

IIFL WEALTH FINANCE LIMITED
ANNUAL REPORT 2018-19



DIRECTORS' REPORT

To,
The Members
IIFL Wealth Finance Limited

Your Directors have pleasure in presenting the **Twenty Fifth Annual Report** on the business, operation and state of affairs of IIFL Wealth Finance Limited ("**the Company**") together with the Audited Financial Statements for the year ended March 31, 2019.

1. Background:

IIFL Wealth Finance Limited is a wholly owned subsidiary of IIFL Wealth Management Limited and is registered with the Reserve Bank of India as a systematically important non-banking financial company not accepting public deposits (NBFC-ND-SI).

2. Financial Results - The highlights of the standalone financial results for the year under review are as under:

Particulars	2018-2019* (INR in million)	2017-2018* (INR in million)
Gross Total Income	7,097.04	7,703.56
Less: Expenditure	4,365.67	5,782.58
Profit / (Loss) Before Taxation	2,731.37	1,920.98
Less: Taxation - Current	896.03	515.00
- Deferred	20.26	(27.64)
- Short or Excess Provision of Income Tax	-	-
Net Profit / (Loss) After Tax	1,815.08	1,433.62
Other Comprehensive Income	(0.28)	(0.33)
Total Comprehensive Income	1,814.80	1,433.29

* Figure are as per Indian AS

3. Review of Business and Operations:

During the year under review, the total income of the Company stood at INR 7097.04 million as compared to INR 7,703.56 million in the previous year and the net profit after tax increased to INR 1,815.08 million as compared to INR 1,433.62 million in the previous year. Major highlights of the business and operations are as under:

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(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

Corporate & Registered Office:
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- Loan book of the Company stood to INR 47,982.90 million as of March 31, 2019 as against INR 67,011.05 million in the previous year;
- Capital Markets contributed to approx. 75.35% of loan book;
- Gross and Net NPAs (Non-performing assets) were NIL;
- Provision coverage on loans (including for standard assets) was INR 228.00 million as at end of FY19.

4. Macroeconomic and Industry Overview:

Macroeconomic Overview –

Economic Growth – Slowing but with improving prospects

After averaging close to 8% through Q3 FY18 to Q1FY19, Indian economic activity lost speed. The February 2019 release of the Central Statistics Office (CSO), read in conjunction with high frequency indicators, suggests that the economy could have encountered a soft patch. It revised India's real gross domestic product (GDP) growth for FY19 downwards to 7.0% from 7.2% in the first advance estimates. Domestic economic activity decelerated for the third consecutive quarter in Q3FY19 due to a slowdown in consumption, both public and private.

However, gross fixed capital formation (GFCF) growth remained in double digits for the fifth consecutive quarter in Q3, with the GFCF to GDP ratio rising to 33.1 per cent in Q3FY19 against 31.8 per cent in Q3FY18, supported primarily by the government's thrust on the road sector and affordable housing. Also, some of the forward-looking surveys conducted by the Reserve Bank of India (RBI) indicate that consumer confidence has improved and business expectations remain optimistic.

Moreover, aggregate flow of funds to the commercial sector from banks and non-banks remains robust, led by strong growth in bank credit. Bank credit grew by 13.24%, and deposits were up 10.03% in FY19 over FY18. While total financial flows from banking and non-banking sources have improved, a durable strengthening of investment demand is yet to take hold.

As per the RBI, there are some signs of domestic investment activity weakening as reflected in a slowdown in production and imports of capital goods. The moderation of growth in the

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global economy might impact India's exports. On the positive side, however, higher financial flows to the commercial sector augur well for economic activity. Private consumption, which has remained resilient, is also expected to get a fillip from public spending in rural areas and an increase in disposable incomes of households due to tax benefits. Business expectations continue to be optimistic. Taking into consideration the above factors, GDP growth for FY20 is projected at 7.2% – in the range of 6.8-7.1% in H1FY20 and 7.3-7.4% in H2FY20 – with risks evenly balanced.

Inflation conditions benign

Inflation conditions have turned unusually benign under the impact of deflationary food prices. Despite minor increases, overall trend has been to remain low over FY19. The annual retail inflation rate rose in March 2019 to 2.8%, up from 2.57% in February 2019. However, core inflation surprised pleasantly with a sharper-than-expected downtick. This is in line with the RBI'S Q4FY19 inflation projections of 2.4%.

Factors which are underlying the inflation trajectory for FY20 range from the trend of falling food and fuel inflation, balanced by increased crude prices and price increase expectations of households and businesses. Taking into consideration these factors and assuming a normal monsoon in 2019, the path of CPI inflation is expected by RBI to be broadly 2.9-3.0% in H1FY20 and 3.5-3.8% in H2FY20, with risks broadly balanced.

RBI repo rate stance

During FY19, the RBI Monetary Policy Committee (MPC) took multiple steps towards aligning market interest rates through the repo mechanism in line with macroeconomic conditions, inflation trajectory and need for addressing on-ground accessibility of affordable credit. Starting the year at 6.00% the RBI increased the repo rate twice by 25 bps each time in June and August 2018. In the MPC meeting of October 2018, RBI continued a status quo approach but switched stance from neutral to calibrated tightening. The MPC's decision was conditioned by risks to inflation from volatile crude oil prices; rising input costs; fiscal slippage concerns; uncertainty about the impact of minimum support prices (MSPs); the staggered impact of the likely increase in house rent allowances by the states; and, the virtual closing of the output gap. In its December 2018 meeting, the MPC left the policy rate

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unchanged and retained the stance of calibrated tightening, although inflation projections were revised downwards.

With Shaktikanta Das' appointment to the RBI Governor role in December 2018, the market had expectations of a pragmatic approach towards rate setting given the need to boost credit growth and spur the economic trajectory. In its February 2019 meeting, the MPC decided to reduce the policy repo rate by 25 bps to 6.25% unanimously in voting for switching its stance to neutral from calibrated tightening. This decision was prompted by the continuous easing of headline inflation, a stable crude oil price outlook and some moderation in cost pressures. Headline inflation was projected to remain below the target of 4% over the coming four quarters, which opened up space for easing. As of early April 2019, the MPC further reduced the repo rate by further 25 bps and is currently at 6.00% as on date of this document.

Industry Overview -

The NBFC sector in India observed significant turmoil in FY19 particularly starting Q3. The events unfolded negatively commencing with the default of IL&FS entities. Within few days of this credit event, DSP MF sold Commercial Paper of Dewan Housing Finance Limited at a high yield. This prompted a sharp sell-off in capital markets and exposed the following issues in the sector:

1. Loan Against Securities offered by NBFCs to Promoters of listed businesses for general corporate purpose, which were utilized for non-aligned businesses which had higher risk profile, e.g. real estate and infrastructure. Rumors of delayed payments on the part of these borrowers started taking shape in the market
2. The above situation led to a question mark over NBFCs' ability to roll over existing funding facilities.
3. Where NBFCs held liquid, listed security of Promoters, some of them liquidated part of the pledged holdings to recover loan exposure.
4. This led to a slowdown in funding availability to NBFCs starting towards end of Q2 and persisting until at least for a quarter for the largest NBFCs.
5. Perception of high valuations of listed NBFCs with imminent slowdown in asset book growth due to starved funding led to decline in their market capitalization levels.
6. NBFCs effectively lost market share to well-capitalized banks who supplied part of the credit demand in the period described above.

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Since January 2019, the liquidity issues have eased for the larger NBFCs including IIFL group entities, who have resumed the process of loan growth, albeit with a more measured stance.

Research and Development (R & D): The Company is engaged in distribution of various financing activities such as capital market financing, loan against securities, IPO, etc., which entails internal research of debt financing, investment products, sectors and markets.

5. Dividend:

With a view to conserve resources, your Directors regret their inability to recommend any dividend for the FY 2018-19.

6. Transfer to Reserves:

During the FY 2018-19, the Company has transferred an amount of Rs. 362.96 million (as per Ind AS) to Special Reserve in accordance with Section 451C of the Reserve Bank of India Act, 1934.

7. Capital Adequacy:

During the year under review, the capital adequacy ratio stood at 32.8% comprising of Tier I capital ratio of 28.7 % and Tier II capital ratio of 4.1%, well above the regulatory requirement of 15%.

8. Subsidiary/ Joint Ventures/ Associates:

The Company does not have any subsidiaries/ joint ventures/ associates.

9. Share Capital:

During the year under review, the Company made issue and allotment of 4,30,44,070 equity shares of the face value of Rs. 10/- each to its holding company namely IIFL Wealth Management Limited.

As on end of financial year, the total authorised share capital of the Company stood at INR 350,00,00,000/- and the total issued, subscribed and paid up capital of the Company stood at INR 305,49,38,030/-.

10. Deposits:

During the year 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.

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11. Directors and Key Managerial Personnel:

a. Directors:

The Board consists of Five Directors namely:

- 1) Mr. Yatin Shah – Appointed w.e.f. October 04, 2016.
- 2) Mr. Himanshu Jain – Appointed w.e.f. October 04, 2016.
- 3) Mr. Shantanu Rastogi – Appointed w.e.f. July 26, 2016.
- 4) Mr. S. Narayan – Appointed w.e.f. March 31, 2017.
- 5) Mrs. Rekha Warriar Appointed w.e.f. August 01, 2018.

During the period under review, Mr. P. Vijaya Bhaskar ceased to be the Director of the Company with effective from May 04, 2018 due to his sad demise and Ms. Deepali Nair resigned as Director of the Company effective from August 01, 2018.

In terms of provisions of the Companies Act, 2013 and in terms of applicable provisions of the Articles of Association of the Company, Mr. Yatin Shah, Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

i. Meetings of the Board of Directors -

The Board met 7 times during the financial year 2018-19 to discuss various agendas and also approved various matters including financials, appointment of auditor, and other board businesses.

ii. Committees of the Board -

In accordance with the Companies Act, 2013 and the Reserve Bank of India guidelines, the Board has constituted following Committees as per the applicable provision of the Companies Act, 2013 and the guidelines prescribed by the Reserve Bank of India.

- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee.
- (iii) Corporate Social Responsibility Committee.
- (iv) Risk Management Committee.
- (v) Asset Liability Management Committee.
- (vi) Finance Committee.
- (vii) Debenture Allotment Committee.
- (viii) Anti-Money Laundering Committee (ALM)
- (ix) IT Strategy Committee
- (x) IT Steering Committee

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(i) Audit Committee:

The Audit Committee was reconstituted w.e.f. August 01, 2018 comprising of Mrs. Rekha Warriar, Mr. S. Narayan and Mr. Shantanu Rastogi. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013, the Reserve Bank of India & internal policies. The Committee met four 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. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- b. review and monitor the auditors' independence and performance, and effectiveness of audit process;
- c. examination of the financial statement and the auditors' report thereon;
- d. approval or any subsequent modification of transactions of the Company with related parties:

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

- e. scrutiny of inter-corporate loans and investments;
- f. valuation of undertakings or assets of the Company, wherever it is necessary;
- g. evaluation of internal financial controls and risk management systems;
- h. Monitoring the end use of funds raised through public offers and related matters.

(ii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was re-constituted w.e.f. August 01, 2018 comprising of Mr. S. Narayan, Mr. Rekha Warriar and Mr. Yatin Shah and Mr. Himanshu Jain. As per the provisions of Section 178 of the Companies Act, 2013, the Committee has in place a nomination and remuneration policy and the said policy is available for inspection and available on website of the Company <https://iiflwealth.com/services/lending-solutions> .

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(iii) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee (“CSR Committee”) was reconstituted w.e.f. August 01, 2018 comprising of Dr. S. Narayan, Independent Director, Mrs. Rekha Warriar, Independent Director and Mr. Shantanu Rastogi, Non- Executive Director. The CSR Committee has approved and adopted a CSR Policy of the Company. IIFL group has set-up India Infoline Foundation (referred as “IIFL Foundation”) a Section 8 Company under the Companies Act, 2013, which acts as the principal arm to undertake the CSR initiatives on behalf of the IIFL Group. The details about the policy developed and implemented on Corporate Social Responsibility initiatives taken during the year under review is attached as **Annexure I**.

(iv) Risk Management Committee:

The Risk Management Committee was last re-constituted on August 01, 2018 comprising of Mr. Himanshu Jain, Whole time Director & CEO, Mr. Shantanu Rastogi, Non-Executive Director, Mr. R. Mohan, Chief Compliance Officer-IIFL Group, Mr. Niraj Murarka, COO, Mr. Raghuvir Mukherji, Chief Risk Officer and Mrs. Rekha Warriar, Independent Director.

(v) Asset Liability Management Committee (ALCO):

The ALCO was last re-constituted on August 01, 2018 comprising of Mr. Himanshu Jain, Whole time Director & CEO, Mrs. Rekha Warriar, Independent Director, Mr. Shantanu Rastogi, Non-Executive Director, Mr. Niraj Murarka, COO, Mr. Mihir Nanavati, CFO and Mr. Pankaj Fitkariwala, President-Operations.

(vi) Finance Committee:

The Finance Committee was last re-constituted on January 30, 2018 comprising of Mr. Himanshu Jain, Whole time Director & CEO, Mr. Mihir Nanavati, CFO and Mr. Niraj Murarka, COO.

(vii) Debenture Allotment Committee:

The Debenture Allotment Committee was constituted on May 5, 2016 comprising of Mr. Umang Papneja, Non-executive Director, Mr. Niraj Murarka, COO and Mr. Mihir Nanavati, CFO. Members may please note, on January 30, 2018, the Board re-constituted the Finance Committee by appointing Mr. Himanshu Jain in place of Mr. Umang Papneja as the member of the Company.

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(viii) Anti-Money Laundering Committee:

The AML Committee was constituted on October 30, 2017 comprising of Mr. Himanshu Jain, WTD and CEO, Mr. Niraj Murarka, Chief Operating Officer, Mr. Rakesh Chandnani, SVP-Operations, Mr. Raghuvir Mukherji, Chief Risk Officer, and Mr. Manoj Gujaran, Company Secretary and Compliance Officer.

(ix) IT Strategy Committee:

The IT Strategy Committee was constituted on January 30, 2018 comprising of Dr. S. Narayan, Independent Director, Mr. Pankaj Fitkariwala, Senior Managing Partner, Mr. Abhishek Chandra, Chief Information Officer, Mr. Raghuvir Mukherji, Chief Risk Officer.

(x) IT Steering Committee:

The IT Strategy Committee was constituted on January 30, 2018 comprising of Mr. Himanshu Jain, Mr. Pankaj Fitkariwala, Mr. Himanshu Bhagat, Mr. Abhishek Chandra, Mr. Raghuvir Mukherji, Mr. Niraj Murarka, Mr. Mihir Nanavati, Mr. Manoj Gujaran, Mr. Ramaswamy Sunka, and Mr. Ganesh Iyer.

iii. Annual Evaluation of the Board -

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has carried out evaluation of every directors' performance and subsequently the Board has carried out the annual performance evaluation of its own performance, committees and the Directors individually including the independent Directors.

iv. Declaration by Independent Directors -

The Company has received declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149(6) of the Companies Act 2013.

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12. Managerial Remuneration:

During the year under review, the employees were drawing remuneration 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 the details of the same will be made available if a written request is received from the shareholders. Further, if the request is received prior to the date of Annual General Meeting the details will be made available within 3 days and if the request is received post the date of Annual General Meeting then such particulars will be made available within 7 days.

13. Employee Stock Option/ Purchase Scheme:

The Company does not have an employee stock option / stock purchase scheme.

14. Risk Management Policy:

Your Company has a Board approved Risk Management Policy, which has laid down a framework for identifying, assessing, measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks. Risk Management Committee of the Board of Directors of your Company constituted in accordance with the Reserve Bank of India guidelines has overall responsibility for overseeing the Risk Management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organization. Risk Management Department periodically places its report on risk management to the Risk Management and Audit Committee of the Board of Directors.

15. Internal Financial Control:

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 continuing basis. These are discussed at the meetings of 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 Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

16. Credit Rating:

The non-convertible debentures of the Company enjoys the rating of [ICRA] AA (stable outlook) by ICRA Limited. The principal protected market linked/ structured non-convertible debentures of the Company have the rating of PP MLD (ICRA) AA (Stable Outlook). Further, the Commercial Paper of the Company has the highest rating of ICRA A1+.

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Strong Credit Ratings by leading Rating Agencies reflect the Company's prudence and discipline.

17. Extract of Annual Return:

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

18. 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.

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

During the period under review, the following are the material changes and commitments affecting the financial position of the Company:

- (a) The Company made issue and allotment of Secured Market Linked/ Perpetual/ Subordinated Redeemable Non-Convertible Debentures aggregating to INR 2867.68 crores in different series on private placement during the year ended March 31, 2019.
- (b) The Company made issue of the Commercial Paper and outstanding balance was INR 397.85 Crores as on March 31, 2019.

20. Auditors:

At the Annual General Meeting held on July 26, 2016, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2021.

21. Comments on auditors' report:

There are no qualifications, reservations or observations by the Statutory Auditors in their report for the financial year ended March 31, 2019.

