,000)
IIFL Asset Management Limited	-	6,624,500,000	-	-	-	6,624,500,000
	-	(2,545,000,000)	-	-	-	(2,545,000,000)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(250,000,000)	-	-	(250,000,000)
IIFL Alternate Asset Advisors Limited	-	1,124,500,000	-	-	-	1,124,500,000
	-	(635,000,000)	-	-	-	(635,000,000)
IIFL Wealth Finance Limited	-	12,338,330,000	-	-	-	12,338,330,000
	-	(9,612,500,000)	-	-	-	(9,612,500,000)
IIFL Investment Adviser and Trustee Services Limited	-	2,721,000,000	-	-	-	2,721,000,000
	-	(332,000,000)	-	-	-	(332,000,000)
IIFL Holdings Limited	-	-	-	-	-	-
	(330,000,000)	-	-	-	-	(330,000,000)
Inter Corporate Deposit repaid						
IIFL Distribution Services Limited	-	37,745,000	-	-	-	37,745,000
	-	(119,500,000)	-	-	-	(119,500,000)
IIFL Asset Management Limited	-	6,624,500,000	-	-	-	6,624,500,000
	-	(2,545,000,000)	-	-	-	(2,545,000,000)
IIFL Holdings Limited	-	-	-	-	-	-
	(330,000,000)	-	-	-	-	(330,000,000)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(250,000,000)	-	-	(250,000,000)
IIFL Alternate Asset Advisors Limited	-	1,124,500,000	-	-	-	1,124,500,000
	-	(635,000,000)	-	-	-	(635,000,000)
IIFL Wealth Finance Limited	-	12,049,488,805	-	-	-	12,049,488,805
	-	(9,612,500,000)	-	-	-	(9,612,500,000)
IIFL Investment Adviser and Trustee Services Limited	-	2,571,000,000	-	-	-	2,571,000,000
	-	(332,000,000)	-	-	-	(332,000,000)
Allocation / Reimbursement of expenses Paid						
India Infoline Limited	-	-	48,576,953	-	-	48,576,953
	-	-	(77,556,355)	-	-	(77,556,355)
IIFL Holdings Limited	32,319,360	-	-	-	-	32,319,360
	(21,068,067)	-	-	-	-	(21,068,067)
India Alternatives Investment Advisors Private Ltd	-	(68,800,000)	-	-	-	(68,800,000)
S Paisa Capital Limited	-	-	-	(49,714)	-	(49,714)
IIFL Distribution Services Limited	-	960,993	-	-	-	960,993
	-	(1,008,045)	-	-	-	(1,008,045)
IIFL Facilities Services Limited	-	-	538,690	-	-	538,690
	-	-	(10,187)	-	-	(10,187)
Allocation / Reimbursement of expenses Received						
IIFL Asset Management Limited	-	19,876,314	-	-	-	19,876,314
	-	(31,277,959)	-	-	-	(31,277,959)
IIFL Investment Adviser and Trustee Services Limited	-	21,279,123	-	-	-	21,279,123
	-	(11,536,758)	-	-	-	(11,536,758)
IIFL Alternate Asset Advisors Limited	-	2,395,295	-	-	-	2,395,295
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	1,674,635	-	-	-	1,674,635
	-	(6,255,592)	-	-	-	(6,255,592)
IIFL Wealth Finance Limited	-	21,774,058	-	-	-	21,774,058
	-	(24,758,528)	-	-	-	(24,758,528)
India Alternatives Investment Advisors Pvt Ltd	-	-	-	-	-	-
	-	(4,779,266)	-	-	-	(4,779,266)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

c) Amount due to / from related parties (Closing Balance)

(Amount in `)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Sundry payables:						
IIFL Distribution Services Limited	-	11,712,040	-	-	-	11,712,040
	-	(8,327,760)	-	-	-	(8,327,760)
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(1,300,560)	-	-	-	(1,300,560)
India Infoline Finance Limited	-	-	7,417,352	-	-	7,417,352
	-	-	-	-	-	-
India Infoline Limited	-	-	(7,432,085)	-	-	(7,432,085)
	-	-	-	-	-	-
Sundry receivables:						
IIFL Alternate Asset Advisors Limited	-	1,443,325	-	-	-	1,443,325
	-	(42,011)	-	-	-	(42,011)
IIFL Wealth Finance Limited	-	9,492,796	-	-	-	9,492,796
	-	(10,483,229)	-	-	-	(10,483,229)
IIFL Investment Adviser and Trustee Services Limited	-	4,613,142	-	-	-	4,613,142
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,310,766	-	-	-	6,310,766
	-	(8,703,726)	-	-	-	(8,703,726)
Inter Corporate Deposit Taken						
IIFL Distribution Services Limited	-	47,255,000	-	-	-	47,255,000
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	150,000,000	-	-	-	150,000,000
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	288,841,195	-	-	-	288,841,195
	-	-	-	-	-	-
Inter Corporate Deposit Given						
IIFL Asset Management Limited	-	25,000,000	-	-	-	25,000,000
	-	-	-	-	-	-
Trade receivables						
IIFL Asset Management Limited	-	-	-	-	-	-
	-	(38,998,746)	-	-	-	(38,998,746)
India Infoline Limited	-	-	-	-	-	-
	-	-	(15,694,772)	-	-	(15,694,772)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(1,883,129)	-	-	(1,883,129)

Note:

I) Figures in bracket represents previous year figures.

II) Related parties are identified and certified by the management, which has been relied upon by the auditors.



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 36. Earnings and Expenses in Foreign Currency (on accrual basis):

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Earnings in Foreign Currency		
Arranger Fees	3,032,187	-
Dividend income	362,673,500	-
Sub Total	362,673,500	-
Expenses in Foreign Currency		
Travelling and Conveyance Expense	777,729	1,308,826
Advertisement Expense	65,013	1,328,060
Legal and professional Charges	4,176,446	6,406,199
Marketing and commission Expense	37,721,963	12,549,302
Office Expense	6,488,657	2,382,194
Software Charges / Technology Cost	3,256,100	-
Staff welfare Expense	1,071,077	-
Sub Total	53,556,984	23,974,581

Note 37. Lease Arrangements:

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 292,774,365/- (P.Y. ₹ 190,887,493/-) out of this ₹ 281,340,105/- (P.Y. ₹ 188,251,949/-) from continuing operations and ₹ 11,434,260/- (P.Y. ₹ 2,635,544/-) from discontinuing operations, has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also

Minimum Lease Rentals	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
Up to one year	261,745,722	274,618,072
One to five years	99,648,271	266,720,146
Over five years	-	-

Note 38. Corporate Social Responsibility

During the financial year 2017-18, the Company has spent ₹ 33,511,239/- (P.Y. ₹ 24,012,000/-) as against ₹ 28,259,848/- (P.Y. ₹ 23,508,541/-) 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. 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.



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 39. Discontinuing Operations:

The Board of Directors of the Company at its meeting held on 31 January 2018, has approved the Composite Scheme of Arrangement amongst IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution") and the Company 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. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into the Company; and
- ii. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of the Company to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The Appointed Date for the above transactions is opening hours of 1 April 2018. The Scheme will be given effect to upon receipt of requisite approvals of NCLT and other authorities.

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue	362,444,232	79,618,397
Expenses	341,534,868	74,121,583
Profit/ Loss Before Tax	20,909,364	5,496,814
Tax Expenses	6,735,613	1,930,968
Profit/ Loss After Tax	14,173,751	3,565,846

b. The carrying amounts as at March 31, 2018 of the total assets and liabilities to be transferred are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Total Assets	7,746,148,996	5,187,758,284
Total Liabilities	7,583,930,147	5,034,192,438



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 40. Details of Inter Corporate Deposits

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

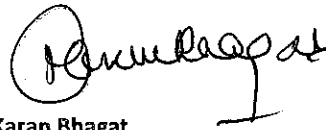
Particulars	ICD given	ICD received back	ICD Outstanding
Fineworthy Software Solutions Ltd	-	10,637,810	-
	(1,449,543)	(3,300,000)	(14,328,673)
IIFL Wealth Employee Benefit Trust	802,848	-	2,630,848
	(38,736,212)	(36,908,212)	(1,828,000)
IIFL Special Opportunities Fund	800,000,000	800,000,000	-
	-	-	-

Figures in bracket represents previous year figures.

The period of ICD is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.25% to 9.50% p.a.), for the purpose of meeting working capital and business requirements.

Note 41. Previous year figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



Karan Bhagat
Managing Director
(DIN: 03247753)



R. Venkataraman
Director
(DIN: 00011919)



Mihir Nanavati
Chief Financial Office



Ashutosh Naik
Company Secretary

Place : Mumbai
Dated : May 03, 2018



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

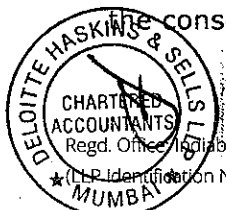
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



Deloitte Haskins & Sells LLP

In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 9 subsidiaries whose financial statements reflect total assets of Rs. 1,73,54,84,701 as at 31 March 2018, total revenues of Rs. 1,73,76,69,603 and net cash inflows amounting to Rs. 24,35,45,206 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.

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

Our opinion on the consolidated financial statements 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 and the financial statements.

Report on Other Legal and Regulatory Requirements

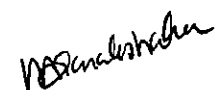
As required by Section 143(3) of the Act, we report, to the extent applicable, that:



**Deloitte
Haskins & Sells LLP**

- (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 reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure "A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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 Holding Company, and its subsidiary companies incorporated in India.

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31 2018, we have audited the internal financial controls over financial reporting of **IIFL Wealth Management Limited** (hereinafter referred to as the "Holding Company" and its subsidiary companies, which includes internal financial controls over financial reporting of the Company's subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

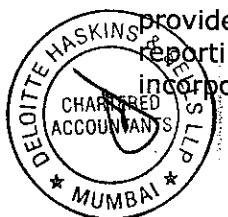
The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India.



Meaning of Internal Financial Controls Over Financial Reporting

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

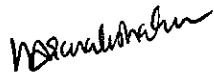
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2018, based on the criteria for the 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 ICAI.

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


Pallavi A. Gorakshakar
Partner
(Membership No. 105035)

Place: Mumbai
Date : 03 May 2018

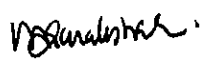
IIFL WEALTH MANAGEMENT LIMITED
CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	159,506,926	155,927,528
(b) Reserves and Surplus	4	18,735,973,106	15,085,688,254
(c) Money received against share warrants		-	-
Sub total		18,895,480,032	15,241,615,782
(2) Non Current Liabilities			
(a) Long-term borrowings	5	23,100,848,227	19,829,630,112
(b) Other Long-term liabilities	6	1,225,069,407	366,902,349
(c) Long-term provisions	7	310,619,608	151,160,852
Sub total		24,636,537,242	20,347,693,313
(4) Current liabilities			
(a) Short-term borrowings	8	45,471,832,310	33,970,947,169
(b) Trade payables	9		
(A) total outstanding dues of micro, small enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Other current liabilities	10	376,122,636	240,296,242
(d) Short-term provisions	11	5,660,379,442	5,401,775,579
Sub total		987,804,708	801,424,971
		52,496,139,096	40,414,443,961
TOTAL		96,028,156,370	76,003,753,056
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	12	263,368,023	202,849,343
(ii) Intangible Assets	13	37,411,552	38,534,913
(iii) Capital Work-in-Progress		199,932,459	32,395,104
(iv) Goodwill on Consolidation	41	288,315,277	288,315,277
(v) Intangible Assets under Development		17,409,583	3,250,866
Sub total		806,436,894	565,345,503
(b) Non-current Investments	14	3,204,890,476	1,729,597,249
(c) Deferred Tax Asset (Net)	15	159,734,605	132,965,996
(d) Long-term Loans & Advances	16	17,988,762,434	13,030,649,276
(e) Other Non-current Assets	17	116,824,524	56,606,330
Sub total		21,470,212,039	14,949,818,851
(2) Current assets			
(a) Current investments	18	7,555,608,867	17,612,934,548
(b) Trade receivables	19	1,911,185,013	3,246,454,597
(c) Cash and cash equivalents	20	7,369,660,379	12,751,001,215
(d) Short-term loans & advances	21	52,249,403,453	23,680,489,184
(e) Other current assets	22	4,665,649,725	3,197,709,158
Sub total		73,751,507,437	60,488,588,702
TOTAL		96,028,156,370	76,003,753,056
See accompanying notes forming part of the consolidated financial statements			


In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

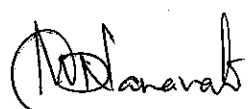

Pallavi A. Gorakshakar
Partner

Place : Mumbai
Dated : May 03, 2018

For and on behalf of the Board of Directors


Karan Bhagat
Managing Director
(DIN: 03247753)