22. Secretarial Audit:

During the year under review, the Secretarial Audit was conducted by M/s. J.U. Poojari & Associates, Practicing Company Secretaries, in accordance with the provisions of section 204 of the Companies Act, 2013. The report of the Secretarial Audit is annexed herewith as **Annexure - III**. There are no qualifications, reservations or observations in the Secretarial Audit report. Your directors have to state that the Company has been compliant of all applicable provisions of the Act in the financial year 2018-19.

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23. Particulars of loans, guarantees or investments under section 186:

The details of loans, guarantees or investments made are provided in the Financial Statement (Please refer Note No. 8 and 9).

24. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement have been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 40 in the financial results of the Company for the financial year ended March 31, 2019.

Justification for entering into Related Party Transactions:

The Company usually enters into Related Party Transaction to ensure timely availability of products/ services required.

25. 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 given hereunder:

Conservation of energy:

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

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

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

Technology absorption and innovation:

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

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

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

Foreign exchange earnings/outgo:

- a) The Foreign exchange earnings: NIL
- b) The Foreign exchange expenditure: NIL

Research and Development (R & D): The Company is engaged in the lending business which entails capital market financing, loan against securities, IPO, loan against property, etc., which entails internal research of debt financing, investment products, sectors and markets.

26. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013:

The Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The 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. The

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

27. Disclosures on Establishment of Vigil Mechanism:

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns which are reported to Chairman of the Audit Committee and the Vigil Mechanism policy is available on website of the company <https://iiflwealth.com/services/lending-solutions>.

Further, during the year under review no case of frauds were reported by any of the person of the Company.

28. Frauds:

The Auditors of the Company have not reported any frauds under Section 143(12) of the Companies Act, 2013.

29. Directors Responsibility Statement:

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

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

IIFL WEALTH FINANCE LIMITED
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

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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.

30. Corporate Governance:

The Company has fully complied with the Corporate Governance Guidelines for NBFCs issued by Reserve Bank of India vide Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and as amended from time to time, in accordance with the said Corporate Governance Guidelines, the Company has constituted various committees and ensures best corporate practices to increase the investors and other stakeholders' confidence. The Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair Practices Code, Anti Money Laundering and Know Your Customer (KYC) guidelines besides other guidelines, as applicable.

A summary of the Corporate Governance measures adopted by the Company are given below:

- a) The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.
- b) The Company believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to Company's goal of maximizing value for all its stakeholders.

The Board of Directors along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board is commensurate with the size and business of the Company. At present, the Board comprises of five directors, viz., Mr. Yatin Shah, Mr. Himanshu Jain, Mr. Shantanu Rastogi, Mr. S. Narayan and Mrs. Rekha Warriar.

Responsibilities of the Board:

- i. The Board's key purpose is to ensure the Company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders.
- ii. The Board is primarily responsible for:
 - a. Establishing vision, mission & values and determining, reviewing the goals, policy of the Company from time to time;

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- b. Setting strategy and structure and deciding the means to implement and support them;
- c. Delegating to management, determining monitoring criteria to be used and ensuring effectiveness of internal controls;
- d. Exercising accountability to shareholders and be responsible to relevant stakeholders; and
- e. Management and control.

31. Regulatory Compliance:

The Company has complied with all the applicable guidelines prescribed by RBI for non-deposit taking systemically important NBFCs regarding accounting standards, prudential norms including income recognition, capital adequacy, guidelines of corporate governance, etc.

32. Downstream Investment:

During the financial year 2018-19, the Company has not made any downstream investments in terms of the Foreign Direct Investment Policy.

33. Green Initiative:

Section 136 of the Companies Act 2013 and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving electronic communication. A physical copy of this Annual Report can also be obtained free of cost by any member from the registered office of the Company on any working day during the business hours.

A copy of this Annual Report for FY 2018-19 is available on website of the Company, <https://iiflwealth.com/services/lending-solutions>

34. Acknowledgements:

Your Directors take this opportunity to thank the Reserve Bank of India, financial institutions, banks, and all other stakeholders for their continued support and assistance during the period under review. Your Directors would also like to thank the employees for their dedication towards the growth of the Company.

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35. Annexure(s) forming part of this Report of Directors:

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

- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19 as **Annexure – I.**
- Form No. MGT 9 – Extract of Annual return as on financial year ended March 31, 2019 as **Annexure II**
- Secretarial Audit Report for the financial year ended March 31, 2019 as **Annexure – III.**

For and on behalf of the Board of Directors

Himanshu Jain
Whole-time Director & CEO
DIN: 02052409

Yatin Shah
Director
DIN: 03231090

Date: May 13, 2019

Place: Mumbai

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ANNEXURE – I

Annual Report on Corporate Social Responsibility activities for the financial year 2018-19

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

<p>1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</p>	<p>The CSR Policy and projects of IIFL Wealth Finance Ltd. are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarized in one acronym – GIFTS, which stands for:</p> <ul style="list-style-type: none"> • Growth • Integrity • Fairness • Transparency • Service Orientation <p>By applying these values to the CSR projects, IIFL Wealth Finance Limited undertakes initiatives that create sustainable growth and empowers underprivileged sections of society. The focus areas prioritized by IIFL Wealth Finance Limited in its CSR strategy are given below:</p> <ul style="list-style-type: none"> • Sports Development for Nation Building • Education • Health <p>The CSR Policy adopted by IIFL Group of companies is available on https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf</p>
<p>2. The Composition of the CSR Committee</p>	<p>CSR Committee of the Company comprises of: (i) Mr. S. Narayan, (ii) Mr. Shantanu Rastogi, and (iii) Mrs. Rekha Warriar</p>
<p>3. Average net profit of the company for last three financial years</p>	<p>INR 1,22,70,26,678/-</p>
<p>4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</p>	<p>INR 2,45,40,534/-</p>
<p>5. Details of CSR spent during the financial year</p>	
<p>a) Total amount to be spent for the financial year;</p>	<p>INR 2,45,40,534/-</p>

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b) Amount Spent; and	NR 2,45,40,534/-
c) Amount unspent, if any.	Nil

Manner in which expenditure has been depicted in the table given below:

S/N.	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent - Direct or through Implementing Agency
1	Development of Sports by providing world class platform for young budding players	Promotion of Sports	Across India	74,47,841/-	Direct - 74,47,841/-	74,47,841/-	74,47,841/- Through India Infoline Foundation
2	Support and nurturing to players from under privileged backgrounds	Promotion of Sports	Maharashtra	70,80,000/-	Direct - 70,80,000/-	70,80,000/-	70,80,000/- Through India Infoline Foundation
3	Educational support to children from marginalized communities	Education	Noida (Uttar Pradesh) & Mumbai (Maharashtra)	11,50,000/-	Direct - 11,50,000/-	11,50,000/-	11,50,000/- Through India Infoline Foundation
4	Medical Support to Poor Patients	Health	Maharashtra	15,00,000/-	Direct - 15,00,000/-	15,00,000/-	15,00,000/- Through India Infoline Foundation
5	Promotion of Education to school dropout children	Education	Rajasthan	73,62,693/-	Direct - 73,62,693/-	73,62,693/-	73,62,693/- Through India Infoline Foundation

Brief description of key projects:

- 1) **Promotion of Sports:** India has always lagged behind in sports despite having no dearth of talent and people. What is needed is adequate exposure, proper coaching and support to the players. India Infoline Foundation organized sports tournaments at grass root level that were a match to Olympic & International class. These sports tournament not only do identify talent but nurture and provide necessary platform for the budding sports enthusiast to excel and move up the charts.

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- 2) **Educational support to Children:** Running after school program in schools for underprivileged children. The program supplements formal education by Improving proficiency in English, Mentoring children to support their social and intellectual development, encouraging practical learning through field trips, imparting soft skills with the help of experts in various fields, Developing art, culture and sports education through extra- curricular activities.
- 3) **Medical Support to Poor Patients:** Providing timely medical support to patients from poor families and support them in recovering fast is very critical as one health incident can push the families back into poverty.
- 4) **Promotion of Education to school dropout children:** Providing educational support to children who drop out of school mid-way and subsequently mainstream them or help them appear for end school exam.

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

For IIFL Wealth Finance Limited

Himanshu Jain
CEO and Whole Time Director
DIN: 02052409

S. Narayan
Independent Director
DIN: 00094081

Date: May 13, 2019

Place: Mumbai

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Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

I. Registration and other details:

i) CIN	U65990MH1994PLC080646
ii) Registration Date	August 31, 1994
iii) Name of the Company	IIFL Wealth Finance Limited (formerly known as Chephis Capital Markets Limited)
iv) Category / Sub-Category of the Company	Public Company, Limited by shares
v) Address of the Registered office and contact details	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai: 400013 Tel No.: +91-22-42499000 Fax No.: +91-22-25806654
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime Private Limited C 101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 Tel: +91-22-49186000 Fax: +91-22-2594 6969 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in

II. Principal business activities of the company:

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

Name and Description of main products/ services	NIC Code of the Product/ service *	% to total turnover of the company
Other Credit granting	6492	100%

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

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III. Particulars of holding, subsidiary and associate companies:

Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
IIFL Wealth Management Limited	U74140MH2008PLC177884	Holding	100	2(46)
IIFL Holdings Limited*	L74999MH1995PLC093797	Ultimate Holding	-	2(46)

* Pursuant to the implementation of the Composite Scheme of Arrangement involving IIFL Wealth Management Limited, IIFL Finance Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, India Infoline Finance Limited, IIFL Distribution Services Limited and their respective shareholders with effect from May 13, 2019, IIFL Finance Limited (formerly IIFL Holdings Limited) ceases to be the ultimate holding company of IIFL Wealth Finance Limited (wholly owned subsidiary of IIFL Wealth Management Limited)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01 st April 2018)				No. of Shares held at the end of the year (31 st March 2019)				% 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.	26,24,49,733	0	26,24,49,733	100.00	30,54,93,803	0	30,54,93,803	100.00	0.00
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):-	26,24,49,733	0	26,24,49,733	100.00	30,54,93,803	0	30,54,93,803	100.00	0.00
(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

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c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	26,24,49,733	0	26,24,49,733	100.00	30,54,93,803	0	30,54,93,803	100.00	0.00
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	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00

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ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B){2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
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)	*26,24,49,733	0	26,24,49,733	100.00	*30,54,93,803	0	30,54,93,803	100.00	0.00

**Note: No. of Equity shares includes 6 Equity Shares held by Nominee Shareholders of IIFL Wealth Management Limited.*

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01 st April 2018)			Shareholding at the end of the year (31 st March 2019)			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
*IIFL Wealth Management Limited	26,24,49,733	100	Nil	30,54,93,803	100	Nil	-
Total	26,24,49,733	100	Nil	30,54,93,803	100	Nil	-

**Note: No. of Equity shares includes 6 Equity Shares held by Nominee Shareholders of IIFL Wealth Management Limited.*

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

	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (31-03-2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	26,24,49,733	100	26,24,49,733	100
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Issue of 4,30,44,070 equity shares on right basis	-	30,54,93,803	-
At the end of the year as on 31-03-2019	30,54,93,803	100	30,54,93,803	100

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
-	-	-	-	-	-	-	-

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v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
	No. of shares at the beginning (01-04- 18)/end of the year (31-03-18)	% of total shares of the compa ny				No. of shares	% of total shares of the company
A. DIRECTORS:							
Yatin Shah	1	-	-	-	-	1	-
B. Key Managerial Personnel (KMP's)							
-	-	-	-	-	-	-	-

*Directors hold equity shares in the capacity of nominee of IIFL Wealth Management Limited.

V. Indebtedness: Indebtedness of the Company including interest outstanding/accrued but not due for payments:

(INR. in millions)

	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of year				
(i) Principal amount	19,368.90	47,510.63	-	66,879.52
(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	1,000.48	334.26	-	1,334.73
Total (i+ ii+ iii)	20,369.37	47,844.88	-	68,214.26
Changes in Indebtedness during the year				
Addition(Net)	139,780.02	189,051.71	-	328,831.72
Reduction	(105,327.56)	(226,638.94)	-	(331,966.50)
Net Change	34,452.46	(37,587.24)	-	(3,134.78)
Indebtedness at the end of the financial year (31.03.2019)				
(i) Principal amount	53,219.36	9,540.12	-	62,759.48

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(ii) Int. due but not paid	-	-	-	-
(iii) Int. accrued but not due	1,602.47	717.53	-	2,320
Total (i+ ii+ iii)	54,821.83	10,257.65	-	65,079.48

* The above does not include Cash credit facility from banks

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.)
	Himanshu Jain (WTD and CEO)	
1. Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,58,15,114.00	2,58,15,114.00
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2. Stock Option	0	0
3. Sweat Equity	0	0
4. Commission - as % of profit - others, specify	0	0
5. Others, please specify	8,07,737.69	8,07,737.69
TOTAL (A)	2,66,22,851.69	2,66,22,851.69
Ceiling as per the Act	Rs. 30,33,79,470 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies, 2013)	

B. Remuneration to other directors:

(Amt. in Rs.)

Particulars of Remuneration	Name of Directors			Total Amount
i. Independent Directors	Mr. P. Vijaya Bhaskar	Mr. S. Narayan	Ms. Rekha Warriar	
- Fee for attending	1,35,000	6,75,000	3,75,000	11,85,000
- Commission*	10,00,000	-		10,00,000

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- Others, please specify	-	-	-	-
TOTAL (1)	11,35,000	6,75,000	3,75,000	21,85,000
i. Other Non-Executive				
- Fee for attending	-	-	-	-
- Commission	-	-	-	-
- Others, please specify	-	-	-	-
TOTAL (2)	-	-	-	-
TOTAL (B)= (1+2)	11,35,000	6,75,000	3,75,000	21,85,000
Total Managerial Remuneration				21,85,000
Overall Ceiling as per the Act	Rs. 30,33,79,470 (being 11% of the net profits of the Company calculated as per Section 198 of the Companies, 2013)			

*Commission pertaining to FY 2017-18 paid during FY 2018-19.

Note: Other Directors namely Mr. Yatin Shah and Shantanu Rastogi were not paid any remuneration.

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

Particulars of Remuneration	Key Managerial Personnel		
	Mihir Nanavati (CFO)	Manoj Gujran (Company Secretary)	Total Amount (INR)
1. Gross salary			
a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	21,73,242.00	21,73,242.00
b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	0
c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	0
2. Stock Option	-	0	0
3. Sweat Equity	-	0	0
4. Commission - as % of profit - others, specify	-	13,99,835.00	13,99,835.00
5. Others, please specify	-	1,49,994.40	149,994.40
TOTAL	-	37,23,071.40	37,23,071.40

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Note: Mr. Mihir Nanavati being CFO of Holding Company too, receives remuneration from Holding Company i.e. IIFL Wealth Management Limited.

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					

For and on behalf of the Board of Directors

Himanshu Jain
 Whole-time Director & CEO
 DIN: 02052409
 Date: May 13, 2019
 Place: Mumbai

Yatin Shah
 Director
 DIN: 03231090

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ANNEXURE – III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 (Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
IIFL Wealth Finance Limited
(Formerly: Chephis Capital Markets Ltd.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Wealth Finance Limited, having CIN: U65990MH1994PLC080646 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the IIFL Wealth Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by IIFL Wealth Finance Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;

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- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
 - b) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- vi. Other Laws specifically applicable to the Company
- a) The Reserve Bank of India Act, 1934, as applicable to Non- Banking Financial Companies;
 - b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016,
 - c) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016,
 - d) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016,
 - e) Master Direction-Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
 - f) Master Direction - Know Your Customer (KYC) Direction, 2016; and
 - g) IRDA (Registration of Corporate Agents) Regulations, 2015.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.
- ii) The Listing Agreements entered into by the Company with BSE Limited.

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During the year under review and as per the explanations given and the representations made by the Management, the Company has complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

We further report that:

- (a) The company is the wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013 effective from 13.02.1016. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken with requisite majority.

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

We further report that during the audit year the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

- (a) The Company made issue and allotment of total 4,30,44,070 Equity shares of the face value of Rs. 10/- each to its holding company namely IIFL Wealth Management Limited during the year ended 31stMarch, 2019.
- (b) The Company made issue and allotment of Secured Market Linked/Perpetual/Subordinated Redeemable Non-Convertible Debentures amounting to Rs. 2867.68 crores in different series on private placement during the year ended 31stMarch, 2019.
- (c) The Company made issue of Commercial Paper and outstanding balance was Rs. 397.85 Crores as on 31stMarch, 2019.
- (d) Redeemable Non-Convertible Debentures were listed on Bombay Stock Exchange during the year ended 31stMarch, 2019.
- (e) During the year the company has passed the Resolutions for the following matters:
 - (i) Special Resolution passed u/s 42 of the Act at the Extra Ordinary General Meeting

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(EGM) held on 2nd April, 2018 for issue of Non-Convertible Debentures (NCD) aggregating upto INR 2500 crores on private placement basis (ii) Ordinary Resolution passed under Section 61(1)(a) of the Act at the Annual General Meeting (AGM) held on 20th July, 2018 for increase in Authorised Share capital from INR 300 Crores to INR 350 crores; (iii) Special Resolution passed u/s 180 (i)(c) at the said AGM for borrowing by the company not exceeding INR 13000 crores; (iv) Special Resolution passed u/s 42 of the Act at the EGM held on 20th March, 2019 for increase in the limit from INR 2500 Crores to INR 3000 Crores for issue of NCD on private placement basis.

For J. U. Poojari & Associates
Company Secretaries

Place: Mumbai

Date: May 13, 2019

Jayaram U Poojari
FCS No: 8102 CP No: 8187

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

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'Annexure A'

To,
The Members
of IIFL Wealth Finance Ltd.
(Formerly: Chephis Capital Markets Ltd.)

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 process 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 process 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 and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure 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 J. U. Poojari & Associates
Company Secretaries

Place: Mumbai

Date: May 13, 2019

Jayaram U Poojari
FCS No: 8102 CP No: 8187

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INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Wealth Finance Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IIFL Wealth Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment of carrying value of loans and advances:</p> <p>The Company exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment and estimation of the amount of the impairment provision for loans and advances. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Company and a key audit matter. As at 31 March 2019, the Company's gross loans and advances amounted to Rs. 4,91,07,59,966 and the related impairment provisions amounted to Rs. 22,80,00,000. (Refer note no. 8)</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • We read the Company's impairment provisioning policy; • We gained understanding of the Company's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes; • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2019; • For data from external sources, we understood the process of choosing such data, its relevance for the Company, and the controls and governance over such data; • Where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report; • For a sample of exposures, we tested the appropriateness of staging into Stage 1, 2 and 3; • We obtained an understanding of the Company's provisioning methodology, consistency of various inputs and assumptions used, the reasonableness of the underlying assumptions and the sufficiency of the data used by the management; • For a sample of exposures, we tested the appropriateness of determining Exposure at Default (EAD); • For Probability of Default (PD) used in the ECL calculations we checked the PDs used for a sample of exposures; • For a sample of exposures, we tested the the Loss Given Default (LGD) used in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; • We tested the appropriateness

		<p>of the opening balance adjustments to verify the bifurcation of impairment loss into transition adjustment and charge for the period.</p>
<p>2</p>	<p>Information Technology and General Controls The Company is highly dependent on technology due to significant number of transactions that are processed electronically daily. Accordingly, our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations. Absence of segregation of duties may result in a risk of intended or unintended manipulation of data that could have a material effect on the completeness and accuracy of the financial statements. Due to the pervasive nature and use of IT systems, we continued to assess the risk of a material misstatement arising from access to technology as a significant matter for the audit.</p>	<p>Principal audit procedures performed:</p> <p>For the key IT systems used to prepare accounting and financial information:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's business IT environment and key changes if any, during the audit period that may be relevant to the audit. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audits; • We tested the design, implementation and operating effectiveness of the Company's General IT controls over the information systems that are critical to financial reporting. This included evaluation of Company's controls to ensure that access was provisioned / modified based on duly approved requests, access for exit cases was revoked in a timely manner and access of all users was re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • We tested the controls to ensure that segregation of duties was monitored and conflicting access was either removed or mapped to mitigating controls, which were documented and tested; • We tested the controls over network segmentation, restriction of remote access to the Company's network,

		<p>controls over firewall configurations and mechanisms implemented by the Company to prevent, detect and respond to network security incidents;</p> <ul style="list-style-type: none">• We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy;• Where deficiencies were identified, we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the completeness and accuracy of data.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' Report etc., but does not include the financial statements and our auditor's report thereon. The Directors' Report including Annexures to Directors' report etc. is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors' Report etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are



reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls,



refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



Kalpesh J. Mehta

(Partner)

(Membership No. 48791)

Place: Mumbai

Date: 13 May 2019



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

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

We have audited the internal financial controls over financial reporting of IIFL Wealth Finance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Kalpesh J. Mehta
(Partner)
(Membership No.48791)

Place: Mumbai
Date: 13 May 2019



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deed, comprising the immovable property of land which is freehold, is held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans 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) The Company is a registered non-banking finance company to which provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable, and hence reporting under clause (iv) of CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.



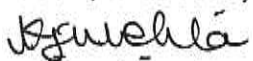
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, income-tax, goods and services tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Custom Duty and Employees' State Insurance are not applicable to the Company.
- (b) There were no undisputed amounts payable in respect of provident fund, income-tax, service tax/goods and services tax, value added tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (c) There are no dues of Service Tax, Goods and Services Tax and Value Added Tax as on 31 March 2019 on account of disputes. Details of Income Tax not deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. mn)	Amount Unpaid (Rs. mn)
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2015-16	9.37	7.49

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has issued equity shares. In respect of the above issue, we further report that:
 - a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered and it has obtained the registration 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)


Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place: Mumbai
Date: 13 May 2019



IIFL WEALTH FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Mn)

Sr. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	4	362.58	379.40	4,781.68
(b)	Bank balance other than (a) above	5	-	1,266.60	2,518.97
(c)	Derivative financial instruments	6	960.95	49.75	10.77
(d)	Receivables				
	(I) Trade receivables	7	2.90	5.59	0.49
	(II) Other receivables	7	3,775.35	-	856.67
(e)	Loans	8	50,162.26	72,435.31	36,481.13
(f)	Investments	9	29,393.73	6,405.96	19,457.50
(g)	Other financial assets	10	331.67	47.51	22.28
2	Non-Financial Assets				
(a)	Current tax assets (net)		1.71	6.77	-
(b)	Deferred tax assets (net)	11	76.55	95.67	67.85
(c)	Property, plant and equipment	12	1.04	1.06	1.08
(d)	Intangible assets under development	13	-	-	1.57
(e)	Other intangible assets	14	2.10	4.52	3.35
(f)	Other non-financial assets	15	17.10	12.03	13.36
	Total Assets		85,087.94	80,710.17	64,216.70
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	Financial Liabilities				
(a)	Derivative financial instruments	6	2,516.09	814.25	254.02
(b)	Payables				
	Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	16.1	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	19.09	94.29	229.26
(c)	Debt securities	17	39,732.69	18,562.29	17,838.60
(d)	Borrowings (other than debt securities)	18	15,186.91	41,998.54	30,009.05
(e)	Subordinated liabilities	19	5,701.34	5,617.98	4,435.00
(f)	Other financial liabilities	20	2,690.05	1,399.65	520.49
2	Non-Financial Liabilities				
(a)	Current tax liabilities (net)		221.18	10.46	162.93
(b)	Provisions	21	4.16	4.88	1.17
(c)	Other non-financial liabilities	22	7.60	8.81	0.42
3	EQUITY				
(a)	Equity share capital	23	3,054.94	2,624.50	2,624.50
(b)	Other equity	23A	15,953.89	9,574.52	8,141.26
	Total Liabilities and Equity		85,087.94	80,710.17	64,216.70

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

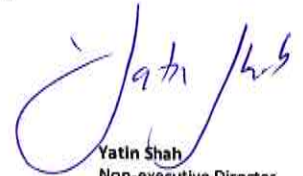


Kalpesh J. Mehta
Partner

For and on behalf of Board of Directors



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



Yatish Shah
Non-executive Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

Place : Mumbai
Date : May 13th, 2019



IIFL WEALTH FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Mn)

Sr. No.	Particulars	Note No.	2018-19	2017-18
1	Revenue from operations			
(a)	Interest income	24	6,556.38	6,617.72
(b)	Dividend & Distribution income on investments	25	18.96	279.92
(c)	Fees and commission income	26	42.85	155.81
(d)	Net gain on fair value changes	27	478.85	650.07
	Total revenue from operations		7,097.04	7,703.52
2	Other income	28	-	0.04
3	Total income (1+2)		7,097.04	7,703.56
	Expenses			
(a)	Finance costs	29	4,217.77	5,327.51
(b)	Impairment on financial instruments	30	(75.56)	135.77
(c)	Employee benefits expenses	31	63.91	181.84
(d)	Depreciation, amortization and impairment	12,14	2.53	1.94
(e)	Other expenses	32	157.02	135.52
4	Total expenses		4,365.67	5,782.58
5	Profit before tax (3-4)		2,731.37	1,920.98
6	Tax expense:			
(a)	Current tax	33	896.03	515.00
(b)	Deferred tax	33	20.26	(27.64)
7	Profit for the year (5-6)		1,815.08	1,433.62
8	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss - Remeasurements of Employee Benefits	31.1	(0.43)	(0.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	33	0.15	0.18
	Subtotal (a)		(0.28)	(0.33)
(b)	(i) Items that will be reclassified to profit or loss - Foreign currency translation reserve		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (b)		-	-
	Other comprehensive income/(loss) (a+b)		(0.28)	(0.33)
9	Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year)		1,814.80	1,433.29
10	Earnings per equity share			
	Basic (Rs.)	34	6.22	5.46
	Diluted (Rs.)	34	6.22	5.46

See accompanying Notes to the Financial Statements


In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Kalpesh J. Mehta
Partner

For and on behalf of Board of Directors



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



Yatin Shah
Non-executive Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujarati
Company Secretary

Place : Mumbai
Date : May 13th, 2019

IIFL WEALTH FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

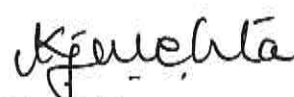
(₹ in Mn)

Particulars	2018-19	2017-18
A. Cash flows from operating activities		
Net profit before taxation	2,731.37	1,920.96
Adjustments for:		
Depreciation & amortisation	2.53	1.94
Provisions for employee benefits	(0.82)	2.08
Profit on Sale of Investments -Realised	(576.44)	(837.75)
Profit on Sale of Investments -UnRealised	(45.84)	161.98
Impairment on Financial Instrument	(75.56)	135.77
Mark to Market on Derivative Financial Instrument	62.71	(24.64)
Interest income	(6,556.38)	(6,617.72)
Interest expenses	4,217.78	5,327.51
Dividend/distribution Income from investments	(18.96)	(279.92)
Interest received	6,460.71	6,063.17
Interest paid	(3,141.18)	(4,010.03)
Dividend received	18.96	279.92
Operating profit before working capital changes	3,078.88	2,123.27
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	(5,006.10)	1,086.56
Increase/ (Decrease) in Financial/Non-financial Liabilities	535.09	(45.51)
Cash (used in)/generated from operations	(1,392.13)	3,164.32
Decrease/(Increase) in Loans	22,143.05	(35,244.83)
Cash generated from/ (used in) operating activities	20,750.92	(32,080.51)
Net income tax (paid) / refunds	(685.31)	(667.47)
Net cash generated from / (used in) operating activities (A)	20,065.61	(32,747.98)
B. Cash flows from investing activities		
Purchase of investments	(1,145,481.97)	(1,029,280.10)
Sale of investments	1,123,434.48	1,042,734.06
Fixed Deposit placed	(7,833.50)	(17,746.64)
Fixed Deposit matured	9,083.33	18,701.78
(Purchase)/sale of Property, plant and equipment (Includes intangible assets)-Net	(0.09)	(1.53)
Net cash generated from/ (used in) investing activities (B)	(20,797.75)	14,407.57
C. Cash flows from financing activities		
Issuance of share capital	430.44	-
Securities premium received	4,569.56	-
Debt Securities and Subordinated Liabilities- taken	28,967.07	13,460.90
Debt Securities and Subordinated Liabilities - repaid	(6,343.79)	(11,125.80)
Borrowings - taken	252,892.85	379,361.56
Borrowings - repaid	(279,807.81)	(367,758.53)
Intercompany Deposit - taken	45,420.57	172,268.75
Intercompany Deposit - repaid	(45,408.57)	(172,268.75)
Share Issue expenses paid	(5.00)	-
Net cash (used in)/generated from financing activities (C)	715.32	13,938.13
Net (decrease)/Increase in cash and cash equivalents (A+B+C)	(16.82)	(4,402.28)
Opening Cash & cash equivalents	379.40	4,781.68
Closing Cash & cash equivalents	362.58	379.40
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per Ind AS 7	362.58	379.40
Add: In Fixed deposits with maturity more than 3 months	-	1,266.60
Cash & cash equivalents (Refer Note 4)	362.58	1,646.00

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Kalpesh J. Mehta
Partner

For and on behalf of Board of Directors



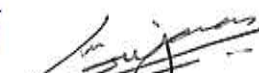
Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)



Yatin Shah
Non-executive Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

Place : Mumbai
Date : May 13th, 2019

STATEMENT OF CHANGES IN EQUITY

F.Y 2018-19
(₹ in Mn)

Particulars	Equity Attributable to Owners of the Company							Total
	Equity Share Capital	Securities Premium	General Reserve	Other Equity			Total Other Equity	
				Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Capital Redemption Reserve	Retained Earnings		
Balance as at 1st April 2018	2,624.50	6,993.78	1.43	516.29	2.30	2,060.73	9,574.53	12,199.03
Shares issued during the year	430.44	4,569.56	-	-	-	-	4,569.56	5,000.00
Share issue expenses	-	(5.00)	-	-	-	-	(5.00)	(5.00)
Profits for the year	-	-	-	-	-	1,815.08	1,815.08	1,815.08
Other Comprehensive income/(loss)	-	-	-	-	-	(0.28)	(0.28)	(0.28)
Transfer (to)/from other reserves	-	-	-	362.96	-	(362.96)	-	-
Balance as at 31st March 2019	3,054.94	11,558.34	1.43	879.25	2.30	3,512.57	15,953.89	19,008.83

STATEMENT OF CHANGES IN EQUITY

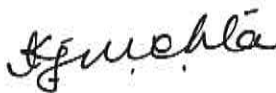
F.Y 2017-18
(₹ in Mn)

Particulars	Equity Attributable to Owners of the Company							Total
	Equity Share Capital	Securities Premium	General Reserve	Other Equity			Total Other Equity	
				Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Capital Redemption Reserve	Retained Earnings		
Balance as at 1st April 2017 *	2,624.50	6,993.78	1.43	204.25	2.30	939.50	8,141.26	10,765.76
Profits for the year	-	-	-	-	-	1,433.60	1,433.60	1,433.60
Other Comprehensive income/(loss)	-	-	-	-	-	(0.33)	(0.33)	(0.33)
Transfer (to)/from other reserves	-	-	-	312.04	-	(312.04)	-	-
Balance as at 31st March 2018	2,624.50	6,993.78	1.43	516.29	2.30	2,060.73	9,574.53	12,199.03

* Refer Note 3

- i) **Securities Premium**
Securities Premium includes the difference between face value of equity shares and consideration in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.
- ii) **General Reserve**
The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- iii) **Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934**
As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.
- iv) **Capital Redemption Reserve**
Capital Redemption Reserve (CRR) can be used only for issue of fully paid bonus shares as per Companies Act, 2013.
- v) **Debenture Redemption Reserve**
There is no Debenture Redemption Reserve (DRR) created as the Non-Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.
- vi) **Retained Earnings**
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

For and on behalf of Board of Directors


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

Yatish Shah
Non-executive Director
(DIN: 03231090)

Mihir Nanavati
Chief Financial Officer

Manoj Gujran
Company SecretaryPlace : Mumbai
Date : May 13th, 2019


IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements of IIFL Wealth Finance Limited for the year ended March 31, 2019

Note 1. Corporate Information:

IIFL Wealth Finance Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of IIFL Wealth Management Limited. The Company is a systemically important non-deposit accepting Non-Banking Financial Company ("NBFC ND-SI") registered with the Reserve Bank of India (RBI) under section 45-IA of the RBI Act, 1934 having a valid certificate of registration no. B-13.00361 dated March 18, 1998, and is primarily engaged in the financing and investing activities. The Company offers broad suite of financial products that includes loan against securities, capital market / IPO financing, loan against property, etc. catering to the financing needs of corporate and high net worth customers.

Note 2 – Significant Accounting Policies

a) Statement of Compliance:

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of Indian GAAP (IGAAP), as per standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Refer note 3 for the details of first-time adoption exemptions availed by the Company.

b) These financial statements have been approved for issue by the Board of Directors of the Company at their meeting held on May 13, 2019

c) Revenue recognition

Revenue is recognised when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

- Lending / Investments related Income
 - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
 - Dividend income is accounted in the period in which the right to receive the same is established.
- Other items of income including fees and commissions are accounted as and when the service obligations are completed and right to receive such income arises and it is probable that the economic benefits will flow and the amount of income can be measured reliably.



IIFL WEALTH FINANCE LIMITED

d) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Financial Assets.

Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold improvements are amortized over the period of lease. Individual assets / group of similar assets costing up to Rs. 5,000 has been depreciated in full in the year of purchase.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Office equipment	5

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

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Consolidated Statement of Profit and Loss when the item is derecognized.



e) Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. . Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3-5

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

f) Impairment

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, If any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.



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g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

• Financial assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Cash and Bank balances, Trade receivables, Loans and Other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognized in the statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVTOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.



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iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as mentioned above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- The contractual rights to cash flows from the financial asset expires;
- The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not measured at FVTPL. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial



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recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and financial assets arising from transactions with in the scope of Ind AS 115 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

The Company writes off a financial asset when there is information indicating that the obligor is in severe financial difficulty and there is no realistic prospect of recovery.

• Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows:

- (i) recognized at amortised costs
- (ii) recognized at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

Subsequent measurement:

(i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.

(ii) All financial liabilities of the Company are categorized at fair value are subsequently measured at fair value through profit and loss statement.

(iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

h) Derivative financial instruments

The Company enters into derivative financial contracts, which are initially recognized at fair value at the date the contracts are entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting



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gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

i) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

j) Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

k) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted or substantively enacted by the end of reporting period.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognized for all taxable temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not



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recognized. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

l) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.



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n) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

(I) Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate. The Company operates defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company also operates Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

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.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.



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o) Lease accounting

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets taken on lease:

In respect of operating leases, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or

ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

p) Borrowing Cost

Borrowing cost includes interest, amortization of transaction costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

r) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

s) Recent Accounting pronouncements

The Ministry of Corporate Affairs has notified the Indian Accounting Standard (Ind AS) - 116, Leases effective April 1, 2019. The Company is in the process of studying the impact on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit /loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / tax loss, tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating impact of the above amendment.



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Amendment of Ind AS 12 – Income taxes in connection with accounting of dividend distribution - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the above.

t) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

- Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets and are based on changes in technical or commercial obsolescence.

- Defined Benefit Obligation

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

- Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

- Expected Credit Loss

The provision for expected credit loss involves estimating the probability of default and loss given default based on the past experience and other factors.



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Note 3. First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

- (i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant and equipment and intangible assets as deemed cost of such assets at the transition date.
- (ii) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

Reconciliation of Total Equity as at April 1, 2017 and March 31, 2018

(₹ in Mn)

Equity Reconciliation	As at 1st April 2017	As at 31st March 2018	Notes
As per IGAAP	10,642.62	12,288.50	
Change in fair value of investments	158.20	19.44	1
Impairment on Financial Instruments	(39.51)	(26.58)	2
Effective Interest Rate for financial liabilities recognised at amortized cost	19.90	-	3
ESOP Compensation Cost	(1.00)	(2.95)	4
Securities Premium on Debentures	-	(85.68)	5
Deferred tax impact on above adjustments	(14.45)	6.29	6
As per Ind AS	10,765.76	12,199.02	

Reconciliation of Total Comprehensive Income as at 31st March 31, 2018

(₹ in Mn)

Reconciliation of Total Comprehensive Income	As at 31st March 2018	Notes
Net Income under Indian GAAP	1,560.20	
Change in fair value of investments	(138.75)	1
Actuarial gain/ loss recognised on employee benefit in other comprehensive income	0.51	7
Impairment on Financial Instruments	12.93	2
Effective Interest Rate for financial liabilities recognised at amortized cost	(19.90)	3
ESOP Compensation Cost	(1.95)	4
Deferred tax impact on above adjustments	20.58	6
Net Income as per Ind AS	1,433.62	
Other Comprehensive Income	(0.33)	7
Total Comprehensive Income as per Ind AS	1,433.29	

Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2018

(₹ in Mn)

Sr. No.	Particulars	As at March 31, 2018			
		As per IGAAP	Ind AS adjustments	As per Ind AS	Notes
	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	379.40	-	379.40	
(b)	Bank balance other than (a) above	1,266.60	-	1,266.60	
(c)	Derivative financial instruments	49.75	-	49.75	
(d)	Receivables	-	-	-	
	(i) Trade receivables	5.59	-	5.59	
	(ii) Other receivables	-	-	-	
(e)	Loans	72,461.89	(26.58)	72,435.31	2
(f)	Investments	6,386.52	19.44	6,405.96	1
(g)	Other financial assets	47.51	-	47.51	
		-	-	-	
2	Non-Financial Assets				
(a)	Current tax assets (net)	6.77	-	6.77	
(b)	Deferred tax assets (net)	89.37	6.30	95.67	6
(c)	Property, plant and equipment	1.06	-	1.06	
(d)	Other intangible assets	4.52	-	4.52	
(e)	Other non-financial assets	12.03	-	12.03	
		-	-	-	
	Total Assets	80,711.01	(0.84)	80,710.17	
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	Financial Liabilities				
(a)	Derivative financial instruments	814.25	-	814.25	
(b)	Payables	-	-	-	
	Trade payables	-	-	-	
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	94.29	-	94.29	
(c)	Debt securities	18,490.58	71.71	18,562.29	5
(d)	Borrowings (other than debt securities)	41,998.54	-	41,998.54	
(e)	Subordinated liabilities	5,604.00	13.98	5,617.98	5
(f)	Other financial liabilities	1,396.70	2.95	1,399.65	4
		-	-	-	
2	Non-Financial Liabilities				
(a)	Current tax liabilities (net)	10.46	-	10.46	
(b)	Provisions	4.88	-	4.88	
(c)	Other non-financial liabilities	8.81	-	8.81	
		-	-	-	
3	EQUITY				
(a)	Equity share capital	2,624.50	-	2,624.50	
(b)	Other equity	9,664.00	(89.48)	9,574.52	
		-	-	-	
	Total Liabilities and Equity	80,711.01	(0.84)	80,710.17	



Note 3. First time adoption of Ind AS

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2017

(₹ in Mn)

Sr. No.	Particulars	As at April 1, 2017			Notes
		As per IGAAP	Ind AS adjustments	As per Ind AS	
	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	4,781.68	-	4,781.68	
(b)	Bank balance other than (a) above	2,518.97	-	2,518.97	
(c)	Derivative financial instruments	10.77	-	10.77	
(d)	Receivables				
	(i) Trade receivables	0.49	-	0.49	
	(ii) Other receivables	856.67	-	856.67	
(e)	Loans	36,520.64	(39.51)	36,481.13	2
(f)	Investments	19,299.30	158.20	19,457.50	1
(g)	Other financial assets	22.28	-	22.28	
2	Non-Financial Assets				
(a)	Deferred tax assets (net)	82.30	(14.45)	67.85	6
(b)	Property, plant and equipment	1.08	-	1.08	
(c)	Capital work-in-progress	1.57	-	1.57	
(d)	Other intangible assets	3.35	-	3.35	
(e)	Other non-financial assets	13.36	-	13.36	
	Total Assets	64,112.46	104.24	64,216.70	
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	Financial Liabilities				
(a)	Derivative financial instruments	254.02	-	254.02	
(b)	Payables				
	Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	229.26	-	229.26	
	(ii) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises				
(c)	Debt securities	17,838.60	-	17,838.60	
(d)	Borrowings (other than debt securities)	30,009.05	-	30,009.05	
(e)	Subordinated liabilities	4,435.00	-	4,435.00	
(f)	Other financial liabilities	539.39	(18.90)	520.49	3 & 4
2	Non-Financial Liabilities				
(a)	Current tax liabilities (net)	162.93	-	162.93	
(b)	Provisions	1.17	-	1.17	
(c)	Other non-financial liabilities	0.42	-	0.42	
3	EQUITY				
(a)	Equity share capital	2,624.50	-	2,624.50	
(b)	Other equity	8,018.12	123.14	8,141.26	
	Total Liabilities and Equity	64,112.46	104.24	64,216.70	

Notes

- As per IGAAP, Investments were valued at lower of Cost and Market Value. However as per Ind AS, Investments classified at Fair value through Profit and loss are to be recognised at Fair Value and hence the Company has restated its investments to reflect the market value and corresponding impact being taken to Statement of Profit and Loss.
- The Company had recognised Contingent Provision on Standard Assets till Financial year 2017-2018 which was as required by RBI Prudential Norms. After the adoption of Ind AS the Company is required to calculate Expected Credit Loss (ECL) on all its financial assets. The impact shown above is the differential impact due to adoption of ECL by the Company.
- The Company was accounting its transaction cost on debt securities on a straight line basis. However after adopting Ind AS, the Company has started recognising the transaction costs as per Effective Rate of Interest (EIR) method and the amount shown above is the impact of this adjustment.
- ESOP charge is accounted for using fair value method. The portion of ESOP charge payable to holding company is accordingly measured and recognised at fair value. Under I-GAAP ESOP charge was calculated based on Intrinsic value method.
- The securities premium received on issue of debentures was classified under Reserves & Surplus in IGAAP while the same was reclassified to Borrowings under Ind AS.
- Deferred tax is the tax impact of all the adjustments between IGAAP and Ind AS.
- Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.
- Derivative component of Debt securities has been separated and transferred to Derivative Financial Instruments.
- There is no impact on Cash Flow due to first time adoption of Ind AS.



Note 4. Cash and Cash Equivalents

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)			
Cheques in hand	-	-	8.43
Balance with banks	-	-	-
-In current accounts	362.58	89.23	4,763.22
In Deposit accounts (with original maturity of three months or less)	-	290.17	10.03
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	362.58	379.40	4,781.68

Out of the Fixed Deposits shown above:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Lien marked against overdraft facility	-	10.04	10.03
Total	-	10.04	10.03

Note 5. Bank Balance other than 4 above:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other Bank Balances			
In Deposit accounts (with original maturity of more than 3 months)	-	1,266.60	2,518.97
Total	-	1,266.60	2,518.97

Out of the Fixed Deposits shown above:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Lien marked against overdraft facility	-	1,266.60	2,518.97
Total	-	1,266.60	2,518.97



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 6. Derivative Financial Instruments (Refer Note 41)

Part I	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities
(i) Interest rate derivatives									
Interest rate swaps	11,000.00	-	46.85	-	-	-	-	-	-
Subtotal(i)	11,000.00	-	46.85	-	-	-	-	-	-
(ii) Equity linked derivatives (Nifty Linked)									
Option premium paid	3,851.54	883.27	-	985.80	49.75	-	501.60	10.77	-
Option premium received	1,616.54	-	90.48	-	-	-	570.00	-	10.81
Derivative component of debt securities	2,456.43	77.68	2,378.76	814.25	49.75	814.25	243.21	-	243.21
Subtotal(ii)	7,924.51	960.95	2,469.24	1,800.05	49.75	814.25	1,314.81	10.77	254.02
Total Derivative Financial Instruments	18,924.51	960.95	2,516.09	1,800.05	49.75	814.25	1,314.81	10.77	254.02

Part II	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities	Notional amounts	Fair value - Assets	Fair value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging	-	-	-	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	18,924.51	960.95	2,516.09	1,800.05	49.75	814.25	1,314.81	10.77	254.02
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	18,924.51	960.95	2,516.09	1,800.05	49.75	814.25	1,314.81	10.77	254.02

(₹ in Mn)

Note 7. Receivables (Refer Note 41)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	2019	2018	2019	2018	2017	2017
(i) Trade receivables	2.90	5.59	5.59	0.49	0.49	0.49
Receivables considered good - Unsecured	2.90	5.59	5.59	0.49	0.49	0.49
Total (i)- Gross	2.90	5.59	5.59	0.49	0.49	0.49
Less: Impairment loss allowance	-	-	-	-	-	-
Total (i)- Net	2.90	5.59	5.59	0.49	0.49	0.49
(ii) Other receivables						
Receivables considered good - Unsecured	3,775.35	-	-	856.67	856.67	856.67
Total (ii)- Gross	3,775.35	-	-	856.67	856.67	856.67
Less: Impairment loss allowance	-	-	-	-	-	-
Total (ii)- Net	3,775.35	-	-	856.67	856.67	856.67

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2019, 31st March 2018, 1st April 2017.

b) There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2019, 31st March 2018, 1st April 2017.

c) There are no credit impaired receivables as at 31st March 2019, 31st March 2018, 1st April 2017.

d) Other receivables include receivables on sale of investments aggregating to ₹ 3,755.23 million (31/03/2018-Nil, 31/03/2017-₹ 150.09 million)

e) No trade or other receivables are interest bearing.



BFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 8. Loans [Refer Note 41]

Loans	As at March 31, 2019					As at March 31, 2018					As at April 1, 2017					
	Amortised cost	At Fair value			Total	Amortised cost	At Fair value			Total	Amortised cost	At Fair value			Total	
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
(A) Term loans*	50,389.70	-	-	50,389.70	72,738.87	-	-	72,738.87	72,738.87	-	-	72,738.87	36,648.91	-	-	36,648.91
(B) Others-Staff Loan	0.56	-	-	0.56	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) -Gross	50,390.26	-	-	50,390.26	72,738.87	-	-	72,738.87	72,738.87	-	-	72,738.87	36,648.91	-	-	36,648.91
Less:Impairment loss allowance	(228.00)	-	-	(228.00)	(303.56)	-	-	(303.56)	(303.56)	-	-	(303.56)	(167.78)	-	-	(167.78)
Total (A) - Net	50,162.26	-	-	50,162.26	72,435.31	-	-	72,435.31	72,435.31	-	-	72,435.31	36,481.13	-	-	36,481.13
(B) Secured by tangible assets	47,755.42	-	-	47,755.42	67,585.71	-	-	67,585.71	67,585.71	-	-	67,585.71	33,941.98	-	-	33,941.98
(C) Unsecured	2,634.84	-	-	2,634.84	5,153.16	-	-	5,153.16	5,153.16	-	-	5,153.16	2,706.93	-	-	2,706.93
Total (B) -Gross	50,390.26	-	-	50,390.26	72,738.87	-	-	72,738.87	72,738.87	-	-	72,738.87	36,648.91	-	-	36,648.91
(C) Loans in India	50,390.26	-	-	50,390.26	72,738.87	-	-	72,738.87	72,738.87	-	-	72,738.87	36,648.91	-	-	36,648.91
Less: Impairment loss allowance	(228.00)	-	-	(228.00)	(303.56)	-	-	(303.56)	(303.56)	-	-	(303.56)	(167.78)	-	-	(167.78)
Total (C) (B)-Net	50,162.26	-	-	50,162.26	72,435.31	-	-	72,435.31	72,435.31	-	-	72,435.31	36,481.13	-	-	36,481.13
(D) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (D) (B)- Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (B) and (D)	50,162.26	-	-	50,162.26	72,435.31	-	-	72,435.31	72,435.31	-	-	72,435.31	36,481.13	-	-	36,481.13

Secured loan & Other Credit Facilities given to customer are secured by :-

- a) Pledge of Shares / Bonds / Mutual Fund & AIF Units
- b) Equitable/Registered Mortgage on Property
- c) Personal Guarantee

* Includes Loan to related parties- Refer Note 40

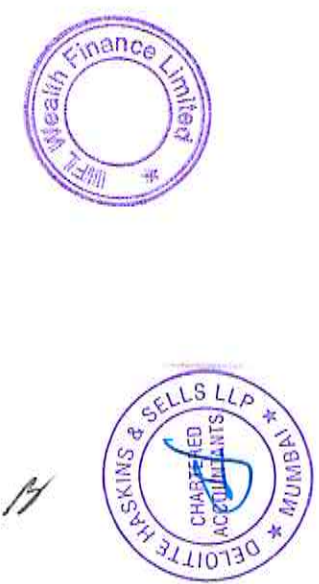


IRFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 9. Investments (Refer Note 41)

Investments	As at March 31, 2019						As at March 31, 2018						As at April 1, 2017												
	Amortised cost		AT Fair value		Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	AT Fair value		Designated at fair value through profit or loss	Subtotal	Others	Total										
	1	2	Through Comprehensive income	Through profit or loss						3	4					5	6	7	8	9	10	11	12	13	14
Mutual funds:	-	-	716.70	-	716.70	-	716.70	-	1,061.77	-	1,061.77	-	1,061.77	-	1,061.77	-	1,061.77	-	590.50	-	590.50	-	590.50	-	590.50
Government securities:	-	-	10,352.03	-	10,352.03	-	10,352.03	-	3,360.37	-	3,360.37	-	3,360.37	-	3,360.37	-	3,360.37	-	10,483.95	-	10,483.95	-	10,483.95	-	10,483.95
Debt securities:	-	-	13,007.84	-	13,007.84	-	13,007.84	-	-	-	-	-	-	-	-	-	-	-	16.43	-	16.43	-	16.43	-	16.43
Equity instruments:	-	-	4,723.11	-	4,723.11	-	4,723.11	-	618.67	-	618.67	-	618.67	-	618.67	-	618.67	-	6,766.22	-	6,766.22	-	6,766.22	-	6,766.22
Alternate investment funds:	-	-	545.06	-	545.06	-	545.06	-	1,363.15	-	1,363.15	-	1,363.15	-	1,363.15	-	1,363.15	-	-	-	-	-	-	-	-
Others:	-	-	29,393.73	-	29,393.73	-	29,393.73	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	-	-	-	-	-	-	-
Total (A)	-	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96
(B) Investments outside India:	-	-	-	-	-	-	-	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96
(C) Investments in India:	-	-	19,385.73	-	19,385.73	-	19,385.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96
Total (B)	-	-	19,385.73	-	19,385.73	-	19,385.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96
(D) Less: Allowance for investment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Net (D) = A-C	-	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	29,393.73	-	6,405.96	-	6,405.96	-	6,405.96	-	6,405.96

Note: Of the above investments, ₹ 16,892.88 million (₹ Y ₹ 59.54 million) are kept as collateral.