R. Venkataraman
Director
(DIN: 00011919)


Mihir Nanavati
Chief Financial Officer


Ashutosh Naik
Company Secretary

IIFL WEALTH MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

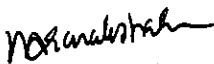
(Amount in ₹)

Particulars	Note No	2017-2018	2016-2017
INCOME :			
Revenue from Operations	23	16,650,530,005	10,403,637,615
Other Income	24	727,486,216	424,948,585
Total Revenue		17,378,016,221	10,828,586,200
EXPENSES :			
Employee Benefit Expenses	25	3,876,945,267	2,633,186,210
Other expenses	26	2,461,582,989	1,685,809,699
Finance Charges	27	5,566,023,255	2,489,829,222
Depreciation & Amortisation	28	132,091,155	89,070,938
Provision & Write off	29	380,948,126	300,809,160
Total Expenditure		12,417,590,792	7,198,705,229
Profit before tax		4,960,425,429	3,629,880,971
Tax expenses/(benefits) :			
Current tax		1,140,299,270	1,210,714,773
Deferred tax expenses/(credit)		(26,721,286)	(82,137,358)
MAT Credit entitlement		(1,392,413)	111,318
Short / (excess) provision for income tax		(4,866,526)	(3,500,517)
Total Tax Expenses		1,107,319,045	1,125,188,216
Profit for the year		3,853,106,384	2,504,692,755
Earning Per Share- Basic	30	49.00	33.86
Earning Per Share- Diluted	30	47.37	33.60
Face Value Per Share		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			


In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

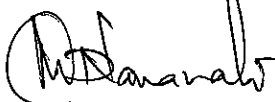
For and on behalf of the Board of Directors


Pallavi A. Gorakshakar
Partner


Karan Bhagat
Managing Director
(DIN: 03247753)


R. Venkataraman
Director
(DIN: 00011919)

Place : Mumbai
Dated: May 03, 2018


Mihir Nanavati
Chief Financial Officer


Ashutosh Naik
Company Secretary

IIFL WEALTH MANAGEMENT LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	2017-2018	2016-2017
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	4,960,425,429	3,629,880,971
Adjustments for:		
Depreciation & Amortisation	132,091,155	89,070,938
Provisions for Gratuity	23,865,859	34,081,627
Provisions for Leave Encashment	33,407,915	15,394,115
Provision for Doubtful debts and Bad debts written off	32,731	2,625,401
Provision for Diminution in Investment	269,176,865	160,614,647
Provision for Mark to Market on Derivative	(36,961,470)	12,321,120
Provision on standard Assets	148,700,000	125,247,992
Interest Income	(6,776,459,113)	(3,411,892,645)
Interest expenses	5,565,533,987	2,480,595,069
Loss on Sale of Fixed Assets	(533,028)	905,186
Dividend Income from Investments	(670,790,270)	(8,232,388)
Profit on sale of current investments	(710,681,990)	(1,205,490,553)
Profit on sale of non-current investments	(29,613,076)	(93,703,082)
Loss on Sale of Subsidiary	-	35,868,630
Interest received	5,638,214,662	2,310,453,085
Operating profit before working capital changes	8,546,409,656	4,177,740,113
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	(1,854,171,351)	(4,070,631,481)
Increase/ (Decrease) in Current/Non Current Liabilities	1,615,603,252	1,617,923,264
Cash generated from operations	8,307,841,557	1,725,031,896
(Increase)/ Decrease in Long Term Loans and Advances	(4,788,054,774)	(12,631,195,131)
(Increase)/ Decrease in Short Term Loans and Advances	(26,059,203,307)	(22,524,864,153)
Cash used In operating activities	(22,539,416,524)	(33,431,027,388)
Net income tax(paid) / refunds	(1,305,832,813)	(1,073,044,445)
Net cash used in operating activities (A)	(23,845,249,337)	(34,504,071,833)
B. Cash flows from investing activities		
Purchase of Investments	(1,349,434,127,314)	(1,094,150,413,530)
Sale of Investments	1,358,495,344,009	1,085,811,005,769
Sale of Subsidiary	-	111,450
Dividend Income	670,790,270	8,232,388
Interest Received	180,990,703	108,392,185
Fixed Deposit (placed)/matured	986,565,937	(3,125,000,000)
Purchase of fixed assets (includes intangible assets)	(375,673,167)	(228,795,057)
Sale of fixed assets (includes intangible assets)	3,502,802	2,575,373
Net cash generated from/(used in) investing activities (B)	10,527,393,240	(11,573,891,422)
C. Cash flows from financing activities		
Issuance of Share Capital	3,579,398	8,010,212
Securities Premium including share warrants	558,402,003	1,002,128,430
Issuance of share warrants	-	(87,000)
Short Term Borrowings - Borrowed	555,514,190,650	22,460,200,001
Short Term Borrowings - Repaid	(544,614,404,826)	(504,809,038)
Cash credit utilised	105,890,871	-
Long Term Borrowings - Borrowed	13,460,900,000	33,083,219,044
Long Term Borrowings - Repaid	(11,132,520,520)	(22,320,242)
Interest Paid	(4,187,975,560)	(1,988,224,209)
Dividend Paid (including Dividend Distribution Tax)	(784,980,820)	(534,089,404)
Net cash generated from financing activities (C)	8,923,081,196	53,504,027,794
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(4,394,774,899)	7,426,064,539
Opening Cash & cash equivalents	9,606,001,215	2,179,936,676
Closing Cash & cash equivalents	5,211,226,316	9,606,001,215
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	5,211,226,316	9,606,001,215
Add: In Fixed deposits with maturity more than 3 months	2,158,434,063	3,145,000,000
Cash & cash equivalents (as per Note 20)	7,369,660,379	12,751,001,215
See accompanying notes forming part of the consolidated financial statements		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place : Mumbai
Dated : May 03, 2018

For and on behalf of Board of Directors

Karan Bhagat
Managing Director
(DIN: 03247753)

Mihir Nanavati
Chief Financial Officer

R. Venkataraman
Director
(DIN: 00011919)

Ashutosh Naik
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 1. Corporate Information:

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

Note 2. Significant Accounting Policies:

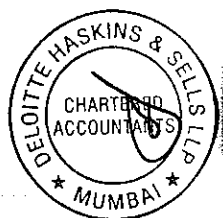
2.1 Basis of Consolidation:

i. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries constituting the Group. The Holding Company consolidates its subsidiaries as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013.

ii. Basis of Preparation:

- a) The consolidated financial statements of the Group have been prepared in accordance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Group.
- b) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2018.
- c) The financial statements of the Holding Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- d) The excess of cost to the Holding Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill on consolidation' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Holding Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Goodwill/Capital reserve has been netted off and disclosed in the consolidated financial statements.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

- e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Holding Company.
- f) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- iii. The list of subsidiaries that have been consolidated are given in Note 40.

2.2 Use of Estimates:

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

2.3 Fixed assets and Depreciation:

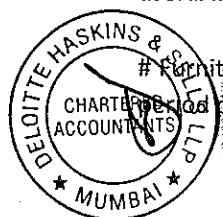
Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in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

Estimated useful life of the assets is as under:

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

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

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



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

2.4 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

2.5 Cash and cash equivalents:

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

2.6 Cash flow statement

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

2.7 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

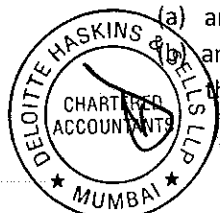
Contingent provision against standard assets is made at 0.40% of the outstanding standard assets in accordance with the RBI guidelines

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

2.8 Impairment of assets

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

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



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

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

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

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

2.9 Taxation:

Tax expense comprises current and deferred tax.

Income Tax

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

Deferred Tax

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

Minimum Alternate Tax (MAT)

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

2.10 Revenue Recognition:

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

- Investment/Fund Management Fees are accounted on accrual basis as follows:
In case of percentage based fees, in accordance with the Portfolio Management Agreement entered with the respective clients, on a quarterly basis.
- Distribution Fee/Arranger Fee/ Commission recognized on accrual basis in accordance with the terms agreed with the counter party.
- Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.
- Interest income on loan is recognised on the time proportionate basis as per agreed terms.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

- Interest income on loan recognised and remaining due for 90 days or more for all the loans is reversed after 90 days and is accounted as income when these are actually realised.
- Processing fees received from customers is recognised when there is no uncertainty of collection.

2.11 Other Income Recognition:

- Interest Income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Capital Gain/ Loss is recognized on the date of trade

2.12 Translation of foreign currency items :

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

2.13 Employee Benefits:

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

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

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

2.14 Deferred Employee Stock Compensation:

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

2.15 Scheme Related Expenses:

a) Fund Expenses:

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

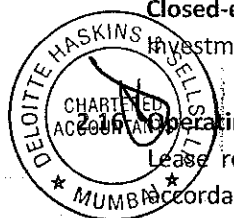
b) New Fund Offer Expenses:

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

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

Operating Leases:

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



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

2.17 Preliminary Expenses

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

2.18 Earnings per Share:

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

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

2.19 Service tax/Goods and Services tax input credit

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

2.20 Borrowing cost

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

2.21 Debenture issue expenses:

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

In case of private placement of Non-Convertible Debentures, debenture issue expenses are charged to the Statement of Profit and Loss in the year in which they are incurred.

2.22 Loans:

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

2.23 Derivative Policy:

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

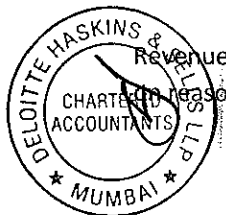
2.24 Operating Cycle

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

2.25 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 3. Share Capital:

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

Authorised :	As at March 31,2018	As at March 31,2017
85,000,000 Equity Shares of ₹ 2/- each with Voting Rights (Previous Year 85,000,000 Equity Shares of ₹ 2/- each)	170,000,000	170,000,000
Issued, Subscribed and Paid Up:		
79,753,463 (Previous Year 77,963,764 equity shares of ₹ 2/- each) Equity Shares of ₹ 2/- each fully paidup with Voting Rights	159,506,926	155,927,528

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	77,963,764	155,927,528	73,958,658	147,917,316
Add: Issued during the year	1,789,699	3,579,398	4,005,106	8,010,212
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	79,753,463	159,506,926	77,963,764	155,927,528

(c) Terms/rights attached to equity shares:

The Holding Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The Holding Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2018, interim dividend of ₹ 9 (P.Y. ₹ 6) 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.

(d) Details of shares held by Ultimate Holding Company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%

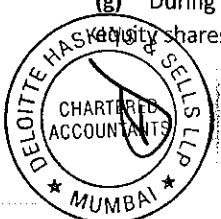
(e) Details of shareholders holding more than 5% shares in the Holding Company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%
General Atlantic Singapore Fund Pte Ltd	18,053,050	22.64%	18,053,050	23.16%
Karan Bhagat	4,810,526	6.03%	4,810,526	6.17%

(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. 36

(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.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

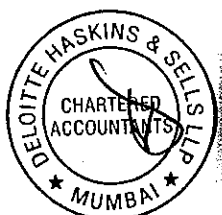
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31,2018	As at March 31,2017
Securities Premium Account		
Opening Balance	10,202,310,944	9,200,182,494
Premium on shares issued during the year (Refer Note 4.1)	558,402,003	1,002,128,450
Closing Balance	10,760,712,947	10,202,310,944
Debenture Redemption Reserve		
Opening Balance	-	44,855,442
Addition During The Year (Refer Note 4.2)	-	17,644,558
Transferred to General Reserve	-	(62,500,000)
Closing Balance	-	-
Special Reserve (Refer Note 4.3)		
Opening Balance	204,254,429	3,481,768
Addition During The Year	312,039,528	200,772,661
Utilised During The Year	-	-
Closing Balance	516,293,957	204,254,429
Foreign Exchange Fluctuation Reserve		
Opening Balance	9,033,284	40,795,056
Add / (Less) Effect of foreign exchange rate variations during the year	23,864,852	(31,761,772)
Closing Balance	32,898,136	9,033,284
Surplus in the Statement of Profit and Loss		
Opening Balance	4,536,589,597	2,784,403,466
Addition: Profit during the Year	3,853,106,384	2,504,692,755
Profit/(loss) on account of acquisition	(107,567)	-
Less: Appropriations		
Interim Dividend Paid	(712,910,664)	(443,751,949)
Dividend Distribution Tax	(72,070,156)	(90,337,456)
Special Reserve	(312,039,528)	(200,772,661)
Debenture Redemption Reserve	-	(17,644,558)
Closing Balance	7,292,568,066	4,536,589,597
General Reserve		
Opening Balance:	133,500,000	71,000,000
Addition During The Year	-	62,500,000
Utilized During The Year	-	-
Closing Balance	133,500,000	133,500,000
Total	18,735,973,106	15,085,688,254

4.1 Securities premium received in the current year pertains to privately placed debentures amounting to ₹ 85,684,469/- (P.Y ₹ 516,666,650/-) and equity shares issued at premium amounting to ₹ 472,717,534/- (P.Y ₹ 485,461,800/-) . Securities Premium received in the previous year pertains to premium received on issue of equity shares.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

4.2 Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Holding Company was required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹NIL (P.Y ₹17,644,558/-) has been transferred to debenture redemption reserve account till the date of buy back of the debentures. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the previous year.

In respect of debentures issued by one subsidiary, there is no Debenture Redemption Reserve (DRR) created as the same is a Non-Banking Financial Company registered with Reserve Bank of India and is not required to create DRR for the privately placed debentures.

4.3 As per Section 45-IC of the Reserve Bank of India Act, 1934, one of the subsidiary company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.

Note 5. Long-term borrowings:

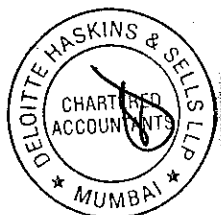
Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Secured Loans		
Non Convertible Debentures (Refer Note 5.1 & 5.4)	17,492,300,000	15,383,600,001
Vehicle Loan (Refer Note 5.2 & 5.4)	4,548,227	11,030,111
Subtotal	17,496,848,227	15,394,630,112
Unsecured Loans		
Non Convertible Debentures (Refer Note 5.3 & 5.4)	5,604,000,000	4,435,000,000
Total	23,100,848,227	19,829,630,112

Note

5.1 During the current year, one of the subsidiary of the Holding Company has issued secured debentures amounting to ₹ 12,291,900,000/- (Previous year ₹ 15,383,600,001/-). These debentures are secured by way first pari passu mortgage and charge over the subsidiary's identified immovable Property and first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

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

5.3 During the current year, one of the subsidiary of the Company has issued Perpetual debentures amounting to NIL (Previous year ₹ 1,50,00,00,000/-) and Subordinated debentures amounting to ₹ 1,16,90,00,000/- (Previous Year ₹ 2,93,50,00,000/-)



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

5.4 Interest and repayment terms of long-term borrowings (including its current maturities):

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance Outstanding	Interest Rate % (p.a) (Refer Note 5.4.1)	Balance Outstanding	Interest Rate % (p.a) (Refer Note 5.4.1)
Non- Convertible Debentures				
Less than 1 year	1,699,000,000	8.00% - 9.60%	2,641,600,000	9.00% - 12.00%
1-5 years	8,931,200,000	8.00% - 9.73% linked to underlying structures	3,218,900,000	8.03% - 10.87% linked to underlying structures
Above 5 years	8,561,100,000	Market Linked (Refer Note 5.4.2)	12,164,700,001	Market Linked (Refer Note 5.4.2)
Vehicle Loan				
Less than 1 year	5,068,721	9.00% to 10.00%	5,307,357	9.00% to 10.00%
1-3 years	4,548,227	9.00% to 10.00%	11,030,111	9.00% to 10.00%
3-5 years	-	-	-	-
Perpetual Debt				
Above 5 years	1,500,000,000	10.00%	1,500,000,000	10.00%
Subordinated Debt				
1-5 years	3,095,000,000	9.10% - 9.36%	-	-
Above 5 years	1,009,000,000	8.80% - 9.15%	2,935,000,000	9.10% - 11.42%

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

5.4.2 - The Company has issued certain Market linked debentures, the rate of interest of which is linked to specified products/indices.

Note 6. Other Long Term Liabilities:

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Deposits – Trust Corpus	300,000	300,000
Interest accrued but not due on Debentures	1,224,769,407	366,602,349
Total	1,225,069,407	366,902,349

Note 7. Long Term Provisions:

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 25)	33,648,426	22,889,670
Contingent Provision against Standard assets	276,971,182	128,271,182
Total	310,619,608	151,160,852



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 8. Short Term borrowings:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Commercial Paper	45,850,000,000	34,250,000,000
Less: Unexpired discount (Refer Note 8.1)	(484,058,561)	(279,052,831)
Book Overdraft	105,890,871	-
Total	45,471,832,310	33,970,947,169

8.1 Unexpired discount on commercial paper is net of ₹ 495,208,445/- (P.Y. ₹ 272,135,168/-) towards discount accrued but not due.

Note 9: Trade Payables:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro, small enterprises and small enterprises— Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for Expenses	96,120,394	116,950,498
- Accrued Salaries and Benefits	7,917,442	2,440,203
- Provision for Expenses	272,084,800	120,905,541
Total	376,122,636	240,296,242

Details under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	2017 - 18	2016 - 17
a) Principal amount and interest due thereon remaining unpaid to any supplier at the end year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The aforementioned is based on the response received by the Group to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note: 10. Other current liabilities

(Amount in ₹)

Particulars	As at March 31,2018	As at March 31,2017
Current maturities of Long term debt - Secured (Refer Note 5.4)	1,704,068,721	2,646,907,357
Interest accrued but not due on NCD	223,488,525	199,305,599
Statutory Liabilities Payable	290,234,446	154,523,181
Advances against expenses	-	5,000,000
Income received in advance	201,278	21,408,387
Payable to Clients for trade settlement	3,239,210,736	2,293,283,287
Payable to customers	22,217,245	15,439,406
Payable to Exchange for trade settlement	139,926,829	47,797,715
Payable to Employees	15,934	5,209,453
Book Overdraft	1,555,925	-
Option Premium (Net)	-	43,320
Payable to Ultimate Holding Co / Group Companies	7,997,359	12,414,373
Others	31,462,444	443,501
Total	5,660,379,442	5,401,775,579

Note 11. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31,2018	As at March 31,2017
(a) Provision for employee benefits:		
- Provision for Compensated Absences	65,550,329	33,164,218
- Provision for Gratuity (Refer note 25)	16,830,942	34,122,370
- Provision for Bonus	867,864,119	558,029,192
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 1,784,951,555/-) (Previous Year- ₹ 1,572,659,997/-)	37,559,318	176,109,191
Total	987,804,708	801,424,971



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 12. Tangible Assets:

Particulars							(Amount in ₹)
	Furniture Fixture	Vehicles **	Office Equipment	Computers	Electrical Equipment	Land / leasehold land	TOTAL
Gross Block as on April 01, 2017	166,761,168	29,402,721	15,839,073	120,697,096	8,891,034	998,000	342,589,092
Additions	102,650,126	5,192,828	23,956,003	27,215,646	3,368,823	-	162,383,426
Deductions/ Adjustments during the year	(1,960,524)	(3,861,848)	(877,226)	(3,581,994)	(1,798,610)	-	(12,080,202)
As at March 31, 2018	267,450,770	30,733,701	38,917,850	144,330,748	10,461,247	998,000	492,892,316
Depreciation							
Upto April 01, 2017	52,708,541	12,775,767	7,368,954	62,620,539	4,265,948	-	139,739,749
Depreciation for the year	52,573,493	5,988,377	4,147,777	35,056,558	1,618,182	-	99,384,387
Deductions/Adjustments during the year	(1,199,599)	(2,188,380)	(874,261)	(3,538,830)	(1,798,673)	-	(9,599,843)
Upto March 31, 2018	104,082,335	16,575,764	10,642,470	94,138,267	4,085,457	-	229,524,293
Net Block as at March 31, 2018	163,368,435	14,157,937	28,275,380	50,192,481	6,375,790	998,000	263,368,023
Net Block as at March 31, 2017	114,052,627	16,626,954	8,470,119	58,076,557	4,625,086	998,000	202,849,343

Tangible Assets: (Previous Year)

Particulars							(Amount in ₹)
	Furniture Fixture	Vehicles **	Office Equipment	Computers	Electrical Equipment	Land / leasehold land	TOTAL
Gross Block as on April 01, 2016	76,079,358	29,402,721	13,309,589	61,688,500	9,171,188	-	189,651,356
Additions	109,195,884	-	5,993,823	62,736,409	1,668,281	998,000	180,592,397
Deductions/ Adjustments during the year	(18,514,074)	-	(3,464,339)	(3,727,813)	(1,948,435)	-	(27,654,661)
As at March 31, 2017	166,761,168	29,402,721	15,839,073	120,697,096	8,891,034	998,000	342,589,092
Upto April 01, 2016	39,249,288	6,895,223	8,205,285	39,380,892	4,764,374	-	98,495,062
Depreciation for the year	28,855,125	5,880,544	2,230,248	27,034,605	1,418,283	-	65,418,805
Deductions/Adjustments during the year	(15,395,872)	-	(3,066,579)	(3,794,958)	(1,916,709)	-	(24,174,118)
Upto March 31, 2017	52,708,541	12,775,767	7,368,954	62,620,539	4,265,948	-	139,739,749
Net Block as at March 31, 2017	114,052,627	16,626,954	8,470,119	58,076,557	4,625,086	998,000	202,849,343
Net Block as at March 31, 2016	36,830,070	22,507,498	5,104,304	22,307,608	4,406,814	-	91,156,294

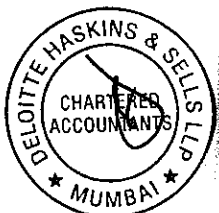
** The above fixed asset (Vehicles) are hypothecated against loans from financial institution.

Note 13. Intangible Assets (other than internally generated):

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2017	78,867,637
Additions	31,593,669
Deductions / Adjustments during the year	-
As at March 31, 2018	110,461,306
Amortisation	
As at April 1, 2017	40,332,724
Amortisation for the year	32,706,768
Deductions / Adjustments during the year	10,262
Up to March 31, 2018	73,049,754
Net Block as at March 31, 2018	37,411,552
Net Block as at March 31, 2017	38,534,913

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

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2016	51,098,551
Additions	27,844,283
Deductions / Adjustments during the year	(75,197)
As at March 31, 2017	78,867,637
Amortisation	
As at April 1, 2016	16,755,788
Amortisation for the year	23,652,133
Deductions / Adjustments during the year	(75,197)
Up to March 31, 2017	40,332,724
Net Block as at March 31, 2017	38,534,913
Net Block as at March 31, 2016	34,342,763

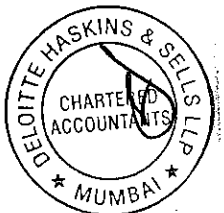


CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 14. Non Current Investments (At cost):

(Amount in ₹)

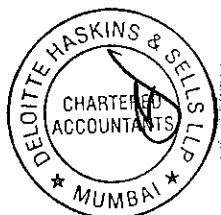
Particulars	As at March 31 2018			As at March 31 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Unquoted: Trade Investments:						
Investment in equity shares of Group Company						
India Infoline Limited		-	-	10	20	1,500
Sub Total						1,500
Unquoted: Non Trade Investments:						
Investment in equity shares						
India Alternatives Investment Advisors Pvt. Ltd. (Refer Note 24)	10	1	8,501	10	1	8,501
Less: Diminution			(8,501)			(8,501)
MF Utilities India Pvt. Ltd	1	500,000	500,000	1	500,000	500,000
Fineworthy Software Solutions Ltd.	10	10,000	100,000	10	10,000	100,000
Sub Total			600,000			600,000
Investment in Venture capital fund						
India Alternatives Private Equity Fund			-			-
Sub Total						
Investment in Alternative investments fund (Carry units) (Refer Note 14.1)						
IIFL Real Estate Fund (Domestic) Series 1 - Class B	-	-	-	10	288	2,880
IIFL Income Opportunities Fund Series - Special Situation - Class B Units	7.1	1,685	11,968	7.46	1,684.61	12,575
IIFL National Development Agenda Fund - Class C Units	-	-	-	8.47	9,466.56	85,000
IIFL Investment Opportunities Fund- Spl. Series 1	-	-	-	10	2,500	25,000
IIFL Cash Opportunities Fund - Class C	10	1,000	10,000	10	1000	10,000
IIFL Real Estate Fund (Domestic) Series 2 - Class C Units	10	2,370	23,700	10	2,370	23,700
IIFL Real Estate Fund (Domestic) - Series 4 - Class D	10	2,500	25,000	10	2,500	25,000
IIFL Best of Class Fund - Series I - Class C Units	5.81	2,500	14,528	10	2,500	25,000
IIFL Best of Class Fund - Series II - Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Seed Venture Fund - Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Asset Revival Fund Series 2- Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Asset Revival Fund Series 3- Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Yield Enhancer Fund- Class D Units	3.81	2,500	9,515	10	2,500	25,000
India Housing Fund - Class B	10	2,500	25,000	-	-	-
IIFL Long Term Growth Fund 1 - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund Series 2 - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund Series 3 - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund Series 4 - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund - Series 5 - Class B	10	2,500	25,000	-	-	-
IIFL Special Opportunities Fund Series 7 - Class B	10	2,500	25,000	-	-	-
IIFL Phoenix Cash Opportunities Fund- Class C	10	1,500	15,000	10	2,500	25,000
Sub Total			409,711			359,155
Investment in Alternative Investments fund (Others)						
Motilal Oswal Focused Growth Opportunities Fund - Class C (NAV - ₹ 14.2472, P.Y. ₹ 12.1977)	10	20,000	200,000	10	20,000	200,000
Sundaram Alternative Opportunities Fund Nano Cap Series 1 - Class E (NAV - ₹ 1.14,922.7791, P.Y. ₹ 1,00,000)	100,000	147.02	16,700,000	100,000	25.05	2,505,000
IIFL Investment Opportunities Fund- Spl. Series 1 Class S (NAV - NIL, P.Y. ₹ 11.3352)	-	-	-	10	7,635,711	80,000,000
IIFL Cash Opportunities Fund Sponser Class A (NAV - ₹ 12.08, P.Y. ₹ 11.3851)	10	9,326,065	112,312,868	10	9,326,357	100,000,000
IIFL Real Estate Fund (Domestic) Series 3 - Class S (NAV - ₹ 10.7257, P.Y. ₹ 10.6376)	10	25,000,000	268,142,500	10	25,000,000	250,000,000
IIFL Real Estate Fund (Domestic) - Series 4 - Class S (NAV - ₹ 10.2949, P.Y. ₹ 10.0000)	10	10,000,000	102,949,000	10	10,000,000	100,000,000
IIFL Best of Class Fund - Series I - Class S (NAV- ₹ 11.6781, P.Y. NIL)	10	5,000,000	63,156,000	10	5,000,000	49,679,997
IIFL Best of Class Fund - Class B Class 3 (RELIANCE) (NAV - ₹ 11.0671, P.Y. ₹ 12.8327)	10	5,000,000	54,546,000	10	5,000,000	49,384,239
IIFL Seed Venture Fund - Class S (NAV - ₹ 16.2559, P.Y. ₹ 14.5103)	10	18,584,494	302,107,671	10	6,242,543	67,500,000
IIFL Asset Revival Fund Series 2- Class S (NAV - ₹ 14.1145, P.Y. ₹ 13.1915)	10	10,000,000	138,886,000	10	10,000,000	100,000,000
IIFL Asset Revival Fund Series 3- Class S (NAV- ₹ 12.9547, P.Y. ₹ 12.1916)	10	2,941,414	37,328,016	10	4,714,192	50,000,000
IIFL Yield Enhancer Fund- Class S (NAV - ₹ 4.1494, P.Y. ₹ 10.2240)	10	30,218,768	128,493,222	10	12,500,000	125,000,000
IIFL Phoenix Cash Opportunities Fund- Class S (NAV - ₹ 10.9285, P.Y. ₹ 10.2390)	10	2,896,148	31,527,472	10	1,000,000	10,000,000