IFIL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 9. Investments (Refer Note 41)

(₹ in Min)

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount	No. of Units	Total Amount	No. of Units	Total Amount
Investment in Mutual Funds include :						
IFIL LIQUID FUND - REGULAR PLAN - GROWTH	8.08	0.01	8.08	0.01	8.08	0.01
IFIL INDIA GROWTH FUND DIRECT PLAN - GROWTH	-	-	278,028.00	4.02	-	-
IFIL INDIA GROWTH FUND - REGULAR PLAN - GROWTH	-	-	7,013,458.83	97.52	38,656,839.95	511.92
IFIL DYNAMIC BOND FUND - GROWTH (REGULAR)	-	-	3,107,375.36	43.25	3,107,375.36	40.28
BHARTI AXA TREASURY ADVANTAGE FUND- RETAIL GROWTH PLAN	-	-	381,089.41	800.00	-	-
HDFC LIQUID FUND - GROWTH (REGULAR)	77,201.46	282.78	17,459.00	59.54	8,806.00	28.26
HDFC DEBT FUND FOR CANCER CURE - 50% REGULAR OPTION-2014 - DIVIDEND DONATION	1,000,000.00	10.03	1,000,000.00	10.03	1,000,000.00	10.03
HDFC MUTUAL FUND FMP 33600 MAR2014[1]SR30 REG QTIYDMPY 06IU23	5,000,000.00	50.02	-	-	-	-
HDFC MUTUAL FUND FMP 1302D SEP 16 [1] SR 37 REG GROWTH 21AP20	7,605,013.00	92.31	-	-	-	-
HDFC MUTUAL FUND EOF II 11260 MAY 17[1]REG DIVPAY 14IU20	18,100,000.00	195.27	-	-	-	-
ICICI PRUDENTIAL MUTUAL FUND VALUE FD SR 4 DIV PAY 08MY19	2,100,000.00	21.55	-	-	-	-
IDFC MUTUAL FUND EQ OPR SR 5 REGULAR PLAN GROWTH 15MR21	7,563,345.00	74.73	-	-	-	-
DSP BLACKROCK MUTUAL FUND LIQUIDITY FUND INSTI PLAN GROWTH OPEN END	-	726.70	19,070.79	47.40	-	590.50
Investment in Government Securities include :						
7.32% GOVERNMENT OF INDIA FVRS100 28JAN2024	72,500,000.00	7,455.23	-	-	-	-
7.37% GOVERNMENT OF INDIA FVRS100 16APR2023	13,000,000.00	1,367.44	-	-	-	-
8.24% GOVERNMENT OF INDIA GOVT. STOCK 2027	14,500,000.00	1,529.36	-	-	-	-
		10,352.03				
Investment in Debt Securities include :						
PUNJAB NATIONAL BANK SR-VIII 8.95 LOA PERPETUAL FVRS10LAC	85.00	82.69	100.00	212.47	-	-
STATE BANK OF INDIA SR-I 9 BD PERPETUAL FVRS10LAC	779.00	815.54	215.00	217.41	203.00	205.61
STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL FVRS10LAC	300.00	305.61	938.00	931.74	730.00	723.42
PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL FVRS10LAC	784.00	737.72	-	-	500.00	499.09
STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC	-	-	50.00	49.20	-	-
11% BANK OF INDIA SR-I PERPETUAL BOND FVRS10LACS	-	-	1,073.00	1,248.83	1,336.00	1,406.30
ALLAHABAD BANK SR-I 11.15 LOA PERPETUAL FVRS10LAC	-	-	-	-	275.00	274.98
ANDHRA BANK SR-III 10.99 LOA PERPETUAL FVRS10LAC	-	-	-	-	1,385.00	1,421.62
BANK OF INDIA SR-III 11.5 BD PERPETUAL FVRS10LAC	-	-	-	-	12.00	12.89
IDBI BANK LIMITED SR-II 10.75 BD PERPETUAL FVRS10LAC	-	-	-	-	1,417.00	1,395.11
ORIENTAL BANK OF COMMERCE SR-2 10.95 BD PERPETUAL FVRS10LAC	-	-	-	-	1,400.00	1,447.65
9.37% STATE BANK OF INDIA SERIES II BD PERPETUAL FVRS10LAC	1,421.00	1,463.48	-	-	-	-
9.56% STATE BANK OF INDIA SERIES I NCD PERPETUAL FVRS10LAC	160.00	166.64	-	-	-	-
9.90% ICICI BANK LIMITED SR DDEIBAT 9.90 BD PERPETUAL FVRS10LAC	1,082.00	1,118.30	-	-	-	-
10.50% INDUSIND BANK LIMITED SERIES III-2019 NCD PERPETUAL FVRS10LAC	1,000.00	992.09	-	-	-	-
9.08% UNION BANK OF INDIA SR-XXIV BD PERPETUAL FVRS10LAC	95.00	99.33	-	-	-	-
ICICI BANK LIMITED SR- DMAR17AT 9.2 BD PERPETUAL FVRS10LAC	9.00	8.95	-	-	-	-
VIJAYA BANK SR-IV 10.49 LOA PERPETUAL FVRS10LAC	-	-	-	-	300.00	294.54
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	-	20.00	20.94
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL FVRS10LAC	-	-	-	-	683.00	714.01
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL FVRS10LAC	383.00	398.98	-	-	-	-
UNION BANK OF INDIA SR-XXIII TR-2 9.1 BD PERPETUAL FVRS10LAC	381.00	368.04	-	-	-	-
PUNJAB NATIONAL BANK SR-IX 21BDPERPETUALFVRS10LACLOAUPTD27AP17	348.00	336.37	-	-	-	-
PUNJAB NATIONAL BANK SR-XI 8.98 BD PERPETUALFVRS10LACLOAUPTD03SP17	859.00	872.82	-	-	-	-
CORPORATION BANK SR-II 10.28 LOA PERPETUAL FVRS10LAC	-	-	-	-	1,500.00	1,458.60
ARCH AGRI INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000	7,221.00	-	7,221.00	-	2,457.00	-



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 9. Investments (Refer Note 4.1)

(₹ in Mn)

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount	No. of Units	Total Amount	No. of Units	Total Amount
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/367-A 28-NOV-19	137.00	23.83	137.00	13.70	137.00	70.31
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/369-A TYPE II 02-DEC-19	60.00	10.42	60.00	6.00	60.00	6.00
RELIANCE CAPITAL LIMITED SR-B/359A TYPE III BR NCD 21OCT19 FVRS1LAC	629.00	111.99	629.00	62.90	629.00	62.90
RELIANCE CAPITAL LIMITED SR-B/359A TYPE IV BR NCD 24OCT19 FVRS1LAC	704.00	125.25	704.00	70.40	704.00	70.40
RELIANCE CAPITAL LIMITED SR-B/364A TYPE I BR NCD 04NOV19 FVRS1LAC	336.00	59.59	336.00	33.60	336.00	33.60
RELIANE CAPITAL LIMITED MID SERIES B/435A 25OCT21 FVRS1LAC	2,243.00	233.96	1,805.00	180.50	-	-
RELIANCE CAPITAL LIMITED SR-B/433A BR NCD 09AG21 FVRS1LAC	4,241.00	459.19	3,321.00	333.62	-	-
HINDUJA LEYLAND FINANCE LIMITED SR 001 BR NCD 17SP24 FVRS10LAC	347.00	368.55	-	-	-	-
0.00% TATA CAPITAL FINANCE 26-JUNE-20	15.00	15.62	-	-	-	-
HOB FINANCIAL SERVICES LIMITED SR-A/01/104 OP 3 NCD 08JL20 FVRS10LAC	15.00	17.20	-	-	-	-
15.75% MANIPAL HEALTHCARE PRIVATE LIMITED SERIES A NCD 25MR24 FVRS10LAC	1,170.00	1,175.03	-	-	-	-
8.90% RELIANCE HOME FINANCE LTD SR-I CAT III & IV 3YRS FV RS 1000	6,605.00	6.61	-	-	-	-
EDELWEISS FINANCE & INVESTMENTS LTD G7K503B 04-APRIL-19	150.00	20.05	-	-	-	-
EDELWEISS FINVEST PRIVATE LIMITED SR-A0A702A NCD 26MAY20 FVRS1LAC	500.00	65.40	-	-	100.00	465.98
ECL FINANCE LIMITED SR-B0C603C BR NCD 10AP17 FVRS1LAC	100.00	89.75	-	-	-	-
KOTAK MAHINDRA INVESTMENTS LIMITED SR-D30 NCD 05AG20 FVRS10LAC	2,692.00	289.34	-	-	-	-
RELIANCE FINANCIAL LIMITED SR B/190328N BR NCD 11JUN22 FVRS1LAC	1,500.00	1,628.47	-	-	-	-
AMRI HOSPITALS LIMITED LOA 02AP21 FVRS10LAC	500.00	540.53	-	-	-	-
EMAMI INFRASTRUCTURE LIMITED NCD 25MR21 FVRS10LAC	-	0.50	-	-	-	-
8.55% IIFCL TRANCHE III SERIES 2A 15YRS	-	13,007.84	-	3,360.37	-	10,583.95
Investment in Equity Instrument Include :						
SHANKARA BUILDING PRODUCTS LIMITED	-	-	-	-	36,577.00	16.83
Investment in Alternate Investment funds include :						
ABAKKUS GROWTH FUND - 1	10,000.00	10.64	-	-	-	-
BLUME VENTURES FUND I	910.00	25.98	1,487.50	27.01	1,487.50	27.54
IA ALL CAP FUND	10,356,188.09	93.91	-	-	-	-
IIFL ASSET REVIVAL FUND SERIES 2	-	-	-	-	10,000,000.00	131.92
IIFL ASSET REVIVAL FUND SERIES 3	-	-	-	-	4,714,192.09	57.47
IIFL BEST OF CLASS FUND I	-	-	-	-	5,000,000.00	58.39
IIFL BEST OF CLASS FUND II	-	-	-	-	5,000,000.00	64.16
IA BALANCE FUND	4,666,205.00	49.19	-	-	-	-
IA BLENDED FUND-SERIES 2	3,052,890.54	30.24	-	-	-	-
IA DIVERSIFIED FUND	2,514,771.62	26.49	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 1	1,604,462.70	15.83	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 2	2,162,210.48	21.33	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 6	350,000.00	3.57	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 8	1,001,500.59	10.52	-	-	-	-
IA OPPORTUNITIES FUND - SERIES 9	1,000,000.00	10.50	-	-	-	-
ICICI PRUDENTIAL REAL ESTATE AIF II	728,195.63	72.60	-	-	-	-
IIFL BLENDED FUND - SERIES A	7,840,215.00	79.62	-	-	-	-
IIFL BLENDED FUND SERIES B	1,657,151.16	15.15	-	-	-	-
IIFL BLENDED-FUND SERIES C	3,012,500.00	31.61	-	-	-	-
IIFL FOCUSED EQUITY STRATEGIES FUND	8,012,711.12	109.59	-	-	2,500,000.00	28.48
IIFL HIGH GROWTH COMPANIES FUND	5,000,000.00	56.51	-	-	-	-
IIFL INCOME OPPORTUNITIES FUND	-	-	-	-	57,057,308.75	37.47
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS	-	-	-	-	932,923.14	9.03



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 9. Investments (Refer Note 41)

(₹ in Min)

Name of Investment	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Units	Total Amount	No. of Units	Total Amount	No. of Units	Total Amount
IIFL INCOME OPPORTUNITIES FUND - SERIES 2	17,500,000.00	177.51	-	-	-	-
IIFL INVESTMENT OPPORTUNITIES FUND - SPECIAL SERIES 1	-	-	-	-	7,635,711.44	86.55
IIFL INCOME OPPORTUNITIES SERIES REGULAR INCOME	-	-	-	-	200,000,000.00	2,001.52
IIFL INCOME OPPORTUNITIES SERIES DEBT ADVANTAGE	8,102,978.66	71.83	-	-	46,180,362.87	473.96
IIFL INDIA PRIVATE EQUITY FUND	11,670,000.00	116.70	-	-	-	-
IIFL LONG TERM EQUITY GROWTH FUND	1,000,000.00	11.05	-	-	-	-
IIFL LONG TERM GROWTH FUND I	10,000,000.00	115.83	-	-	-	-
IIFL MULTI-STRATEGY FUND	10,000,000.00	108.38	-	-	-	-
IIFL RE ORGANIZE INDIA EQUITY FUND	11,440,326.99	92.18	-	-	2,500,000.00	25.09
IIFL REAL ESTATE FUND DOMESTIC SERIES 1	-	-	-	-	2,161,057.00	34.63
IIFL REAL ESTATE FUND DOMESTIC SERIES 2	11,754,182.81	93.73	-	-	-	-
IIFL REAL ESTATE FUND DOMESTIC SERIES 3	47,938,266.05	477.83	-	-	29,650,964.38	310.36
IIFL REAL ESTATE FUND DOMESTIC SERIES 4	43,661,718.26	428.94	-	-	10,000,000.00	102.41
IIFL SEED VENTURES FUND 1	18,584,493.69	356.45	-	-	13,449,408.87	208.60
IIFL SELECT EQUITY FUND	7,195,906.69	72.88	-	-	2,000,000.00	20.00
IIFL SELECT SERIES 1	1,680,799.34	22.31	-	-	1,676,041.10	18.43
IIFL SELECT SERIES II	5,000,000.00	49.65	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND	12,803,875.48	145.06	-	-	1,250,000.00	12.52
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2	6,983,622.90	75.45	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3	12,063,847.19	129.33	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4	14,102,631.05	140.60	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5	8,171,901.54	80.59	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 6	5,000,000.00	51.19	-	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7	5,000,000.00	51.59	-	-	-	-
IIFL YIELD ENHANCER FUND	60,880,228.78	170.80	30,731,164.67	371.29	12,500,000.00	127.80
IIFL CASH OPPORTUNITIES FUND	-	-	-	-	384,524,183.43	4,377.84
IIFL PHOENIX CASH OPPORTUNITIES FUND	-	-	728,195.63	80.96	-	-
ICICI PRUDENTIAL REAL ESTATE AIF II	1,373.56	120.36	-	-	-	-
INDIA ALTERNATIVES PRIVATE EQUITY FUND II	30,390,775.90	316.55	-	-	-	-
INDIA HOUSING FUND	2,116,131.54	248.92	291,118.00	29.11	-	-
IRON PILLAR INDIA FUND I	-	-	855,837.93	110.30	386,785.95	41.81
IMALABAR VALUE FUND	2,100.00	210.00	-	-	-	-
KAE CAPITAL FUND IIA	123.53	11.30	-	-	-	-
PEGASUS INDIA EVOLVING OPPORTUNITIES FUND	1,912,740.77	21.36	-	-	-	-
WHITE OAK INDIA EQUITY FUND	1,000,000.00	10.46	-	-	-	-
WHITE OAK INDIA EQUITY FUND II	800.00	80.00	-	-	-	-
XPONENTIA OPPORTUNITIES FUND I	-	4,722.11	-	618.67	-	8,266.22
Investment in Others include :	8,815,000.00	585.05	16,640,000.00	1,365.15	-	-
IRB INVIT FUND	-	585.05	-	1,365.15	-	-



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HFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 10. Other financial assets

Particulars	(₹ In Mn)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured			
Deposit with Clearing Corporation of India Limited (CCIL)	143.90	22.20	-
Other deposits	0.45	0.45	0.45
Receivables from Group/Holding company (Refer Note 40)	12.32	0.44	0.03
Advance for purchase of Investments in units of AIF	175.00	-	-
Others	-	24.42	21.80
Total	331.67	47.51	22.28



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 11. Deferred Taxes

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

	(₹ in Mn)				
	Opening balance	Recognised in profit or loss	MAT Credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Difference between book base and tax base of property, plant & equipment and intangible assets	(0.22)	0.36	-	-	0.14
Impairment of Assets	106.08	(26.41)	-	-	79.67
Retirement benefits for employees	1.41	(0.11)	-	0.15	1.45
Total deferred tax assets (A)	107.27	(26.16)	-	0.15	81.26
Offsetting of deferred tax (assets) with deferred tax liabilities					-
Net Deferred tax (assets)	107.27	(26.16)	-	0.15	81.26
Deferred tax liabilities:					
Unrealised profit on Investments etc.	(11.60)	5.89	-	-	(5.71)
Total deferred tax liabilities (B)	(11.60)	5.89	-	-	(5.71)
Offsetting of deferred tax liabilities with deferred tax (assets)					-
Net Deferred tax liabilities	(11.60)	5.89	-	-	(5.71)
Deferred tax assets (A - B)	95.67	(20.27)	-	0.15	76.55