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Biome Ventures Fund (NAV ₹ 18,206, P.Y. ₹ 18,511)	10	1,488	16,863,494	10,000	1,488	16,863,494
Iifl Focused Equity Strategies Fund - S1 (NAV - ₹ 15.0385, P.Y. ₹ 11.2892)	10	2,156,072	31,684,129	10	833,333	8,333,333
Iifl Focused Equity Strategies Fund - S2 (NAV - ₹ 11.0547, P.Y. ₹ 12.1451)	10	2,118,434	23,879,833	10	833,333	8,333,333
Iifl Focused Equity Strategies Fund - S3 (Nav - ₹ 11.6667, P.Y. ₹ 10.7403)	10	2,307,261	26,707,013	10	833,333	8,333,334
IIFL Income Opportunities Series Debt Advantage (NAV - ₹ 10.6879, P.Y. ₹ 10.2633)	10	17,867,792	190,969,175	10	4,956,271	50,000,000
Ask Select Focus Fund - Class E (NAV - ₹ 951.3506, P.Y. NIL)	1,000	5,000	5,000,000	-	-	-
IIFL Select Series I - Class A (NAV - ₹ 12.5318, P.Y. ₹ 10.9935)	10	1,680,799	20,693,665	10	1,676,041	17,000,000
IIFL Select Equity Fund - Sponsor Contribution (NAV - ₹ 9.7745, P.Y. ₹ 10.0000)	10	2,038,086	19,921,270	10	2,000,000	20,000,000
IIFL Special Opportunities Fund - Class S (NAV - ₹ 10.0102, P.Y. NIL)	-	-	-	10	1,250,000	12,500,000
IIFL Income Opportunities Series Regular Income - Class S (NAV - ₹ 10.0074, P.Y. NIL)	-	-	-	10	3,695,652	36,956,521
Global Dynamic Opportunities Fund - Cell 74	-	-	-	100	51,000	330,636,338
IIFL Re Organize India Equity Fund (NAV - ₹ 9.0179, P.Y. ₹ 10.0281)	10	4,984,299	44,915,514	10	2,500,000	25,000,000
Iron Pillar Fund 1 Class A (NAV - ₹ 10.0000, P.Y. NIL)	100	291,118	29,111,800	-	-	-
Motilal Oswal Focused Growth Opportunities Fund Carry Units - Class B (NAV - ₹ 14.1023, P.Y. ₹ 12.3818)	10	862,449	10,000,000	10	604802	6,500,000
DSP BlackRock AIF Pharma Fund - Class C (NAV - ₹ 96.2200, P.Y. NIL)	100	100,000	10,000,000	-	-	-
Sundaram Alternative opportunities Fund Nanocap Series II - Class E (NAV - ₹ 1.06,745.5141, P.Y. NIL)	100,000	154	16,700,000	-	-	-
Sundaram Alternative opportunities Fund Nanocap Series II - Class I (NAV - ₹ 1.08,332.6074, P.Y. NIL)	100,000	1	100,000	-	-	-
White Oak India Equity Fund - Class I (NAV - ₹ 10.2555, P.Y. NIL)	10	1,293,393	13,000,000	-	-	-
Yournest Angel Fund - Scheme 1 (NAV - ₹ 1.0000, P.Y. NIL)	1	1,575	1,575	-	-	-
India Housing Fund (NAV - ₹ 10.0482, P.Y. NIL)	10	5,000,000	50,625,500	-	-	-
IA ALL CAP FUND (NAV - ₹ 9.6586, P.Y. NIL)	10	5,645,048	54,484,310	-	-	-
IA Diversified Fund (NAV - ₹ 10.1130, P.Y. NIL)	10	7,500,000	75,684,000	-	-	-
IIFL Blended Fund Series - A - CAPMETRICS - CONCENTRATED HIGH GROWTH (NAV - ₹ 10.3100, P.Y. NIL)	10	625,000	6,433,438	-	-	-
IIFL Blended Fund Series - A - MOTILAL - LONG TERM VALUE (NAV - ₹ 9.6402, P.Y. NIL)	10	637,624	6,142,610	-	-	-
IIFL Blended Fund Series - A - NO ADVISOR - MULTI CAP STRATEGY (NAV - ₹ 9.3848, P.Y. - NIL)	10	638,199	5,980,056	-	-	-
IIFL Blended Fund Series - A - TRIVANTAGE - RESURGENT FINANCIALS (NAV - ₹ 8.6841, P.Y. NIL)	10	651,268	5,654,700	-	-	-
IIFL Blended Fund Series - C (NAV - ₹ 9.8034, P.Y. NIL)	10	3,010,000	29,470,910	-	-	-
IIFL Long Term Equity Growth Fund (NAV - ₹ 10.5418, P.Y. NIL)	10	1,000,000	10,525,500	-	-	-
IIFL Long Term Growth Fund I - Class S (NAV - ₹ 10.3239, P.Y. NIL)	10	10,000,000	102,726,000	-	-	-
IIFL Blended Series - C (NAV - ₹ 9.7581, P.Y. NIL)	10	2,500	25,000	-	-	-
IIFL Special Opportunities 4 - Nazara Technology (NAV - ₹ 9.9956, P.Y. NIL)	10	6,866,724	68,639,774	-	-	-
IIFL Special Opportunities Fund - Nazara Technologies - Co-Investment (NAV - ₹ 9.9924, P.Y. NIL)	10	175,011	1,748,832	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9015, P.Y. NIL)	10	381,093	6,187,200	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9040, P.Y. NIL)	10	404,782	3,918,454	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9015, P.Y. NIL)	10	381,093	6,187,200	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9040, P.Y. NIL)	10	404,782	3,918,454	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9015, P.Y. NIL)	10	381,093	6,187,200	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9040, P.Y. NIL)	10	404,782	3,918,454	-	-	-
IIFL Special Opportunities Fund - Co Investment (NSDL E-Governance Infrastructure) Class S (NAV - ₹ 9.9985, P.Y. NIL)	10	485,026	4,849,727	-	-	-
IIFL Special Opportunities Fund - Series 1 - Class S (NAV - ₹ 11.5775, P.Y. NIL)	10	3,543,689	40,704,941	-	-	-
IIFL Special Opportunities Fund - Series 1 Co Investment (Nse India Ltd) Class S (NAV - ₹ 9.9960, P.Y. NIL)	10	893,171	8,928,402	-	-	-
IIFL Special Opportunities Fund - Series 2 - Class S (NAV - ₹ 11.1665, P.Y. NIL)	10	3,599,650	39,847,765	-	-	-
IIFL Special Opportunities Fund - Series 2 - Nazara Technologies - Co-Investment (NAV - ₹ 9.9924, P.Y. NIL)	10	175,011	1,748,832	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (IEX) Class S (NAV - ₹ 9.8107, P.Y. NIL)	10	172,477	1,600,964	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (NSDL E-Governance Infrastructure) Class S (NAV - ₹ 9.9985, P.Y. NIL)	10	485,026	4,849,727	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (Nse India Ltd) Class S (NAV - ₹ 9.9960, P.Y. NIL)	10	893,068	8,927,377	-	-	-
IIFL Special Opportunities Fund - Series 3 - Nazara Technologies - Co-Investment (NAV - ₹ 9.9924, P.Y. NIL)	10	175,011	1,748,832	-	-	-
IIFL Special Opportunities Fund - Series 3 - Class S (NAV - ₹ 10.9476, P.Y. NIL)	10	3,644,632	39,605,125	-	-	-
IIFL Special Opportunities Fund - Series 3 Co Investment (IEX) Class S (NAV - ₹ 9.8107, P.Y. NIL)	10	172,477	1,600,964	-	-	-
IIFL Special Opportunities Fund - Series 3 Co Investment (NSDL E-Governance Infrastructure) Class S (NAV - ₹ 9.9985, P.Y. NIL)	10	485,026	4,849,727	-	-	-



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value in	Quantity	Amount	Face Value in ₹	Quantity	Amount
IIFL Special Opportunities Fund - Series 3 Co Investment (Nse India Ltd) Class S (NAV - ₹ 9.9953, P.Y. NIL)	10	894,852	8,944,581	-	-	-
IIFL Special Opportunities Fund - Series 4 - Class S (NAV - ₹ 10.0461, P.Y. NIL)	10	2,509,319	25,094,695	-	-	-
IIFL Special Opportunities Fund - Series 4 - Nazara Technologies - Co-Investment (NAV - ₹ 9.9924, P.Y. NIL)	10	175,011	1,748,832	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (IEX) Class S (NAV - ₹ 9.8107, P.Y. NIL)	10	172,477	1,600,964	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (NSDL E-Governance Infrastructure) Class S (NAV - ₹ 9.9985, P.Y. NIL)	10	485,026	4,849,727	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (Nse India Ltd) Class S (NAV - ₹ 9.9960, P.Y. NIL)	10	890,062	8,897,412	-	-	-
IIFL Special Opportunities Fund - Series 5 - Class S (NAV - ₹ 9.9022, P.Y. NIL)	10	2,529,204	24,950,094	-	-	-
IIFL Special Opportunities Fund - Series 5 - Nazara Technologies - Co-Investment (NAV - ₹ 9.9924, P.Y. NIL)	10	175,011	1,748,850	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (IEX) Class S (NAV - ₹ 9.8107, P.Y. NIL)	10	172,477	1,600,964	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (NSDL E-Governance Infrastructure) Class S (NAV - ₹ 9.9985, P.Y. NIL)	10	485,026	4,849,727	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (Nse India Ltd) Class S (NAV - ₹ 9.9958, P.Y. NIL)	10	890,654	8,903,160	-	-	-
IIFL Special Opportunities Fund Series 7 - Cals S (NAV - ₹ 10.0542, P.Y. NIL)	10	5,000,000	50,209,000	-	-	-
IIFL Special Opportunities Fund Co Investment (IEX) Class S (NAV - ₹ 9.8107, P.Y. NIL)	10	172,477	1,600,964	-	-	-
IIFL Special Opportunities Fund-(Co-Investment - Nazara Technologies) Series 1 (NAV - ₹ 9.9947, P.Y. NIL)	10	299,021	2,988,749	-	-	-
IIFL Special Opportunities Fund-(Co-Investment - Nazara Technologies) Series 2 (NAV - ₹ 9.9946, P.Y. NIL)	10	299,021	2,988,749	-	-	-
IIFL Special Opportunities Fund-(Co-Investment - Nazara Technologies) Series 3 (NAV - ₹ 9.9946, P.Y. NIL)	10	299,021	2,988,720	-	-	-
IIFL Special Opportunities Fund-(Co-Investment - Nazara Technologies) Series 4 (NAV - ₹ 9.9947, P.Y. NIL)	10	299,021	2,988,749	-	-	-
IIFL Special Opportunities Fund - Series 5 Co-Investment - Nazara Technologies (NAV - ₹ 9.9954, P.Y. NIL)	10	299,021	2,988,749	-	-	-
IIFL Special Opportunities Fund 5 - Nazara Technology (NAV - ₹ 9.9956, P.Y. NIL)	10	60,001	599,769	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2036, P.Y. NIL)	10	47,644	563,059	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2036, P.Y. NIL)	10	47,644	563,059	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2036, P.Y. NIL)	10	47,644	563,059	-	-	-
Sub Total						
Investments in NCDs			2,485,847,824			1,524,725,589
19% DEBENTURES OF ARCH ARGO INDUSTRIES PVT. LTD.	10,000	7,221	36,917,610	10,000	7,221	36,917,610
Less: Provision for Diminution			(36,917,610)			(36,917,610)
Reliance Capital Limited RCL MLD SERIES B/367-A 28-NOV-19	100,000	137	13,700,000	100,000	137	13,700,000
Reliance Capital Limited SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC	100,000	629	62,900,000	100,000	629	62,900,000
Reliance Capital Limited SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC	100,000	704	70,400,000	100,000	704	70,400,000
Reliance Capital Limited SR-B/364A TYPE I BR NCD 04NV19 FVRS1LAC	100,000	336	33,600,000	100,000	336	33,600,000
Reliance Capital Limited RCL MLD SERIES B/369-A TYPE II 02-DEC-19	100,000	60	6,000,000	100,000	60	6,000,000
Reliance Capital Limited SERIES B/435-A	100,000	1,805	180,500,000	-	-	-
Reliance Capital Limited SR-B/433A BR NCD 09AG21 FVRS1LAC	100,000	3,321	333,621,936	-	-	-
Sub Total			700,721,936			186,600,000
Quoted: Non Trade Investment:						
Investments in Mutual Funds						
IIFL Mutual Fund Dynamic Bond Fund-Direct Plan-Growth (NAV - ₹ 14.2639, P.Y. ₹ 13.21)	10	563,625	6,115,327	10	563,625	6,115,327
IIFL India Growth Fund - Direct Plan - Growth (NAV - ₹ 14.4562, P.Y. ₹ 13.5651)	10	533,063	5,330,634	10	533,063	5,330,634
IIFL Liquid Fund - Direct Plan - Growth (NAV - ₹ 1368.4983, P.Y. ₹ 1287.1548)	1,000	4,769	5,865,044	1000	4,769	5,865,044
Sub Total			17,311,005			17,311,005
Grand Total			3,204,890,476			1,729,597,249
Aggregate Value of Quoted Investments			17,311,005			17,311,005
Aggregate Value of Unquoted investments			3,224,505,582			1,749,212,355
Market Value of Quoted investments			22,272,018			20,814,980

14.1 The NAV for carry units of AIF can be determined at the time of closure of Fund basis the distribution waterfall as per PPM and hence not shown above.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 15. Deferred Tax Asset (Net):

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Group has taken (credit) of ₹ 26,721,286/- (P.Y. ₹ 82,137,358/-) in the Statement of Profit and Loss towards deferred tax asset (net) during the year on account of timing differences.

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Deferred Tax Assets		
On Depreciation	20,398,538	245,801
On Employee Benefits	23,470,337	15,512,460
On Provision for doubtful debts	2,674,737	2,649,018
On Provision for Standard assets	96,784,810	36,993,409
On Short term/Long Term Capital losses/ Business Loss	24,120,009	77,565,308
On MTM Revaluation	896,498	-
Sub-Total	168,344,929	132,965,996
Deferred Tax Liabilities		
On MTM on Options	(8,610,324)	-
Sub-Total	(8,610,324)	-
Total	159,734,605	132,965,996

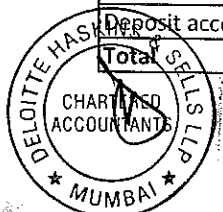
Note 16. Long Term Loans and Advances:

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Loans		
- Secured, considered good (Refer Note 16.1)	16,889,249,905	12,278,953,753
- Unsecured, considered good	530,000,000	352,241,378
Others		
Unsecured, Considered good		
- Deposits	63,082,713	65,083,233
- Deposit with exchange	284,150,000	228,700,000
- Deposit with The Clearing Corporation of India Ltd (CCIL)	22,200,000	-
- Loans and Advances to employees	4,701,243	4,853,907
- Prepaid Expense	67,531,991	6,213,032
- Others	350	350
Sub Total	17,860,916,202	12,936,045,653
Advance Income Tax (Net of provision for tax of ₹ 1,572,528,228/-) (Previous year ₹ 750,830,963/-)	126,453,819	93,122,700
MAT credit	1,392,413	1,480,923
Total	17,988,762,434	13,030,649,276

16.1. These loans and advances are secured or partly secured against shares/ bonds / debentures or other securities and property

Note 17. Other Non-Current Assets :

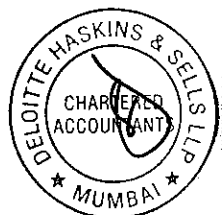
Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Receivable on Market linked products	113,524,524	56,606,330
Deposit account (Original Maturity more than 12 Months)	3,300,000	-
Total	116,824,524	56,606,330



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 18. Current Investments (At lower of cost and market value, unless otherwise stated):

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Quoted, Non Trade Investments						
Investment in Mutual Funds						
IIFL Liquid Fund - Direct Plan Growth (NAV - ₹ 1,365.5016 P.Y. ₹1,284.9729)	1,000	8	10,000	1,000	8	10,000
ICICI Prudential Flexible Income Fund (NAV-₹ 311.6753)	-	-	-	100	8,030	2,500,000
IIFL India Growth Fund -Regular Plan - Growth (NAV - ₹ 14.4562, P.Y. ₹13.2428)	10	278,028	3,013,403	10	278,028	3,013,403
HDFC Liquid Fund - Growth Option (NAV - ₹ 3,410.5605, P.Y. ₹ 3,208.9181)	1,000	17,459	56,498,067	1000	8,806	27,998,366
IIFL India Growth Fund - Regular Plan - Growth Option (NAV-₹ 13.2428, P.Y.NIL)	-	-	-	10	38,378,812	500,000,000
IIFL Dynamic Bond Fund - Regular Plan - Growth Option (NAV - ₹ 13.9193, P.Y. ₹ 12.9627)	10	3,107,375	40,000,000	10	3,107,375	40,000,000
HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option (NAV - ₹ 10.0278, P.Y. ₹ 10.0265)	10	1,000,000	10,000,000	10	1,000,000	10,000,000
DSP Blackrock Mutual Fund Liquidity Fund Insti Plan Growth (NAV - ₹ 2,485.3203, P.Y. ₹ Nil)	10	19,071	44,789,823	-	-	-
IIFL India Growth Fund Regular Plan Growth (NAV - ₹ 13.9045, P.Y. ₹ Nil)	10	7,013,459	100,000,000	-	-	-
Bharti Axa Treasury Advantage Fund-Retail Growth Plan (NAV - ₹ 2,099.2449, P.Y. ₹ Nil)	1,000	381,089	800,000,000	-	-	-
Indiabulls Blue Chip Fund - Direct Plan - Dividend - Payout (NAV - ₹ 11.0400, P.Y. Nil)	10	63,996,492	948,428,016	-	-	-
Reliance Liquid Fund-Cash Plan-Growth Plan - Growth Option (NAV - ₹ 2,694.9173, P.Y. Nil)	1,000	167,395	450,000,000	-	-	-
Less: Diminution			(241,906,741)			
Sub Total			2,210,832,568			583,521,769
Unquoted, Non Trade Investments						
Investment in Equity Shares						
Shankara Building Products Limited	-	-	-	10	48,769	22,433,740
Sub Total						22,433,740
Investments in Others (Venture Capital Funds/Alternate Investment Funds)						
IIFL Cash Opportunities Fund (NAV-₹ 12.0819, P.Y. ₹ 11.3851)	10	30,731,165	371,290,858	10	375,197,826	4,271,664,771
IIFL Income Opportunities Fund (NAV-₹ 0.6567, P.Y.NIL)	-	-	-	10	57,057,309	41,762,398
IIFL Income Opportunities Fund Series - Special Situation- Class B (NAV-₹ 9.6751, P.Y.₹ 11.1491)	-	-	-	10	932,923	8,133,503
IIFL Income Opportunities Series Debt Advantage - Class 5 (NAV-₹ 10.2633, P.Y.NIL)	-	-	-	10	41,224,092	420,213,655
IIFL Real Estate Fund(Domestic) Series 1 - Class A (NAV-₹ 16.0223, P.Y.NIL)	-	-	-	10	136,067	2,181,195
IIFL Real Estate Fund(Domestic) Series 1 - Class C (NAV-₹ 16.0223, P.Y.NIL)	-	-	-	10	2,025,000	32,461,358
IIFL Real Estate Fund Domestic Series 3 Class B (NAV - ₹ 10.3311, P.Y. - ₹ 10.6369)	10	1,953,225	20,178,960	10	970,964	10,377,279
IIFL Real Estate Fund Domestic Series 3 Class C (NAV - ₹ 5.9645, P.Y. - ₹ 9.2645)	10	3,680,000	21,949,360	10	3,680,000	35,536,288
IIFL Seed Venture Fund- Class B (NAV-₹ 14.5103, P.Y.NIL)	-	-	-	10	7,206,866	89,748,507
Malabar Value Fund (NAV-₹ 128.8825, P.Y. ₹ 108.0880)	100	855,838	100,000,000	100	386,786	40,000,000
IIFL Income Opportunities Series Regular Income - Class A3 (NAV-₹ 10.0074, P.Y.NIL)				10	196,304,348	1,963,043,478
Global Dynamic Opportunities Fund				100	31,800	206,161,137
Global Dynamic Opportunities Fund - Cell 99	100	59,121	397,677,965	-	-	-
UCITS Fund			2,409,909			
ICICI Prudential Real Estate AIF II Class A (NAV-₹ 100.00, P.Y. ₹ Nil)	100.00	728,196	75,339,120	-	-	-
IIFL Income Opportunities Series Debt Advantage (NAV - ₹ 10.6906, P.Y. - Nil)	10.00	1,000,000	10,690,600	-	-	-



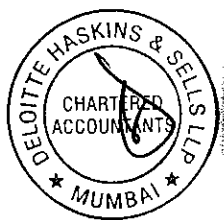
CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
IIFL Real Estate Fund (Domestic) - Series 4 - Class A (NAV - ₹ 10.3226, P.Y. - NIL)	10.00	24,326,679	251,114,575	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (Nse India Ltd) Class A2 (NAV - ₹ 9.9838, P.Y. - NIL)	10.00	224,997	2,246,435	-	-	-
IIFL Special Opportunities Fund - Series 5 Class A1 (NAV - ₹ 9.8133, P.Y. - NIL)	10.00	516,579	5,030,907	-	-	-
IIFL Yield Enhancer Fund (NAV - ₹ 3.9875, P.Y. - NIL)	10.00	1,235,846	5,024,457	-	-	-
Sub Total			1,262,953,146			7,121,283,569
Quoted, Non Trade, Investments						
Investment in NCD						
ECL FINANCE LTD B9C603 OPTION C 10-APRIL-17 (NAV- ₹ 109338.00, P.Y. NIL)	-	-	-	100,000	100	10,931,300
CORPORATION BANK SR-II 10.28 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	1,500	1,500,000,000
BANK OF INDIA SR-I 11 BD PERPETUAL FVRS10LAC	-	-	-	1,000,000	1,336	1,406,434,286
ALLAHABAD BANK SR-I 11.15 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	275	275,000,000
ANDHRA BANK SR-III 10.99 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	1,385	1,440,802,600
BANK OF INDIA SR-III 11.5 BD PERPETUAL FVRS10LAC	-	-	-	1,000,000	12	12,955,546
IDBI BANK LIMITED SR-II 10.75 BD PERPETUAL FVRS10LAC	-	-	-	1,000,000	1,417	1,468,926,172
ORIENTAL BANK OF COMMERCE SR-2 10.95 BD PERPETUAL FVRS10LAC	-	-	-	1,000,000	1,400	1,457,226,000
PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	500	487,084,000
State Bank Of India SR-1 9 BD Perpetual FVRS10LAC	1,000,000	215	219,774,075	1,000,000	203	210,144,987
State Bank Of India SR-III 8.39 BD Perpetual FVRS10LAC	1,000,000	938	933,509,754	1,000,000	730	721,425,080
SYNDICATE BANK SR-I 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	20	21,339,180
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	683	726,659,486
VIJAYA BANK SR-IV 10.49 LOA PERPETUAL FVRS10LAC	-	-	-	1,000,000	300	303,995,100
Bank Of India SR-I 11 BD Perpetual FVRS10LAC	1,000,000	1,073	1,129,478,571	-	-	-
Punjab National Bank SR-VIII 8.95 LOA Perpetual FVRS10LAC	1,000,000	100	98,144,700	-	-	-
State Bank Of India SR-IV 8.15 BD Perpetual FVRS10LAC	1,000,000	50	48,453,900	-	-	-
Less : Provision for Diminution			(8,004,491)			(157,228,267)
Sub Total			2,421,356,509			9,885,695,470
Others						
IRB Invit Fund		20,240,000	1,836,960,581			
Less: Charge for Diminution			(176,493,936)			
Subtotal			1,660,466,645			
Grand Total			7,555,608,867			17,612,934,548
Aggregate Value of Quoted Investments			6,719,060,890			10,626,445,506
Aggregate Value of Unquoted Investments			1,262,953,146			7,143,717,309
Market Value of Quoted Investments			4,882,100,313			10,695,828,944