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

	(₹ in Mn)				
	Opening balance	Recognised in profit or loss	MAT Credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:					
Carried forward tax losses	0.01	(0.01)	-	-	-
Impairment of Assets	48.38	57.70	-	-	106.08
Retirement benefits for employees	0.11	1.12	-	0.18	1.41
Total deferred tax assets (A)	49.50	58.81	-	0.18	107.49
Offsetting of deferred tax (assets) with deferred tax liabilities					-
Net Deferred tax (assets)	49.50	58.81	-	0.18	107.49
Deferred tax liabilities:					
Difference between book base and tax base of property, plant & equipment and intangible assets	(0.15)	(0.07)	-	-	(0.22)
Unrealised profit on Investments etc.	19.50	(31.10)	-	-	(11.60)
Total deferred tax liabilities (B)	19.35	(31.17)	-	-	(11.82)
Offsetting of deferred tax liabilities with deferred tax (assets)					-
Net Deferred tax liabilities	19.35	(31.17)	-	-	(11.82)
Deferred tax assets (A - B)	68.85	27.64	-	0.18	95.67



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IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 12. Property Plant and Equipment

(₹ in Mn)

F.Y 2018-19

Particulars	Office Equipment	Land	Total
Gross Carrying Value as on April 01, 2018	0.08	1.00	1.08
Additions	-	-	-
Deductions/ Adjustments during the year	-	-	-
As at March 31, 2019	0.08	1.00	1.08
Depreciation			
Upto April 01, 2018	0.02	-	0.02
Depreciation for the year	0.02	-	0.02
Deductions/Adjustments during the year	-	-	-
Upto March 31, 2019	0.04	-	0.04
Net Block as at March 31, 2019	0.04	1.00	1.04

F.Y 2017-18

Particulars	Office Equipment	Land	Total
Gross Carrying Value as on April 01, 2017 *	0.08	1.00	1.08
Additions	-	-	-
Deductions/ Adjustments during the year	-	-	-
As at March 31, 2018	0.08	1.00	1.08
Depreciation			
Upto April 01, 2017	-	-	-
Depreciation for the year	0.02	-	0.02
Deductions/Adjustments during the year	-	-	-
Upto March 31, 2018	0.02	-	0.02
Net Block as at March 31, 2018	0.06	1.00	1.06

* Refer Note 3 for exemptions availed



Note 13. Intangible Assets under Development

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening balance	-	1.57	-
Additions	-	-	1.57
Deductions	-	1.57	-
Closing Balance	-	-	1.57

Note 14. Other Intangible Assets

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Software/Intangible assets- Acquired		
Opening Gross Carrying Value*	6.45	3.35
Additions	0.09	3.10
Deductions / adjustments during the year	-	-
Closing Gross Block	6.54	6.45
Amortisation		
Opening Accumulated Depreciation	1.93	-
Amortisation for the year	2.51	1.93
Deductions / adjustments during the year	-	-
Closing Accumulated Depreciation	4.44	1.93
Net Block	2.10	4.52

* Refer Note 3 for exemptions availed

Note 15. Other Non Financial Assets

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid expenses-Unsecured	10.36	10.42	5.50
Advances recoverable in cash or in kind or for value to be received – Unsecured	6.74	1.61	7.86
Total	17.10	12.03	13.36

Note 16. Trade Payables

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade payables			
-(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 16.1)	-	-	-
-(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises :			
-Sundry creditors for expenses	0.26	7.49	3.19
-Accrued salaries and benefits	0.37	73.68	220.56
-Provision for expenses	18.46	13.12	5.51
Total	19.09	94.29	229.26



16.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006
The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED. This has been relied upon by the auditors.

Particulars	2018-19		2017-18		As at April 1, 2017	
	At Fair value Through profit or loss	At Amortised cost	Designated at fair value through profit or loss	Total	At Fair value Through profit or loss	Total
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-	-	-	-

(₹ in Mn)

Note 17. Debt Securities

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017					
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
Liability component of compound financial instruments	6,241.42	-	-	6,241.42	1,645.25	-	-	1,645.25	434.60	-	-	434.60
Bonds/ Debentures	18,136.23	15,353.04	-	33,489.27	8,355.94	8,561.10	-	16,917.04	5,239.30	12,164.70	-	17,404.00
Total	24,377.65	15,353.04	-	39,730.69	10,001.19	8,561.10	-	18,562.29	5,673.90	12,164.70	-	17,838.60
Debt securities in India	24,377.65	15,353.04	-	39,730.69	10,001.19	8,561.10	-	18,562.29	5,673.90	12,164.70	-	17,838.60
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	24,377.65	15,353.04	-	39,730.69	10,001.19	8,561.10	-	18,562.29	5,673.90	12,164.70	-	17,838.60

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Balance outstanding	Interest rate % (p.a) *	Balance outstanding	Interest rate % (p.a) *	Balance outstanding	Interest rate % (p.a) *
At Amortised cost	2,714.19	9.16% - 11.18%	-	-	-	-
Above 5 years	10,130.17	7.97% - 9.75%	8,302.19	8.00% - 9.73%	3,032.30	8.00% - 9.65%
1-5 years	11,535.29	8.00% - 9.73%	1,699.00	8.00% - 9.60%	2,641.60	9.00% - 9.45%
Less than 1 year	-	-	-	-	-	-
At Fair value through profit or loss	13,369.54	Market linked	8,561.10	Market linked	12,164.70	Market linked
Above 5 years	1,983.40	Market linked	-	-	-	-
1-5 years	-	-	-	-	-	-
Less than 1 year	-	-	-	-	-	-

* Indicates Effective Interest Rate

The Secured Listed Non-Convertible Debentures of the Company are Secured by pari passu mortgage and charge over the Company's Identified Immoveable Property, charge on present and future receivables to the extent equal to the principal and interest amount of the secured non-convertible debentures outstanding at any point of time and first exclusive charge by way of pledge on specific identified liquid or debt fund/ identified bonds/ perpetual bonds issued by bank/ marketable debt securities (being non-capital market investments of the Company) for each tranche in accordance with the respective tranche private placement offer document/ information memorandum.



Particulars	(₹ in Mn)
Debt securities include:	As at March 31, 2019
	(Issue price)
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2019	2,067.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	106.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	55.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/06/2019	280.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/06/2019	44.20
Market Linked Non Convertible Debenture of Face Value Rs. 10,00,000 Each Redeemable on 25/06/2019	750.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2019	75.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 03/07/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/07/2019	161.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/07/2019	4.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	70.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	300.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/08/2019	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/08/2019	3.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/08/2019	720.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/08/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2019	125.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2019	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/09/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/09/2019	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/09/2019	23.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/10/2019	63.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/10/2019*	209.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019*	234.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/10/2019	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019	2,584.09
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019*	111.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/11/2019	27.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/11/2019*	45.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019*	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2019	3,406.61
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/12/2019	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2020	128.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2020	3,041.18
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/08/2020	430.53
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/03/2021	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2021	1,803.45
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09/08/2021*	1,424.11
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2021*	702.79
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/05/2022*	1,954.77
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/05/2022*	2,288.28
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/07/2023	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2023	260.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/02/2024	1,603.40
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/10/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/11/2024	2,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2025	970.86
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/07/2025	801.80
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2025	1,504.37
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	1,700.17
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	1,727.66
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/04/2026	2,311.66
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2026	992.89
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026	85.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	45.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026	40.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09/02/2027	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2027	470.60
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/12/2028*	681.93
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/01/2029*	706.89
	41,873.23

* Includes Derivative component of Debt Securities.



WFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 18. Borrowings (other than Debt securities)

(₹ in Mn)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017					
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
(b) Term loans												
- from banks												
- (i) from related parties (See Note 40)	12.00	-	-	12.00	-	-	-	-	-	-	-	-
(b) Loans repayable on demand												
- from banks	1,500.00	-	-	1,500.00	105.89	-	105.89	-	1	-	-	1
- (i) from other parties	-	-	-	-	-	-	-	-	-	-	-	-
(c) Borrowings from Collateralized Borrowing and Lending Obligation (CBLI)												
- Less: Prepaid Discount	(1.87)	-	-	(1.87)	-	-	-	-	-	-	-	-
(d) Commercial papers	3,978.50	-	-	3,978.50	42,350.00	-	42,350.00	-	30,250.00	-	-	30,250.00
- Less: Prepaid Discount	(151.72)	-	-	(151.72)	(457.35)	-	(457.35)	-	(240.95)	-	-	(240.95)
Total	15,186.91	-	-	15,186.91	41,998.54	-	41,998.54	-	30,009.05	-	-	30,009.05

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
Residual maturity						
At Amortised cost						
Above 5 years	15,186.91	8.00% - 10.31%	41,998.54	7.85% - 8.70%	30,009.05	7.20% - 7.80%
Less than 1 year	-	-	-	-	-	-

- Term loans repayable from related parties are unsecured.
- Loans repayable on demand from banks. As at 31st March 2019, the loans are secured by way of pari passu charge on specific receivables. As at 31st March 2018, the loans are secured by way of pari passu charge on receivables and corporate guarantee issued by the holding company. The interest rates on these loans are linked to Marginal Cost of funds based Lending Rate (MCLR) of the lending bank + Spread.
- Borrowings from CBLI are secured against investments in Government Securities.
- Commercial papers are unsecured short term papers issued at discount. The cost on outstanding Commercial papers ranges from 8% to 10.00% p.a.

Explanatory Notes	₹ in Mn	
	As at March 31, 2019	As at March 31, 2018
(i) Working Capital Demand Loan Repayable on 30/09/2019	1,500.00	-
(ii) Collateralized Borrowing and Lending Obligation Repayable on 02/04/2019	9,850.00	-
(iii) Bank overdraft Facility	105.89	-



Note 19. Subordinated Liabilities:

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017					
	At Amortised cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(A)												
Perpetual Debt Instruments to the extent that do not qualify as equity	1,500.00	-	-	1,500.00	1,500.00	-	-	1,500.00	1,500.00	-	-	1,500.00
Subordinated debt	4,201.34	-	-	4,201.34	4,117.98	-	-	4,117.98	2,935.00	-	-	2,935.00
Total (A)	5,701.34	-	-	5,701.34	5,617.98	-	-	5,617.98	4,435.00	-	-	4,435.00
(B)												
Subordinated liabilities in India	5,701.34	-	-	5,701.34	5,617.98	-	-	5,617.98	4,435.00	-	-	4,435.00
Subordinated liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	5,701.34	-	-	5,701.34	5,617.98	-	-	5,617.98	4,435.00	-	-	4,435.00

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Balance outstanding	Interest rate % (p.a) *	Balance outstanding	Interest rate % (p.a) *	Balance outstanding	Interest rate % (p.a) *
At Amortised cost	1,500.00	10.00%	2,572.98	8.60 % to 10.00%	4,435.00	9.10 % to 9.36%
Above 5 years	4,201.34	8.8 % to 9.36%	3,095.00	9.10 % to 9.36%	-	-
1-5 years	-	-	-	-	-	-
Less than 1 year	-	-	-	-	-	-

* Indicates Effective Interest Rate



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Particulars	As at March 31, 2019
	(Issue price)
	(₹ in Mn)
(i) Perpetual Debt Instruments include	
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	1,500.00
(ii) Subordinated debt include	
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 19/07/2023	750.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	25.36
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 12/07/2022	10.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 22/07/2022	150.00
11.11% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	175.00
11.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	69.22
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.00
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	230.43
11.30% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	70.05
11.33% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	79.76
11.37% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	111.21
11.40% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	20.25
11.45% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.25
11.62% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	82.54
12.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	49.06
12.28% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	115.22
11.11% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 10/01/2024	58.00
	4,201.35
Particulars	As at March 31, 2018
	(Issue price)
(i) Perpetual Debt Instruments include	
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	1,500.00
(ii) Subordinated debt include	
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	750.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 12/07/2022	10.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 22/07/2022	150.00
11.11% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	175.00
11.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	69.22
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.00
11.25% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	230.43
11.30% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	70.05
11.33% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	79.76
11.37% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	111.21
11.40% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	20.25
11.45% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	10.25
11.62% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	82.54
12.18% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	49.06
12.28% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 02/05/2023	115.22
	4,117.99
Particulars	As at April 1, 2017
	(Issue price)
(i) Perpetual Debt Instruments include	
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00
	1,500.00
(ii) Subordinated debt include	
9.50 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00
9.50 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	750.00
9.10 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	100.00
11.42 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 24/06/2022	55.00
11.42 % Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 30/06/2022	30.00
	2,935.00



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 20. Other Financial Liabilities

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due	2,320.00	1,334.73	489.40
Payable to customers	-	20.95	15.44
Payable on account of purchase of investments	269.10	-	-
Payable to holding company / group companies	27.87	16.76	15.65
Others	73.08	27.21	-
Total	2,690.05	1,399.65	520.49

Note 20.1: No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of unclaimed dividend and unclaimed dues on account of NCDs.

Note 21. Provisions:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits	4.16	4.88	1.17
(b) Others (specify nature)	-	-	-
Total	4.16	4.88	1.17

Note 22. Other Non Financial Liabilities:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory remittances	7.60	8.81	0.42
Total	7.60	8.81	0.42



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IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 23. Share Capital:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised :						
350,000,000 Equity shares (Previous years 300,000,000 Equity shares) of ₹ 10/- each with voting rights		3,500.00	3,000.00	3,000.00		3,000.00
Issued, Subscribed and Paid Up: 305,493,803 Equity shares (Previous years 262,449,733 Equity shares) of ₹ 10/- each fully paidup with voting rights		3,054.94	2,624.50	2,624.50		2,624.50
Total		3,054.94	2,624.50	2,624.50		2,624.50

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.						
Particulars						
At the beginning of the year	262,449,733	2,624.50	262,449,733	2,624.50	252,116,400	2,521.16
Add: Issued during the year	43,044,070	430.44	-	-	10,333,333	103.34
Outstanding at the end of the year	305,493,803	3,054.94	262,449,733	2,624.50	262,449,733	2,624.50

(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 ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation 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, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited and its nominees	305,493,803	100%	262,449,733	100%	262,449,733	100%

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited and its nominees	305,493,803	100%	262,449,733	100%	262,449,733	100%

(f) 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 FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 23A. Other Equity:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium	11,558.34	6,993.78	6,993.78
General reserve	1.43	1.43	1.43
Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934	879.25	516.29	204.25
Capital Redemption Reserve	2.30	2.30	2.30
Retained earnings	3,512.57	2,060.72	939.50
Total	15,953.89	9,574.52	8,141.26



Note 24. Interest Income

(₹ in Mn)

Particulars	2018-19				2017-18			
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest Income on financial assets classified at fair value through profit or loss	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest Income on financial assets classified at fair value through profit or loss	Total
Interest on loans	-	6,105.15	-	6,105.15	-	5,310.62	-	5,310.62
Interest income from investments	-	-	397.43	397.43	-	-	1,152.88	1,152.88
Interest on deposits with banks	-	53.28	-	53.28	-	152.89	-	152.89
Other interest income	-	0.52	-	0.52	-	1.33	-	1.33
Total	-	6,158.95	397.43	6,556.38	-	5,464.84	1,152.88	6,617.72

Note 25. Dividend & Distribution Income on Investments (₹ in Mn)

Particulars	2018-19	2017-18
Dividend Income	12.32	10.41
Distribution Income on investments	6.64	269.51
TOTAL	18.96	279.92

Note 26. Fee and Commission Income (₹ in Mn)

Particulars	2018-19	2017-18
Distribution fees, commission and related income	42.85	155.81
TOTAL	42.85	155.81

Note 27. Net Gain/Loss On Fair Value Change:- (₹ in Mn)

Particulars	2018-19	2017-18
(A) Net gain/ (loss) on financial Instruments at fair value through profit or loss		
- Investments	622.28	675.77
- Derivatives	(143.43)	(25.70)
Total net gain/(loss) on fair value changes (B)	478.85	650.07
(C) Fair value changes:		
-Realised	495.73	787.40
-Unrealised	(16.88)	(137.34)
Total net gain/(loss) on fair value changes(C) to tally with (B)	478.85	650.06

Note 28. Other income (₹ in Mn)

Particulars	2018-19	2017-18
Miscellaneous income	-	0.04
Total	-	0.04



Note 29. Finance Cost

(₹ In Mn)

Particulars	2018-19			2017-18		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	2,183.98	2,183.98	-	3,216.47	3,216.47
Interest on debt securities	(40.23)	1,463.52	1,423.29	933.08	642.79	1,575.87
Interest on subordinated liabilities	-	567.52	567.52	-	476.43	476.43
Other Finance Costs	-	42.98	42.98	-	58.74	58.74
Total	(40.23)	4,258.00	4,217.77	933.08	4,394.43	5,327.51

Note 30. Impairment On Financial Instruments

(₹ In Mn)

Particulars	2018-19		2017-18	
	On financial Instruments measured at fair value through OCI	On financial Instruments measured at amortised cost	On financial Instruments measured at fair value through OCI	On financial Instruments measured at amortised cost
On loans	-	(75.56)	-	135.77
Total	-	(75.56)	-	135.77

Note 31. Employee Benefit Expenses

(₹ In Mn)

Particulars	2018-19	2017-18
Salaries and wages	58.10	175.05
Contribution to provident and other funds	3.93	2.51
Share based payments to employees	1.24	1.95
Staff welfare expenses	1.45	0.25
Gratuity expens (Refer Note 31.1)	1.21	0.67
Leave encashment	(2.02)	1.41
Total	63.91	181.84



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31.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) For the year ended 31st March 2019