Note:

Market Value of Investments in quoted mutual funds represents the Net Assets Value (NAV) of the units issued by the mutual funds



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 19. Trade Receivable:

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	38,260,635	212,695,770
- Considered doubtful	7,654,352	7,654,352
Provision for doubtful receivables	(7,654,352)	(7,654,352)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	1,872,924,378	3,033,758,827
- Considered doubtful	-	-
- Provision for doubtful receivables	-	-
Total	1,911,185,013	3,246,454,597

Note 20. Cash and Cash Equivalent:

Particulars	(Amount in ₹)	
	As at March 31,2018	As at March 31,2017
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	1,172,651	659,983
Cheques on Hand	-	8,430,297
Balances with Banks		
- In Current accounts	1,172,637,222	6,181,940,855
- In Client accounts	1,350,336,443	498,000,906
- In Deposit accounts (Original Maturity less than 3 months)	2,687,080,000	2,916,969,174
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statement)	5,211,226,316	9,606,001,215
Other Bank Balances:		
- In Deposit account (Original Maturity from 3 to 12 Months)	20,000,000	15,000,000
- In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months)	314,950,000	265,000,000
- In Deposit account under lien (Original Maturity from 3 to 12 Months) (Refer Note 20.1)	1,823,484,063	2,865,000,000
Total Other Bank Balances (b)	2,158,434,063	3,145,000,000
Total (a+b)	7,369,660,379	12,751,001,215

20.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y ₹ 375,000,000/-) are lien marked with banks to avail Bank guarantee facilities and fixed deposits amounting to ₹ 1,250,000,000/- (P.Y ₹ 2,490,000,000/-) are under lien for Overdraft facility.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 21. Short Term Loans and Advances:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Loans		
- Secured, considered good	46,924,092,964	21,197,880,280
- Unsecured considered good	2,667,703,723	2,334,713,100
Inter Corporate Deposits (ICD)(Related Party) (Refer Note 38)		
- Unsecured, considered good	18,811,585	32,156,673
Others		
Secured, Considered good		
-Margin Exposure	-	28,258
- Lending under CBLO	2,500,000,000	-
- Unexpired discount on CBLO	(1,273,324)	-
Other Loans and Advances (Unsecured, Considered good)		
- Advances recoverable in cash or in kind or for value to be received	21,587,123	11,243,184
- Prepaid Expenses	96,428,886	60,962,182
- Deposit	12,743,693	7,399,012
- Goods & Services tax receivable	3,948,298	15,072,689
- Loans & advances to employees	4,692,302	9,675,478
- Advances to Group/Holding Company	-	4,466,093
- Others	668,203	6,892,235
Total	52,249,403,453	23,680,489,184

Note 22. Other Current Assets:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on Investments	124,716,573	450,008,649
Interest accrued and due on Investments	-	5,037,485
Interest accrued and due on Loans	1,330,255,538	485,120,605
Interest accrued and due on ICD	1,520,003	-
Interest accrued but not due on Fixed Deposits	40,521,905	54,639,666
Income accrued on AIF	13,994,174	21,794,437
Receivable from Exchange	90,416,376	795,410,218
Receivable from Fund	33,910,307	119,980
Receivable from Client	2,636,301,689	1,384,923,042
Option Premium Paid	49,750,350	-
Others	344,262,810	655,076
Total	4,665,649,725	3,197,709,158



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 23. Revenue from Operations:

(Amount in ₹)

Particulars	2017-2018		2016-2017	
Distribution Fees		6,204,124,547		3,912,817,760
Commission Income		532,287,593		543,348,129
Investment / Fund Management Fees		1,486,981,196		1,304,270,110
Distribution Income form AIF/VCF		475,338,666		269,562,030
Advisory Fees		504,694,376		56,709,928
Trustee Fess		32,970,463		15,732,147
Dividend Income		10,407,275		8,105,019
Profit/ (Loss) from		-		-
Trading Activities - Mutual Fund - Current Investments	490,150,291		429,112,503	
Sale of Current Investments	370,026,375		545,385,146	
Sale of Non-Current Investments	-	860,176,666	-	974,497,649
Profit/ (Loss) from Commodity Trading				
Sale of traded goods	-		87,060,990	
Less: Purchase of traded goods	-	-	(87,279,150)	(218,160)
Interest Income on				
Loans	5,279,916,280		2,584,626,760	
Current Investments	1,134,361,579		568,125,686	
Long Term Investments	22,113,822		21,450,803	
Inter-Corporate Deposits	-		952,328	
Fixed Deposits	153,033,984		107,865,383	
Others	1,390,245	6,590,815,910	-	3,283,020,960
Processing Fees		15,397,589		35,376,099
Income from Derivatives		(62,664,276)		-
Other Income		-		415,944
Total		16,650,530,005		10,403,637,615



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 24. Other Income:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Profit/ (Loss) from		
- Sale of Current Investments	82,734,879	169,230,396
- Sale of Non Current Investments	29,613,076	93,702,261
- Sale of shares of erstwhile subsidiary (Refer Note 24.1)	-	(35,868,630)
- Sale of Fixed Assets	533,028	-
- Trading Activities - Mutual Fund - Current Investments	(232,229,555)	61,763,328
Interest Income		
- Current Investments	126,486,513	76,730,526
- Non - Current Investments	-	6,169,238
- Fixed Deposits	55,883,591	40,929,792
- Inter Corporate Deposits (Refer Note 38)	2,011,034	3,985,923
- Staff loan	744,055	402,855
- Income tax refund	232,687	663,883
- Others	285,323	-
Dividend Income on Investments	660,382,535	116,442
Miscellaneous income	809,050	7,122,571
Total	727,486,216	424,948,585

24.1 During the previous year the Holding Company sold 7,099 equity shares and 4,046 preference shares of India Alternatives Investment Advisors Private Limited (India Alternatives) for an aggregate consideration of ₹ 111,450/-. The loss on account of sale of above shares amounted to ₹ 35,868,630/-. India Alternatives ceased to be subsidiary consequent to the sale of equity shares by the Company as on March 31, 2017.

Note 25. Employee Benefit Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Salaries and Bonus	3,689,537,386	2,508,597,093
Contribution to Provident Fund and Other Funds (Refer Note 25.2)	70,687,996	54,580,853
Gratuity Expense (Refer note 25.1)	23,865,859	34,183,469
Compensated Absences	33,407,915	18,761,812
Staff Welfare Expenses	59,446,111	17,062,983
Total	3,876,945,267	2,633,186,210

25.1 The Group is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:

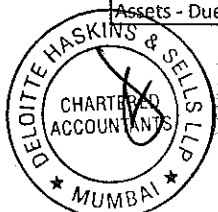


CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Assumptions	2017-2018	2016-2017
Discount rate	7.71% - 7.80%	7.26% - 7.27%
Salary Escalation	7.50%	5.00%
Change in Benefit Obligation	2017-2018	2016-2017
Liability at the beginning of the year	107,994,817	73,737,664
Interest Cost	7,470,758	5,498,711
Current Service Cost	(5,859,188)	15,056,109
Expenses on Transfer in	-	757,898
Liability transferred in	5,263,353	5,159,781
Liability transferred out	(4,488,417)	(4,459,536)
Benefit paid	(1,511,547)	(3,581,829)
Actuarial (gain)/ Loss on obligations	26,025,782	15,918,976
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	29,600	(92,957)
Liability at the end of the year	134,925,158	107,994,817
Fair value of Plan Assets	2017-2018	2016-2017
Fair Value of Plan Assets at the beginning of the year	50,982,777	50,807,251
Expected return on Plan Assets	3,706,448	3,993,450
Contributions by the employer	30,000,000	-
Benefits paid	(308,480)	(2,872,699)
Actuarial Gain/(Loss) on Plan Assets	65,045	(945,225)
Fair Value of Plan Assets at the end of the year	84,445,790	50,982,777
Amount Recognised in the Balance Sheet	2017-2018	2016-2017
Liability at the end of the year	134,925,158	107,994,817
Fair Value of Plan Assets at the end of the year	84,445,790	50,982,777
Differences	50,479,368	57,012,040
Amount of (liability)/ Asset Recognised in the Balance Sheet	50,479,368	57,012,040
Expenses Recognised in the Statement of Profit & Loss Account	2017-2018	2016-2017
Current Service cost	(5,859,188)	15,056,109
Interest Cost (net of expected return on plan assets)	3,764,310	1,505,261
Net Transfer In	-	757,898
Actuarial Gain or Loss	25,960,737	16,864,201
Expenses Recognised in the Statement of Profit & Loss Account	23,865,859	34,183,469
Balance Sheet Reconciliation	2017-2018	2016-2017
Opening Net liability	57,012,040	22,930,413
Expense as above	23,865,859	34,183,469
Net Transfer In	5,263,353	5,159,781
Net Transfer Out	(4,488,417)	(4,459,536)
Employers contribution	(30,000,000)	(709,130)
Benefit Paid Directly by the Employer	(1,203,067)	-
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	29,600	(92,957)
Liability/(Asset) Recognised in Balance sheet	50,479,368	57,012,040

Experience Adjustment	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of the Obligation	134,925,158	107,994,817	(69,939,286)	(44,355,142)	(31,317,799)
Fair Value of Plan Assets	84,445,790	50,982,777	50,807,251	39,437,189	13,272,375
(Surplus) or Deficit	50,479,368	57,012,040	(19,132,035)	(4,917,953)	(18,045,424)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	10,635,289	9,740,728	22,211,537	7,224,094	2,779,710
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	65,045	(945,225)	1,170,062	(24,297)	49,761



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

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

Estimated amount of payment in respect of Gratuity to the fund will be ₹ 14,751,135/- in F.Y 2017-2018
(Previous year ₹ 33,108,902/-)

Information of major categories of plan assets of gratuity fund are not available with the Group and hence not disclosed as per the requirement of A5 15.

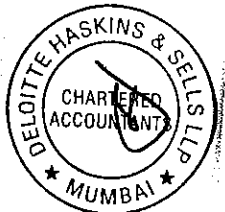
25.2 Defined Contribution Plans:

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

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Contribution to Provident fund	70,545,024	54,525,477
Contribution to ESIC	140,437	51,832
Contribution to Labour Welfare Fund	2,535	3,544
Total	70,687,996	54,580,853

Note 26. Other Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Advertisement Expenses	11,308,201	6,300,711
Exchange and Statutory Charges	1,777,745	6,361,893
Marketing and Commission Expenses	493,247,765	106,670,369
Brokerage and Other Operating Expenses	732,641,281	517,106,470
Bank Charges	3,471,367	2,267,973
Communication Expenses	36,784,305	32,923,933
Donation	13,480,995	17,383,625
Electricity Expenses	28,604,736	20,905,426
Legal and Professional Charges	201,158,942	164,686,537
Corporate social responsibility(CSR) expenses (Refer Note 44)	49,404,353	28,722,700
Miscellaneous Expenses	14,035,989	5,757,649
Office Expenses	84,281,542	70,176,704
Postage and Courier Expenses	6,983,289	5,283,388
Printing and Stationery	26,765,876	17,310,752
Manpower Outsource expenses	27,082,426	14,636,948
Rent Expenses (Refer Note 43)	383,527,562	262,118,184
Insurance charges	24,366,932	14,282,488
Rates and Taxes	13,045,474	48,026,895
Repairs and maintenance:		
- Computers	2,108,325	2,482,674
- Others	6,229,450	2,361,045
Remuneration to Auditors		
- Statutory Audit (net of Service Tax/Goods and Services tax)	8,453,692	7,186,328
- Other services (net of Service Tax/Goods and Services tax)	2,400,000	2,400,000



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	2017-2018	2016-2017
- Service Tax/Goods and Service tax	289,088	219,059
- Certification work and other matters (net of Service Tax/Goods and Services tax)	895,858	691,325
- Out of Pocket Expenses	246,658	203,329
Software Charges	83,687,762	74,154,064
Subscription & Business promotion	4,958,259	727,486
Commission & sitting fees to non executive directors	12,606,940	9,868,024
(Profit)/Loss on Sale of Assets	-	905,186
Travelling and Conveyance	187,738,177	243,688,534
Total	2,461,582,989	1,685,809,699

The above costs are inclusive of Related party transactions (Refer Note 38)

Note 27. Finance Cost:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Interest Expenses		
- Non convertible debentures (Refer Note 27.1)	2,025,576,098	546,255,843
- Commercial papers	3,457,315,620	1,873,814,644
- Inter corporate deposits (Refer note no 38)	-	7,700,035
- Term loan & others	1,017,591	2,093,436
- Delayed payment of taxes	446,189	9,062,516
- Others	17,631,965	1,125,811
Bank Guarantee expenses	6,684,566	1,997,314
Other borrowing cost	57,351,226	47,779,623
Total	5,566,023,255	2,489,829,222

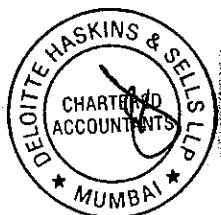
27.1 Includes net MTM of ₹ 983,877,571/- (P.Y ₹127,642,790/-) on market linked products

Note 28. Depreciation & Amortisation:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note – 12)	99,384,387	65,418,805
Amortisation of Intangible Assets (Refer Note – 13)	32,706,768	23,652,133
Total	132,091,155	89,070,938

Note 29. Provision and Write off

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Provision for diminution in value of investments	269,176,865	160,614,647
Mark to Market on Option Contracts (Net)	(36,961,470)	12,321,120
Contingent Provision against Standard assets	148,700,000	125,247,992
Bad debts written off	31,974	1,310
Provision for Doubtful Debts	757	2,624,091
Total	380,948,126	300,809,160



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 30. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

PARTICULARS		2017-2018	2016-2017
BASIC			
Profit after tax as per Consolidated Statement of Profit and Loss	A	3,853,106,384	2,504,692,755
Weighted Average Number of Shares Subscribed	B	78,636,546	73,980,604
Face Value of Equity Shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	49.00	33.86
DILUTED			
Add: Potential Equity Shares on account of conversion of Employee Stock Option	C	2,710,523	572,860
Weighted Average Number of Shares Outstanding	D=B+C	81,347,069	74,553,464
Diluted EPS (₹)	A/D	47.37	33.60

Note 31. The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/ group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the group were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 32. Capital and Other Commitments

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 806,513,712/- (Previous year ₹ 1,225,498,127/-)

Note 33. Contingent Liabilities at Balance Sheet date

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees (Refer Note 33.1)	1,100,000,000	750,000,000
Corporate Guarantee (Refer Note 33.2)	2,000,000,000	-
Disputed Income Tax Demand	4,068,930	-

33.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y. ₹ 375,000,000/-) are pledged against this.

33.2 Corporate Guarantee issued to a bank towards the provision of credit facilities to a subsidiary of the Company.

Note 34. There are no pending litigations by and on the Group as on the balance sheet date.

Note 35. Undisbursed Sanctioned Loans:

As on the balance sheet date there were undisbursed sanctioned loans of ₹ 36,787,696,565/- (P.Y. ₹ 23,711,333,970/-). These undisbursed sanctioned amounts are cancellable at the option of its subsidiary company.



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 36. 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:

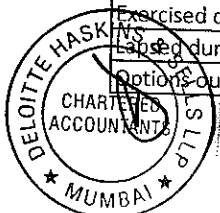
Particulars	ESOP 2012	ESOP 2015
No. of options granted	2,731,935 (A - 1,234,900; B - 758,550; C - 724,600, D - 13,885)	9,072,913 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827)
Grant Dates	A - March 28, 2012; B - August 29, 2013; C - Jun 03, 2014, D - January 28, 2018	A - July 02, 2015, B - November 10, 2016 C - July 21, 2017; D - January 13, 2018; E - January 28, 2018
Method of accounting	Intrinsic Value	Intrinsic 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 - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D & E - ₹ 417.00
Fair Value on the date of Grant of Option (₹ Per Share)	₹ 11.80 - ₹ 417.00	₹ 274.00 - ₹ 417.00

(B) Movement of options granted:

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	128,510	4,310,024
Granted during the year	13,885	1,206,968
Exercised during the year	117,420	1,672,279
Lapsed during the year	-	-
Options outstanding at the end of the year	24,975	3,844,713
Exercisable at the end of the year	11,090	227,662
Weighted average exercise price for the options exercised during the year	₹ 17.32	₹ 283.60
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

Movement of options granted (Previous year):

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	6,965,945
Granted during the year	-	900,000
Exercised during the year	449,185	3,555,921
Lapsed during the year	13,835	-
Options outstanding at the end of the year	128,510	4,310,024



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Particulars	ESOP 2012	ESOP 2015
Exercisable at the end of the year	194,835	1,214,766
Weighted average exercise price for the options exercised during the year	₹ 16.41	₹ 282.00
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 19.00	₹ 282.00

Fair Value Methodology:

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

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

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	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	17.43%-23.19%	3%
Fair value on the date of the grant	₹ 11.80-417	₹ 274-417

Previous Year:

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	8.38%-9.47%	7.87%-6.39%
Expected average life	3 years	3 years
Expected volatility of Share Price	Nil	Nil
Dividend yield	0.00%-38.45%	1.25%-1.64%
Fair value on the date of the grant	₹ 11.80- 417.00	₹ 274.00- 417.00

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

(a) Pro-forma Profit after tax

Particulars	Current year	Previous year
Net Profit as reported	3,853,106,384	2,504,692,755
Less: Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 39,659,955/- (Previous year ₹ 64,086,638/-)]	25,934,438	41,907,534
Net Profit (Pro-forma)	3,827,171,946	2,462,785,221

(b) Pro-forma Earnings per Share

Particulars	Current year	Previous year
Basic earnings per share (as reported)	49.00	33.86
Basic earnings per share (pro-forma)	48.67	33.29
Diluted earnings per share (as reported)	47.37	33.60
Diluted earnings per share (pro-forma)	47.05	33.03



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 37. Details of Inter Corporate Deposits

During the year, the Group/Holding Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 38 and in table below.

Particulars	ICD given	ICD received back	ICD Outstanding
Fineworthy Software Solutions Ltd	-	10,637,810	-
	(1,449,543)	(3,300,000)	(14,328,673)
IIFL Wealth Employee Benefit Trust	802,848	-	2,630,848
	(38,736,212)	(36,908,212)	(1,828,000)
IIFL Special Opportunities Fund	800,000,000	800,000,000	-
	-	-	-

Figures in bracket represents previous year figures.

The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.25% to 9.50% p.a.), for the purpose of meeting working capital and business requirements.

Note 38. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2018.

a) List of Related parties:

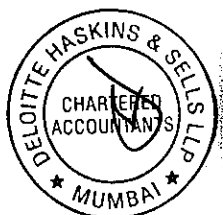
Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Fellow Subsidiaries	IIFL Securities Limited (Formerly known as India Infoline Limited) IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited) India Infoline Finance Limited India Infoline Media and Research Services Limited IIFL Management Services Limited IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited) India Infoline Insurance Services Limited IIFL Facilities Services Limited IIFL Asset Reconstruction Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited
Group Companies	India Infoline Housing Finance Limited Spaisa Capital Limited Spaisa P2P Limited Meenakshi Tower LLP IIFL Asset Reconstruction Limited Samasta Microfinance Limited Ayusha Dairy Private Limited Clara Developers Private Limited
Key Management Personnel	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director
Other related parties	Mr. Nirmal Jain Mr. R. Venkataraman Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Madhu Jain Mrs. Aditi Athavankar Mrs. Dhara Shah MNJ Consultants Private Limited Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited Naykia Realty Private Limited Kyrush Investments Yatin Investment India Alternatives Investment Advisors Private Limited



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

b) Significant Transactions with Related Parties

(Amount in ₹)					
Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries /Group Companies	Other Related Parties	Key Managerial Personnel	Total
Share Capital Issued:					
Karan Bhagat	-	-	-	(4,800,000)	(4,800,000)
Yatin Shah	-	-	-	(1,800,000)	(1,800,000)
Amit Shah	-	-	-	1,800,000	1,800,000
Securities Premium Received:					
Amit Shah	-	-	-	252,000,000	252,000,000
Sale of inventories/Investment (Net)					
IIFL Holdings Limited	1,500	-	-	-	1,500
Dividend Income					
India Infoline Limited	-	460	-	-	460
	-	(395)	-	-	(395)
Arranger Fees Income/ Marketing Support Income/ Referral Fee/ Brokerage - Authorised Person					
India Infoline Limited	-	109,623,506	-	-	109,623,506
	-	(381,604,735)	-	-	(381,604,735)
IIFL Facilities Services Limited	-	-	-	-	-
India Infoline Finance Limited	-	12,271,124	-	-	12,271,124
	-	(52,120,959)	-	-	(52,120,959)
Interest Income on ICD					
India Infoline Limited	-	-	-	-	-
	-	(150,685)	-	-	(150,685)
5Paisa Capital Limited	-	-	-	-	-
	-	(801,644)	-	-	(801,644)
Interest Income on Investment					
India Infoline Finance Limited	-	-	-	-	-
	-	(637,792)	-	-	(637,792)
India Infoline Housing Finance Limited	-	-	-	-	-
	-	(197,836)	-	-	(197,836)
Interest Income on Loan					
Yatin Investments	-	-	-	-	-
	-	-	(2,827,342)	-	(2,827,342)
Yatin Shah	-	-	-	1,081,918	1,081,918
Karan Bhagat	-	-	-	452,055	452,055
Madhu Jain	-	-	2,447,015	-	2,447,015
Nirmal Jain	-	-	2,447,015	-	2,447,015
Interest Expense on ICD					
India Infoline Finance Limited	-	-	-	-	-
	-	(3,924,658)	-	-	(3,924,658)
IIFL Holdings Limited	(5,660,137)	-	-	-	(5,660,137)
IIFL Facilities Services Limited	-	(452,055)	-	-	(452,055)
Research Expenses					
India Infoline Limited	-	22,500,000	-	-	22,500,000



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries / Group Companies	Other Related Parties	Key Managerial Personnel	Total
Brokerage & Commission Expenses					
India Infoline Limited	-	1,072,676	-	-	1,072,676
	-	(468,408)	-	-	(468,408)
5Paisa Capital Limited	-	96,054	-	-	96,054
	-	-	-	-	-
Marketing Support Expenditure/ Incentive Fees					
IIFL Wealth (UK) Ltd	-	55,219,285	-	-	55,219,285
	-	(45,105,621)	-	-	(45,105,621)
Referral Fees - Expenses					
India Infoline Finance Limited	-	6,867,918	-	-	6,867,918
	-	(10,253,267)	-	-	(10,253,267)
India Infoline Limited	-	29,906,531	-	-	29,906,531
	-	-	-	-	-
Guest House - Expenses					
IIFL Management Services Limited	-	435,000	-	-	435,000
	-	-	-	-	-
IIFL Facilities Services Limited	-	240,000	-	-	240,000
	-	-	-	-	-
IIFL Properties Private Limited	-	-	-	-	-
	-	(1,015,000)	-	-	(1,015,000)
Corporate Social Responsibility Expenses (CSR)					
India Infoline Foundation	-	47,836,197	-	-	47,836,197
	-	(11,772,700)	-	-	(11,772,700)
Rent Expenses					
IIFL Facilities Services Limited	-	248,862,911	-	-	248,862,911
	-	(166,680,027)	-	-	(166,680,027)
Remuneration					
Karan Bhagat	-	-	-	44,153,034	44,153,034
	-	-	-	(40,128,096)	(40,128,096)
Yatin Shah	-	-	-	34,780,422	34,780,422
	-	-	-	(31,531,068)	(31,531,068)
Dividend Paid					
IIFL Holdings Limited	405,000,000	-	-	-	405,000,000
	(270,000,000)	-	-	-	(270,000,000)
Karan Bhagat	-	-	-	43,294,734	43,294,734
	-	-	-	(14,463,156)	(14,463,156)
Yatin Shah	-	-	-	29,794,734	29,794,734
	-	-	-	(14,463,156)	(14,463,156)
Amit Shah	-	-	-	20,415,789	20,415,789
	-	-	-	(10,910,526)	(10,910,526)
Other funds received					
IIFL Management Services Limited	-	18,192	-	-	18,192
	-	-	-	-	-
IIFL Facilities Services Limited	-	-	-	-	-
	-	(84,073)	-	-	(84,073)
India Infoline Limited	-	107,421	-	-	107,421
	-	(4,909,496)	-	-	(4,909,496)
India Infoline Housing Finance Limited	-	112,783	-	-	112,783
	-	-	-	-	-
India Infoline Finance Limited	-	-	-	-	-
	-	(17,066)	-	-	(17,066)
IIFL Holdings Limited	-	-	-	-	-
	(125,300)	-	-	-	(125,300)
Other funds paid					
India Infoline Limited	-	440,602	-	-	440,602
	-	(75,781)	-	-	(75,781)