(₹ in Mn)

Particulars	2018-2019	2017-2018
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Unfunded	Unfunded
Starting period	01-Apr-18	01-Apr-17
Date of reporting	31-Mar-19	31-Mar-18
Period of reporting	12 Months	12 Months

Assumptions (F.Y 2017-2018)		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.80%	7.26%
Rate of salary increase	7.50%	5.00%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Assumptions (F.Y 2018-2019)		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.64%	7.80%
Rate of salary increase	7.50%	7.50%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Table showing change in the present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the period	2.63	0.65
Interest cost	0.21	0.05
Current service cost	1.00	0.63
Past service cost	-	-
Liability transferred in/ acquisitions	0.05	0.82
(Liability transferred out/ divestments)	(0.16)	(0.02)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(0.25)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.06	0.40
Actuarial (gains)/losses on obligations - due to experience	0.37	0.35
Present value of benefit obligation at the end of the period	4.16	2.63
Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the period)	(4.16)	(2.63)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(4.16)	(2.63)
Net (liability)/asset recognized in the balance sheet	(4.16)	(2.63)

Net interest cost for current period		
Present value of benefit obligation at the beginning of the period	2.63	0.65
(Fair value of plan assets at the beginning of the period)	-	-
Net liability/(asset) at the beginning	2.63	0.65
Interest cost	0.21	0.05
-(Interest income)	-	-
Net interest cost for current period	0.21	0.05



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Expenses recognized in the statement of profit or loss for current period		
Current service cost	1.00	0.63
Net interest cost	0.21	0.05
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	1.21	0.67

Expenses recognized in the other comprehensive income (OCI) for current period		
Actuarial (gains)/losses on obligation for the period	0.43	0.51
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in oci	0.43	0.51

Balance sheet reconciliation		
Opening net liability	2.63	0.65
Expenses recognized in statement of profit or loss	1.21	0.67
Expenses recognized in OCI	0.43	0.51
Net liability/(asset) transfer in	0.05	0.82
Net (liability)/asset transfer out	(0.16)	(0.02)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	-
Net liability/(asset) recognized in the balance sheet	4.16	2.63

Other details		
No of active members	37	40
Per month salary for active members	3.04	2.89
Weighted average duration of pbo	11	11
Average expected future service	8	8
Projected benefit obligation (pbo)	4.16	2.63
Prescribed contribution for next year (12 months)	-	-

Maturity analysis of the benefit payments		
1st following year	0.10	0.09
2nd following year	0.15	0.09
3rd following year	0.34	0.12
4th following year	0.37	0.23
5th following year	0.38	0.24
Sum of years 6 to 10	1.98	1.28
Sum of years 11 and above	6.47	4.66

Sensitivity analysis		
PBO on current assumptions	4.16	2.63
Delta effect of +1% change in rate of discounting	(0.35)	(0.24)
Delta effect of -1% change in rate of discounting	0.41	0.27
Delta effect of +1% change in rate of salary increase	0.31	0.23
Delta effect of -1% change in rate of salary increase	(0.30)	(0.22)
Delta effect of +1% change in rate of employee turnover	(0.04)	(0.03)
Delta effect of -1% change in rate of employee turnover	0.03	0.03

The above mentioned plans are valued by independent actuaries using the projected unit credit method.



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

31.2 Defined Contribution Plans:

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

Particulars	(₹ in Mn)	
	2018-19	2017-18
Contribution to provident fund	3.93	2.51
Contribution to ESIC	-	0.01
Contribution to labour welfare fund	-	-
Total	3.93	2.52

The Company contributes to recognised provident fund for qualifying employees. Under the scheme, the Company is required to contribute specified percentage of payroll costs to fund the benefits.

Note 32. Other Expenses:-

(₹ in Mn)

Particulars	2018-19	2017-18
Operating expenses	22.60	22.46
Rent and energy cost	16.63	16.27
Insurance	-	0.43
Repairs & maintenance	0.16	(1.85)
Marketing, advertisement and business promotion expenses	0.42	0.61
Travelling & conveyance	6.81	6.30
Legal & professional fees	32.31	25.56
Communication	2.08	2.43
Software charges / Technology cost	6.31	3.86
Office & other expenses	40.33	43.19
Directors' fees and commission	2.55	3.09
Remuneration to Auditors :		
Audit fees (net of GST input credit)	1.94	1.62
Certification expenses	0.33	0.33
Out Of pocket expenses	0.01	0.22
Corporate social responsibility expenses & donation (Refer Note 38)	24.54	11.00
Total	157.02	135.52



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 33. Income taxes

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/ (income)

(₹ in Mn)

Sr. No.	Particulars	2018-19	2017-18
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	896.03	515.00
		896.03	515.00
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	20.26	(27.64)
		20.26	(27.64)
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	916.29	487.36
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	0.15	0.18
		0.15	0.18
	Income tax expense reported in the other comprehensive Income [(i)+(ii)]	0.15	0.18

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in Mn)

Sr. No.	Particulars	2018-19	2017-18
(a)	Profit/(loss) before tax	2,731.37	1,920.96
(b)	Income tax expense at tax rates applicable including deferred tax	954.45	554.01
(c)	(i) Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	(32.06)	(32.06)
(d)	(ii) Tax on Income exempt from Tax		
	(A) Income from Investments (Including tax suffered income on investment in AIF)	(5.57)	(11.12)
	(iii) Tax on expense not tax deductible		
	(A) Expenses not allowable as tax deductible as per tax laws	4.64	2.87
	(iv) Tax effect of losses of current year on which no deferred tax benefit is recognised	-	0.08
	(v) Effect on deferred tax due to change in Income tax	-	(28.24)
	(vi) Tax effect on various other items	(5.17)	1.82
	Total effect of tax adjustments [(i) to (v)]	(38.16)	(66.65)
(e)	Tax expense recognised during the year	916.29	487.36
	Effective tax rate	33.55%	25.37%



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 34. Earnings Per Share:

Basic and diluted earnings per share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

		(₹ in Mn)	
Particulars		2018-19	2017-18
Face value of equity shares in ₹ fully paid up		10.00	10.00
BASIC			
Profit after tax as per Statement of Profit and Loss	A	1,815.08	1,433.62
Weighted average number of shares subscribed	B	291.81	262.45
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	6.22	5.46
DILUTED			
Profit after tax as per Statement of Profit and Loss	A	1,815.08	1,433.62
Weighted average number of shares subscribed	B	291.81	262.45
Add: Potential equity shares on account of conversion of employee stock option	C	-	-
Weighted average number of shares outstanding	D=B+C	291.81	262.45
Diluted EPS (₹)	A/D	6.22	5.46

Note 35. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Capital and Other Commitments

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments on investments	1,904.08	55.65
Total	1,904.08	55.65

Contingent Liabilities

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
In respect of Income tax demand *	9.37	-
Total	9.37	-

* Amount paid under protest with respect to income tax demand ₹ 1.88 million

Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.



4



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 36. The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from the Company 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 expenses were difficult to determine.

Note 37. Undisbursed Sanctioned Loans

As on the balance sheet date there were undisbursed sanctioned loans of ₹ 38,901.19 million (Previous Year ₹ 36,787.70 million). These undisbursed sanctioned amounts are cancellable at the option of the Company.

Note 38. Corporate Social Responsibility

During the year, the Company has spent ₹ 24.54 million as against ₹ 24.54 million required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing long term high impact projects approved by the CSR Committee. The Company is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.

Note 39. Segment Reporting

In the opinion of the management, there is only one reportable business segment (Financing & Investing in connection with Wealth Management and Lending business) as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



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Note 40. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2019

a) List of Related Parties:

Nature of relationship	Name of party
Director/ Key Managerial Personnel	Mr. Himanshu Jain, CEO and Whole time Director
	Mr. Yatin Shah, Non-executive Director
	Mr. Shantanu Rastogi, Non-executive Director
	Dr. S. Narayan, Non-executive Director (Independent Director)
	Ms. Rekha Warriar, Non-executive Director (Independent Director)
Holding Company	IIFL Wealth Management Limited
Other Related Parties * (Ultimate Holding Company upto April 01, 2018)	IIFL Holdings Limited
Fellow Subsidiaries	IIFL Asset Management Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Trustee Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Distribution Services Limited
	IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)
	IIFL Wealth Advisors (India) Limited (w.e.f November 22, 2018)
	IIFL Altire Advisors Private Limited (w.e.f November 05, 2018)
	IIFL Wealth Employee Benefit Trust (w.e.f August 01, 2018)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL (Asia) Pte. Limited
	IIFL Inc.
	IIFL Private Wealth Hong Kong Limited
	IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd)
	IIFL Private Wealth (Suisse) SA (upto Feb 28, 2019)
Other Related Parties * (Group Companies upto April 01, 2018)	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	India Infoline Finance Limited
	IIFL Home Finance Limited
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	Clara Developers Private Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	Ayusha Dairy Private
IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)	
Other related parties	Mr. Karan Bhagat
	Mr. Amit Shah (resigned w.e.f. January 24, 2019)
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	General Atlantic Singapore Fund Pte Limited
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2018)
	Yatin Investment
	Orpheus Trading Private Limited
	Ardent Impex Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	MNI Consultants Private Limited
	Sunder Bhanwar Ventures Private Limited
	Sunder Bhanwar Holiday Home Private Limited (Upto Mar 04, 2018)
	(Khimji Kunvarji & Co (Chartered Accountant Firm of Mr. Nilesh Vikramsey)
	Yatin Prakash Shah (HUF)
	Nirmal Madhu Family Private Trust
	Kalki Family Private Trust
	Kush Family Private Trust
	Kyra Family Private Trust
	Bhagat Family Private Trust
	Kyrush Family Private Trust
Naykia Family Private Trust	
Prakash Shah Family Private Trust	
Naysa Shah Family Private Trust	
Klaah Shah Family Private Trust	

* Date of Demerger – 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.



Note 40. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2019
b) Significant Transactions with Related Parties

(₹ in Mn)								
Nature of Transaction	Key Managerial Person	Holding Company	Other Parties * (Ultimate Holding Company upto April 01, 2018)	Related Holding Company upto April 01, 2018	Fellow Subsidiaries	Other Related Parties *(Group Companies upto April 01, 2018)	Other Related Parties	Total
Share Capital Issued								
IIFL Wealth Management Limited	-	430.44	-	-	-	-	-	430.44
Share Premium Received								
IIFL Wealth Management Limited	-	4,569.56	-	-	-	-	-	4,569.56
Loans Given								
Karan Bhagat	-	-	-	-	-	-	157.70	157.70
Yatin Shah	59.20	-	-	-	-	-	(150.00)	(90.80)
Nirmal Jain	(150.11)	-	-	-	-	-	-	(150.11)
Venkataraman Rajamani	-	-	-	-	-	-	1,507.72	1,507.72
Madhu Jain	-	-	-	-	-	-	(2,764.49)	(2,764.49)
	-	-	-	-	-	-	1,500.00	1,500.00
	-	-	-	-	-	-	(2,505.88)	(2,505.88)
	-	-	-	-	-	-	1,507.72	1,507.72
	-	-	-	-	-	-	(1,255.96)	(1,255.96)
Loan Received Back								
Karan Bhagat	-	-	-	-	-	-	(150.00)	(150.00)
Yatin Shah	(150.11)	-	-	-	-	-	-	(150.11)
Nirmal Jain	-	-	-	-	-	-	1,507.72	1,507.72
Venkataraman Rajamani	-	-	-	-	-	-	(2,764.49)	(2,764.49)
Madhu Jain	-	-	-	-	-	-	1,500.00	1,500.00
	-	-	-	-	-	-	(2,505.88)	(2,505.88)
	-	-	-	-	-	-	1,507.72	1,507.72
	-	-	-	-	-	-	(1,255.96)	(1,255.96)
ICD Given								
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	2,710.00	-	-	2,710.00
IIFL Distribution Services Limited	-	-	-	-	(568.00)	-	-	(568.00)
IIFL Alternate Asset Advisors Limited	-	-	-	-	31.80	-	-	31.80
IIFL Asset Management Limited	-	-	-	-	-	-	-	-
IIFL Wealth Management Limited	-	22,684.25	-	-	35,000.70	-	-	57,684.95
IIFL Trustee Limited	-	(12,338.33)	-	-	(2,720.00)	-	-	(15,058.33)
	-	-	-	-	190.00	-	-	190.00
	-	-	-	-	(2,112.99)	-	-	(2,112.99)
ICD Received Back								
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	2,710.00	-	-	2,710.00
IIFL Distribution Services Limited	-	-	-	-	(568.00)	-	-	(568.00)
IIFL Alternate Asset Advisors Limited	-	-	-	-	31.80	-	-	31.80
IIFL Asset Management Limited	-	-	-	-	-	-	-	-
IIFL Wealth Management Limited	-	22,390.99	-	-	36,460.70	-	-	58,851.69
IIFL Trustee Limited	-	(12,049.49)	-	-	(1,260.00)	-	-	(13,318.99)
	-	-	-	-	340.00	-	-	340.00
	-	-	-	-	(1,962.99)	-	-	(1,962.99)
ICD Taken								
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	414.80	-	-	414.80
IIFL Alternate Asset Advisors Limited	-	-	-	-	70.60	-	-	70.60
IIFL Asset Management Limited	-	-	-	-	268.30	-	-	268.30
IIFL Wealth Management Limited	-	44,978.07	-	-	(464.00)	-	-	44,514.07
IIFL Trustee Limited	-	(140,795.00)	-	-	-	-	-	(140,795.00)
	-	-	-	-	0.00	-	-	0.00
ICD Repaid								
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	414.80	-	-	414.80
IIFL Alternate Asset Advisors Limited	-	-	-	-	58.60	-	-	58.60
IIFL Asset Management Limited	-	-	-	-	268.30	-	-	268.30
IIFL Wealth Management Limited	-	44,978.07	-	-	(464.00)	-	-	44,514.07
IIFL Trustee Limited	-	(140,795.00)	-	-	-	-	-	(140,795.00)
	-	-	-	-	0.00	-	-	0.00



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Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2019

Interest Income on Loans						
Karan Bhagat	-	-	-	-	0.14	0.14
Yatin Shah	0.05	-	-	-	(0.45)	(0.45)
Nirmal Jain	(1.08)	-	-	-	-	0.05
						(1.08)
Venkataraman Rajamani	-	-	-	-	2.72	2.72
Madhu Jain	-	-	-	-	(5.59)	(5.59)
					2.72	2.72
					(4.84)	(4.84)
					2.72	2.72
					(2.45)	(2.45)
Interest Income on ICD						
IIFL Investment Adviser & Trustee Services Limited	-	-	-	3.91	-	3.91
IIFL Distribution Services Limited	-	-	-	(0.51)	-	(0.51)
IIFL Alternate Asset Advisors Limited	-	-	-	0.00	-	0.00
IIFL Asset Management Limited	-	-	-	116.40	-	116.40
IIFL Wealth Management Limited	-	74.97	-	(3.46)	-	(3.46)
IIFL Trustee Limited	-	(25.73)	-	0.49	-	0.49
				(0.93)	-	(0.93)
				0.00	-	0.00
Interest Expense on ICD						
IIFL Investment Adviser & Trustee Services Limited	-	-	-	0.12	-	0.12
IIFL Alternate Asset Advisors Limited	-	-	-	0.08	-	0.08
IIFL Asset Management Limited	-	-	-	0.08	-	0.08
IIFL Wealth Management Limited	-	68.89	-	(0.24)	-	(0.24)
		(230.93)	-	-	-	68.89
				-	-	(230.93)
Purchase of Investment						
IIFL Wealth Management Limited	-	(0.19)	-	-	-	(0.19)
IIFL Alternate Asset Advisors Limited	-	-	-	3,477.63	-	3,477.63
				(0.06)	-	(0.06)
NCD Bought Back						
IIFL Wealth Management Limited	-	4,705.08	-	-	-	4,705.08
IIFL Alternate Asset Advisors Limited	-	-	-	1,782.36	-	1,782.36
Subscription of NCD						
Samasta Microfinance Limited	-	-	-	-	995.45	995.45
India Infoline Finance Limited	-	-	-	-	353.92	353.92
IIFL Home Finance Limited	-	-	-	-	382.74	382.74
Redemption of NCD						
India Infoline Finance Limited	-	-	-	-	65.25	65.25
Issue of NCD						
IIFL Wealth Management Limited	-	12.52	-	-	-	12.52
IIFL Alternate Asset Advisors Limited	-	-	-	2,303.00	-	2,303.00
Sale of Investment						
IIFL Wealth Management Limited	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	-	151.61	-	151.61
Interest Income on NCD/Investment						
India Infoline Finance Limited	-	-	-	-	2.26	2.26
Interest Expense on NCD						
IIFL Wealth Management Limited	-	5.83	-	-	-	5.83
IIFL Alternate Asset Advisors Limited	-	(6.82)	-	5.09	-	(6.82)
Remuneration to Director						
Himanshu Jain	26.62	-	-	-	-	26.62
Yatin Shah	(23.17)	-	-	-	-	(23.17)
	(0.08)	-	-	-	-	-
Sitting Fees/Commission To Directors						
Rekha Warriar	1.04	-	-	-	-	1.04
S Narayan	1.68	-	-	-	-	1.68