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries /Group Companies	Other Related Parties	Key Managerial Personnel	Total
India Infoline Finance Limited	-	14,134	-	-	14,134
IIFL Facilities Services Limited	-	-	-	-	-
Loan Given					
Yatin Investments	-	-	-	(1,366,873,700)	(1,366,873,700)
Yatin Shah	-	-	-	150,000,000	150,000,000
Karan Bhagat	-	-	-	150,000,000	150,000,000
Loan Received Back					
Yatin Investments	-	-	-	(1,366,873,700)	(1,366,873,700)
Yatin Shah	-	-	-	150,000,000	150,000,000
Karan Bhagat	-	-	-	150,000,000	150,000,000
ICD given					
India Infoline Limited	-	(500,000,000)	-	-	(500,000,000)
5Paisa Capital Limited	-	(200,000,000)	-	-	(200,000,000)
ICD received back					
India Infoline Limited	-	(500,000,000)	-	-	(500,000,000)
5Paisa Capital Limited	-	(200,000,000)	-	-	(200,000,000)
ICD taken					
IIFL Holdings Limited	(330,000,000)	-	-	-	(330,000,000)
India Infoline Finance Limited	-	(1,750,000,000)	-	-	(1,750,000,000)
IIFL Facilities Services Limited	-	(500,000,000)	-	-	(500,000,000)
ICD repaid					
IIFL Holdings Limited	(330,000,000)	-	-	-	(330,000,000)
India Infoline Finance Limited	-	(1,750,000,000)	-	-	(1,750,000,000)
IIFL Facilities Services Limited	-	(500,000,000)	-	-	(500,000,000)
Allocation / Reimbursement of expenses Paid					
IIFL Holdings Limited	32,819,360	-	-	-	32,819,360
India Infoline Limited	(21,068,067)	-	-	-	(21,068,067)
India Infoline Limited	-	48,617,780	-	-	48,617,780
	-	(79,645,686)	-	-	(79,645,686)



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries /Group Companies	Other Related Parties	Key Managerial Personnel	Total
IIFL Capital Inc.	-	745,855	-	-	745,855
	-	(1,711,292)	-	-	(1,711,292)
5Paisa Capital Limited	-	-	-	-	-
	-	(49,714)	-	-	(49,714)
IIFL Facilities Services Limited	-	538,690	-	-	538,690
	-	(10,187)	-	-	(10,187)
IIFL Management Services Limited	-	1,225,000	-	-	1,225,000
	-	-	-	-	-
India Infoline Commodities Limited	-	175,000	-	-	175,000
	-	(29,760)	-	-	(29,760)
Allocation / Reimbursement of expenses Received					
IIFL Capital Inc.	-	4,816,029	-	-	4,816,029
	-	(5,012,382)	-	-	(5,012,382)

c) Amount due to / from related parties (Closing Balance)

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries /Group Companies	Other Related Parties	Key Management Personnel	Total
Sundry payables:					
India Infoline Finance Limited	-	7,417,352	-	-	7,417,352
	-	-	-	-	-
IIFL Holdings Limited	580,000	-	-	-	580,000
	-	-	-	-	-
IIFL Cap Inc. (US)	-	-	-	-	-
	-	-	-	-	-
India Infoline Limited	-	-	-	-	-
	-	(7,432,085)	-	-	(7,432,085)
IIFL Wealth (UK) Limited	-	-	-	-	-
	-	(6,223,733)	-	-	(6,223,733)
IIFL Properties Private Limited	-	-	-	-	-
	-	(115,500)	-	-	(115,500)
Sundry receivables:					
India Infoline Finance Limited	-	-	-	-	-
	-	(1,883,129)	-	-	(1,883,129)
IIFL Facilities Services Limited	-	-	-	-	-
	-	(47,104)	-	-	(47,104)
India Infoline Limited	-	39,322	-	-	39,322
	-	(20,301,662)	-	-	(20,301,662)
Receivable from Broker:					
India Infoline Limited	-	262,620	-	-	262,620
	-	-	-	-	-
India Infoline Commodities Limited	-	33,272	-	-	33,272
	-	-	-	-	-

Note:

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



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 39. Earnings and Expenses in Foreign Currency (on accrual basis):

(Amount in ₹)

Particulars	2017-2018	2016-2017
Earnings in Foreign Currency		
Advisory fees	-	1,665,073
Arranger Fees	3,032,187	-
Sub Total	3,032,187	1,665,073
Expenses in Foreign Currency		
Travelling Expense	1,035,447	1,308,826
Advertisement Expense	65,013	1,328,060
Legal and professional Charges	4,176,446	6,406,199
Marketing and commission Expense	40,572,758	13,020,721
Office Expense	6,488,657	2,382,194
Software Charges / Technology Cost	3,256,100	-
Staff welfare Expense	1,071,077	-
Sub Total	56,665,498	24,446,000

Note 40. 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 on March 31, 2018	As on March 31, 2017
IIFL Distribution Services Limited	India	100%	100%
IIFL Investment Adviser and Trustee Services Limited	India	100%	100%
IIFL Alternate Asset Advisors Limited	India	100%	100%
IIFL Asset Management Limited	India	100%	100%
IIFL Trustee Limited	India	100%	100%
India Alternatives Investment Advisors Private Limited (Upto 31 st March, 2017)	India	-	71%
IIFL Wealth Finance Limited	India	100%	100%
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)	Mauritius	100%	100%
IIFL Private Wealth (Suisse) SA	Switzerland	100%	100%
IIFL INC	New York	100%	100%
IIFL (Asia) Pte. Limited	Singapore	100%	100%
IIFL Securities Pte. Limited	Singapore	100%	100%
IIFL Capital Pte. Limited	Singapore	100%	100%
IIFL Private Wealth Management (Dubai) Limited	Dubai	100%	100%
IIFL Private Wealth Hong Kong Limited	Hongkong	100%	100%
IIFL Capital (Canada) Limited (w.e.f November 3, 2018)	Canada	100%	-



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 41. Goodwill on consolidation

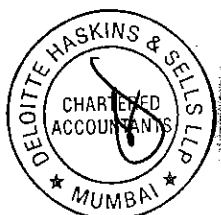
Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Goodwill	293,400,723	293,400,723
Capital Reserve	5,085,446	5,085,446
Net	288,315,277	288,315,277

Note 42. The financial position and results (after eliminations) of 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:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Name of the subsidiary	Canada	IAIA
Liabilities		
Non-current liabilities	-	2,767,239
Current liabilities	1,073,552	24,691,535
Total	1,073,552	27,458,774
Assets		
Non-current assets	421,895	8,303,026
Current assets	3,480,669	3,950,253
Total	3,902,564	12,253,279
	2017-2018	2016-2017
Revenue for the period ended	15,401	22,709,048
Expenses for the period ended	5,294,926	60,650,205
Profit / (Loss) before tax for the period ended	(5,279,525)	(37,941,157)
Profit / (Loss) after tax for the period ended	(5,279,525)	(37,941,157)

Note 43. The Group has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 383,527,562/- (P.Y ₹ 262,118,184/-) has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2018, are as under:

Minimum Lease Rentals	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
Up to one year	322,873,358	335,490,106
One to five years	152,282,153	325,176,870
Over five years	-	-



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 44. Corporate Social Responsibility

During the financial year 2017-18, the Group has spent ₹49,404,353/- (P.Y. ₹ 28,722,700/-) as against ₹ 44,086,984/- (P.Y. ₹ 28,219,147/-) 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. 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 45. Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(As on/for the year ended March 31, 2018)

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
IIFL Wealth Management Limited	19.34%	3,654,036,506	28.21%	1,086,852,971
Subsidiaries				
Indian				
IIFL Wealth Finance Limited	54.98%	10,387,997,427	46.89%	1,806,606,773
IIFL Asset Management Limited	1.12%	211,304,041	7.80%	300,698,794
IIFL Distribution Services Limited	-0.12%	-22,603,050	-5.03%	-193,720,382
IIFL Alternate Asset Advisors Limited	14.42%	2,724,763,741	0.14%	5,294,971
IIFL Investment Adviser and Trustee Services Limited	1.72%	325,088,398	2.55%	98,154,086
IIFL Trustee Limited	0.09%	16,384,341	0.25%	9,503,021
Foreign				
IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)	5.49%	1,036,860,126	23.17%	892,581,094
IIFL Inc	0.16%	29,671,799	-1.19%	-45,982,665
IIFL Private Wealth (Suisse) SA	0.04%	8,276,652	-0.03%	-1,117,268
IIFL Private Wealth Management (Dubai) Limited	0.46%	87,732,489	-1.83%	-70,528,305
IIFL Private Wealth Hong Kong Limited	0.33%	62,834,754	-0.43%	-16,450,486
IIFL (Asia) Pte Limited	1.96%	370,303,796	-0.35%	-13,506,694
IIFL Capital (Canada) Limited	0.01%	2,829,012	-0.14%	-5,279,525
Total	100.00%	18,895,480,032	100.00%	3,853,106,384



CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 46. Segment Reporting:

In the opinion of the management, there are three reportable business segments as envisaged by AS 17 'Segment Reporting', as prescribed by Companies (Accounting Standard) Rules, 2006 as given below.

		Distribution/Other Fees	Asset Management	Lending/Other Related	Unallocated	Total
I	Segment Revenue					
a	External	7,347,706,158	1,462,718,958	8,567,591,105	-	17,378,016,221
		(5,090,628,443)	(1,216,918,490)	(4,521,039,267)	-	(10,828,586,200)
b	Inter segment Revenue	-	-	-	-	-
c	Total Revenue	7,347,706,158	1,462,718,958	8,567,591,105	-	17,378,016,221
		(5,090,628,443)	(1,216,918,490)	(4,521,039,267)	-	(10,828,586,200)
II	Results					
a	Segment Result	2,793,368,500	583,740,871	7,149,339,313	-	10,526,448,684
		(1,617,883,529)	(662,061,455)	(3,839,765,209)	-	(6,119,710,193)
b	Interest Expense	-	-	5,566,023,255	-	5,566,023,255
		(149,159,041)	(35,360)	(2,340,634,821)	-	(2,489,829,222)
c	Profit before Tax	2,793,368,500	583,740,871	1,583,316,058	-	4,960,425,429
		(1,468,724,488)	(662,026,095)	(1,499,130,388)	-	(3,629,880,971)
d	Provision for Tax	547,349,228	51,315,724	508,654,093	-	1,107,319,045
		(477,220,049)	(76,810,652)	(571,157,515)	-	(1,125,188,216)
e	Net Profit after Tax	2,246,019,272	532,425,147	1,074,661,965	-	3,853,106,384
		(991,504,439)	(585,215,443)	(927,972,873)	-	(2,504,692,755)
III	Segment Assets	18,119,966,961	3,343,865,932	85,136,667,627	(10,572,344,149)	96,028,156,371
		(9,493,172,579)	(1,794,118,666)	(64,141,516,384)	(574,945,427)	(76,003,753,056)
IV	Segment Liabilities	4,778,240,579	274,445,046	72,042,431,392	37,559,322	77,132,676,339
		(6,977,146,991)	(192,179,969)	(53,416,701,123)	(176,109,191)	(60,762,137,274)
V	Capital Expenditure	373,146,660	35,071,915	3,100,696	-	411,319,272
		(222,010,404)	(114,147)	(6,670,506)	-	(228,795,057)
VI	Depreciation	124,010,473	6,136,920	1,943,762	-	132,091,155
		(86,983,310)	(1,415,499)	(672,129)	-	(89,070,938)
VII	Non Cash Expenses	244,809,004	(34,476)	136,173,599	-	380,948,126
		4,313,371	21,642	(304,797,424)	-	(300,462,411)

Secondary segmentation information based on geography is as per below:

	India	Mauritius	Others	Unallocated	Total
Segment Revenue	15,826,583,369	1,256,580,017	294,852,835	-	17,378,016,221
	(9,886,279,007)	(663,250,683)	(279,056,510)	-	(10,828,586,200)
Segment Assets	104,881,498,430	1,078,276,193	640,725,897	(10,572,344,149)	96,028,156,371
	(74,123,446,651)	(750,772,108)	(554,588,870)	(574,945,427)	(76,003,753,056)
Capital Expenditure	397,265,146	190,915	13,863,210	-	411,319,272
	(228,147,429)	(83,901)	(563,727)	-	(228,795,057)

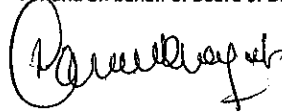
Figures in bracket represents previous year figures.



CONSOLIDATED FINANCIAL STATEMENTS OF HFL WEALTH MANAGEMENT LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note 47. Previous year figures have been re-grouped, re-classified & rearranged, wherever considered necessary to confirm to current year's presentation.

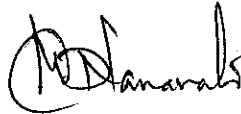
For and on behalf of Board of Directors



Karan Bhagat
Managing Director
(DIN: 03247753)



R. Venkataraman
Director
(DIN: 00011919)



Mihir Nanavati
Chief Financial Office



Ashutosh Naik
Company Secretary

Place : Mumbai
Dated : May 03, 2018