Note 40. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2019

Fees/Expenses Incurred/Reimbursed For							
IIFL Distribution Services Limited	-	-	-	45.43	-	-	45.43
	-	-	-	(38.84)	-	-	(38.84)
Redemption Expense							
IIFL Management Services Limited	-	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	-	-	(0.44)	-	(0.44)
	-	-	-	-	(0.24)	-	(0.24)
Corporate Social Responsibility (CSR)							
India Infoline Foundation Limited	-	-	-	-	-	24.54	24.54
	-	-	-	-	-	(10.76)	(10.76)
Allocation / Reimbursement of expenses Paid							
IIFL Distribution Services Limited	-	-	-	0.24	-	-	0.24
	-	-	-	(0.48)	-	-	(0.48)
IIFL Wealth Management Limited	-	25.16	-	-	-	-	25.16
	-	(22.27)	-	-	-	-	(22.27)
Other funds paid							
IIFL Wealth Management Limited	-	9.31	-	-	-	-	9.31
	-	(7.84)	-	-	-	-	(7.84)
IIFL Distribution Services Limited	-	-	-	1.20	-	-	1.20
	-	-	-	(0.06)	-	-	(0.06)
IIFL Securities Limited (Formerly India Infoline Limited)	-	-	-	-	(0.01)	-	(0.01)
Other funds received							
IIFL Wealth Management Limited	-	-	-	-	-	-	-
	-	(0.02)	-	-	-	-	(0.02)
IIFL Asset Management Limited	-	-	-	(0.07)	-	-	(0.07)
IIFL Distribution Services Limited	-	-	-	0.05	-	-	0.05
	-	-	-	(1.08)	-	-	(1.08)

(h) Amount due to / from related parties (Closing Balances):

Nature of Transaction	Key Managerial Person	Holding Company	Other Parties * (Ultimate Holding Company upto April 01, 2018)	Related Holding Company upto April 01, 2018	Fellow Subsidiaries	Other Related Parties *(Group Companies upto April 01, 2018)	Other Related Parties	Total
Sundry payables								
IIFL Distribution Services Limited	-	-	-	-	-	-	-	-
	-	-	-	-	(3.74)	-	-	(3.74)
IIFL Alternate Asset Advisors Limited	-	-	-	-	17.57	-	-	17.57
	-	-	-	-	-	-	-	-
IIFL Wealth Management Limited	-	10.31	-	-	-	-	-	10.31
	-	(10.07)	-	-	-	-	-	(10.07)
Sundry receivables								
IIFL Distribution Services Limited	-	-	-	-	1.44	-	-	1.44
	-	-	-	-	-	-	-	-
IIFL Asset Management Limited	-	-	-	-	-	-	-	-
	-	-	-	-	(0.11)	-	-	(0.11)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-	-	-	-
	-	-	-	-	(0.33)	-	-	(0.33)
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	0.20	-	-	0.20
IIFL Management Services Limited	-	-	-	-	(0.20)	-	-	(0.20)
	-	-	-	-	-	0.72	-	0.72
Receivables from Broker								
IIFL Securities Limited (Formerly India Infoline Limited)	-	-	-	-	-	(0.26)	-	(0.26)
IIFL Distribution Services Limited	-	-	-	-	10.16	-	-	10.16
	-	-	-	-	(0.15)	-	-	(0.15)
India Infoline Commodities Limited	-	-	-	-	-	(0.03)	-	(0.03)
ICD Taken								
IIFL Alternate Asset Advisors Limited	-	-	-	-	12.00	-	-	12.00
ICD Given								
IIFL Wealth Management Limited	-	582.10	-	-	-	-	-	582.10
	-	(288.84)	-	-	-	-	-	(288.84)
IIFL Asset Management Limited	-	-	-	-	(150.00)	-	-	(150.00)
IIFL Alternate Asset Advisors Limited	-	-	-	-	(1,460.00)	-	-	(1,460.00)
Loans Given								
Karan Bhagat	-	-	-	-	-	-	157.70	157.70
Yatin Shah	59.20	-	-	-	-	-	-	59.20



Note 41. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Financial Risk Management
41A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment on various components is described below:

1) Lending operations – Loans

The Lending Operations of the Company has a well-defined framework within which credit risk is assumed, managed and monitored. Credit risk management function closely oversees management and control of credit risks and associated operational risks. The credit proposals are evaluated having regard to specified prudent exposure limits and approved by the appropriate authority, approved by the Board of Directors (the Board) of the entity engaged in lending business. The risk management policies including exposure limits are defined and reviewed along with the Board.

The Company sanctions and monitors the loan based on underlying security offered by borrower. The Company has not implemented the system for credit grading of borrowers since most of its lendings are against liquid collaterals. In order to manage credit risk, Loan to Value (LTV) ratio is decided/re-adjusted at the time of sanction and on ongoing basis at the time of monitoring of loan.

The carrying amount of Loans arising from lending business which may be subject to credit risk are as per table below:

(₹ In Mn)					
Loans to customers					
Particulars	Apr 2018- Mar 2019				
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loans*	49,107.60	-	-	-	49,107.60
Total gross carrying amount	49,107.60	-	-	-	49,107.60
Loss allowance	(228.00)	-	-	-	(228.00)
Carrying amount	48,879.60	-	-	-	48,879.60

* Excluding Intercompany deposits, Staff Loan and Loan to CBLO

(₹ In Mn)					
Loans to customers					
Particulars	Apr 2017- Mar 2018				
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loans*	68,341.30	-	-	-	68,341.30
Total gross carrying amount	68,341.30	-	-	-	68,341.30
Loss allowance	(303.56)	-	-	-	(303.56)
Carrying amount	68,037.74	-	-	-	68,037.74

* Excluding Intercompany deposits and Loan to CBLO

(₹ In Mn)					
Loans to customers					
Particulars	As At 1st April 2017				
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loans*	36,648.91	-	-	-	36,648.91
Total gross carrying amount	36,648.91	-	-	-	36,648.91
Loss allowance	(167.78)	-	-	-	(167.78)
Carrying amount	36,481.13	-	-	-	36,481.13

* Excluding Intercompany deposits and Loan to CBLO

Reconciliation of Expected Credit Loss/ Impairment Loss allowance with regards to lending operations for F.Y 18-19 is as follows

(₹ In Mn)					
Particulars	Apr 2018- Mar 2019				
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loss allowance as at 01.04.2018	303.56	-	-	-	303.56
Provision on loans originated during the year	67.12	-	-	-	67.12
Net change in provision on continuing loans	(73.59)	-	-	-	(73.59)
Provision on loans derecognised during the year	(69.09)	-	-	-	(69.09)
Loss allowance as at 31.03.2019	228.00	-	-	-	228.00

Reconciliation of loan loss reserves with regards to lending operations for F.Y 17-18 is as follows

(₹ In Mn)					
Particulars	Apr 2017- Mar 2018				
	Financial assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Purchased or originated credit-impaired financial assets (POCI)	Total
Loss allowance as at 01.04.2017	167.78	-	-	-	167.78
Provision on loans originated during the year	134.04	-	-	-	134.04
Net change in provision on continuing loans	14.74	-	-	-	14.74
Provision on loans derecognised during the year	(13.01)	-	-	-	(13.01)
Loss allowance as at 31.03.2018	303.55	-	-	-	303.55

In addition to loans from lending business, the company has outstanding loans under CBLO arrangement, staff and Holding company/Fellow subsidiaries. The company has not made any provision on ECL as credit risk is considered insignificant

Credit concentration and gradation

The company provides loans mainly to High Net worth individuals (HNIs) against securities/collaterals in the form of financial instruments (Loans against Securities - LAS). The Company does not have a significant concentration with regard to single/group borrower and industry.

The Company sanctions and monitors these loans based on underlying securities. In order to manage credit risk Loan to Value (representing value of securities/collateral against the loans outstanding) is decided/re-adjusted at the time of sanction and on ongoing basis as a part of monitoring of loans.



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Note 41. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

2) Trade receivables, Other receivables and Other Financial Assets

The Company's Trade and Other receivables primarily include receivables from mutual funds on redemption of its investments. The Company has detailed review mechanism for reviewing such receivables periodically. Based on the provision matrix adopted by the Company, no provision has been made as the Company considers credit risk arising from such receivables to be insignificant in view of historical experience in their collection.

Credit Risk on Other Financial assets is considered insignificant considering the nature of such assets and absence of counterparty risk.

3) Others

In addition to the above, Balances and deposits with banks, investments in bonds, debt securities and in units of funds and Derivative financial instruments also have exposure to credit risk. Credit risk on Balances and deposits with banks is considered to be insignificant.

41B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, The Company has well defined Asset Liability Management (ALM) Framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

(₹ In Mn)						
As at 31st March 2019						
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	2,516.09	-	-	331.09	2,006.79	178.21
Trade Payables	18.09	18.09	-	-	-	-
Debt Securities	39,732.69	2,067.92	2,881.57	6,585.80	12,113.57	16,089.83
Borrowings (Other than Debt Securities)	15,186.91	10,888.51	2,326.92	1,971.48	-	-
Subordinated Liabilities	5,701.34	-	-	-	4,201.34	1,500.00
Other financial liabilities	2,690.05	520.43	442.26	436.89	1,043.32	247.15
Total	65,845.17	13,494.95	5,650.75	9,325.26	19,365.02	18,009.19

(₹ In Mn)						
As at 31st March 2018						
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	814.25	-	-	-	814.25	-
Trade Payables	94.29	94.30	-	-	-	-
Debt Securities	18,562.29	150.00	1,549.00	-	8,302.19	8,561.10
Borrowings (Other than Debt Securities)	41,998.54	12,796.02	29,202.52	-	-	-
Subordinated Liabilities	5,617.98	-	-	-	3,095.00	2,522.98
Other financial liabilities	1,398.65	77.06	211.35	-	738.17	373.07
Total	68,487.00	13,117.38	30,962.87	-	12,949.61	11,457.15

(₹ In Mn)						
As at 1st April 2017						
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	254.02	-	-	10.81	243.21	-
Trade Payables	229.26	229.26	-	-	-	-
Debt Securities	17,838.60	-	1,015.50	1,626.10	3,032.30	12,164.70
Borrowings (Other than Debt Securities)	30,009.05	5,471.51	24,537.54	-	-	-
Subordinated Liabilities	4,435.00	-	-	-	-	4,435.00
Other financial liabilities	520.49	31.10	72.88	120.84	170.75	124.92
Total	53,286.42	5,731.87	25,625.92	1,757.75	3,446.26	16,724.62

41C. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument as explained below:

41C.1 Currency Risk

The Company does not have any transactions in foreign currency and hence it is not exposed to Foreign currency risk.

41C.2 Interest rate risk

The Company has considered interest rate risk on financial assets and liabilities accounted for on amortised cost basis.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings/debt securities.

The carrying amount of floating rate liabilities and related interest rate sensitivity is as below:

(₹ In Mn)			
Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Floating Rate Liabilities (Debt Securities and Borrowings)	4,906.61	105.89	-

A hypothetical 0.25% shift in underlying benchmark rates will have the below impact:

(₹ In Mn)		
Impact on Profit and Loss after tax and equity	2018-19	2017-18
Increase of 0.25%	(7.98)	(0.17)
Decrease of 0.25%	7.98	0.17

The loans arising from lending operations generally provide for reset of the interest rates based on its Prime lending Rate (PLR). The Company aims to reset PLR on its loan book on the basis of, inter-alia, actualized /expected change in its overall borrowing costs. This enables the Company to mitigate interest risk on revision/ repricing of interest bearing liabilities. As such the Company does not carry any interest rate risk on account of the above. As required under applicable accounting standard, impact of hypothetical change in PLR on its loan books by 0.25% would be as follows:

(₹ In Mn)			
Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Loans	49,107.60	68,341.30	36,648.91

(₹ In Mn)		
Impact on Profit and Loss after tax and equity	2018-19	2017-18
Increase of 0.25%	79.87	111.15
Decrease of 0.25%	(79.87)	(111.15)



Note 41. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

41C3. Other Price Risk

Other price risk is related to the change in market reference price of the derivative financial instruments, investments and debt securities which are fair valued and exposes the Company to price risks.

The carrying amount of financial assets and liabilities subject to price risk is as below: (₹ in Mn)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Financial Assets			
Derivative financial instruments	960.95	49.75	10.77
Investments	29,393.73	6,405.96	19,457.50
	30,354.68	6,455.71	19,468.27
Financial Liabilities			
Derivative financial instruments	2,516.09	814.25	254.02
Debt securities	15,353.04	8,561.10	12,164.70
	17,869.13	9,375.35	12,418.72

Below is the sensitivity analysis for the year :

(₹ in Mn)

	2018-19	2017-18
Increase		
Impact on Profit and Loss after tax	42.89	31.12
Impact on Equity	42.89	31.12
Decrease		
Impact on Profit and Loss after tax	(42.89)	(31.12)
Impact on Equity	(42.89)	(31.12)

41D. Capital Management

The Company's capital management is intended to create value for shareholders. The assessment of Capital level and requirements are assessed having regard to long and short term strategies of the Company and regulatory capital requirements of its businesses and constituent entities. The Company maintains at all times sufficient capital comprising both of Tier I and Tier II capital as required under the prudential norms prescribed by the Reserve Bank of India. Capital adequacy as on Mar 31, 2019 was 32.78% comprising of Tier I was 28.66% and Tier II was 4.12% (please refer to Note 1. Disclosure as required under Annexure XIV of RBI Directions)

41E. Category Wise Classification for applicable Financial Assets and Liabilities

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
	Financial Assets				
(a)	Cash and cash equivalents	362.58	-	-	362.58
(b)	Bank balance other than (a) above	-	-	-	-
(c)	Derivative financial instruments	-	960.95	-	960.95
(d)	Receivables	-	-	-	-
	(i) Trade receivables	2.90	-	-	2.90
	(ii) Other receivables	3,775.35	-	-	3,775.35
(e)	Loans	50,162.26	-	-	50,162.26
(f)	Investments	-	29,393.73	-	29,393.73
(g)	Other financial assets	331.67	-	-	331.67
	Total	54,634.76	30,354.68	-	84,989.44
	Financial Liabilities				
(a)	Derivative financial instruments	-	2,516.09	-	2,516.09
(b)	Payables	-	-	-	-
	(i) Trade payables	-	-	-	-
	(ii) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.09	-	-	18.09
(c)	Debt securities	24,379.65	15,353.04	-	39,732.69
(d)	Borrowings (other than debt securities)	15,186.91	-	-	15,186.91
(e)	Subordinated liabilities	5,701.34	-	-	5,701.34
(f)	Other financial liabilities	2,690.05	-	-	2,690.05
	Total	47,976.04	17,869.13	-	65,845.17

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
	Financial Assets				
(a)	Cash and cash equivalents	379.40	-	-	379.40
(b)	Bank balance other than (a) above	1,266.60	-	-	1,266.60
(c)	Derivative financial instruments	-	49.75	-	49.75
(d)	Receivables	-	-	-	-
	(i) Trade receivables	5.59	-	-	5.59
	(ii) Other receivables	-	-	-	-
(e)	Loans	72,435.31	-	-	72,435.31
(f)	Investments	-	6,405.96	-	6,405.96
(g)	Other financial assets	47.51	-	-	47.51
	Total	74,134.41	6,455.71	-	80,590.12
	Financial Liabilities				
(a)	Derivative financial instruments	-	814.25	-	814.25
(b)	Payables	-	-	-	-
	(i) Trade payables	-	-	-	-
	(ii) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	94.29	-	-	94.29
(c)	Debt securities	10,001.19	8,561.10	-	18,562.29
(d)	Borrowings (other than debt securities)	41,998.54	-	-	41,998.54
(e)	Subordinated liabilities	5,617.98	-	-	5,617.98
(f)	Other financial liabilities	1,399.65	-	-	1,399.65
	Total	59,111.65	9,375.35	-	68,487.00

(₹ in Mn)



Note 41. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Sr No.	Particulars	As at 1st April 2017			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive Income (OCI)	
Financial Assets					
(a)	Cash and cash equivalents	4,781.68	-	-	4,781.68
(b)	Bank balance other than (a) above	2,518.97	-	-	2,518.97
(c)	Derivative financial instruments	-	10.77	-	10.77
(d)	Receivables	-	-	-	-
	(i) Trade receivables	0.49	-	-	0.49
	(ii) Other receivables	856.67	-	-	856.67
(e)	Loans	36,481.13	-	-	36,481.13
(f)	Investments	-	19,457.50	-	19,457.50
(g)	Other financial assets	22.28	-	-	22.28
	Total	44,661.22	19,468.27	-	64,129.49
Financial Liabilities					
(a)	Derivative financial Instruments	-	254.02	-	254.02
(b)	Payables	-	-	-	-
	(i) Trade payables	-	-	-	-
	(ii) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(iii) total outstanding dues of creditors other than micro enterprises and small enterprises	229.26	-	-	229.26
(c)	Debt securities	5,673.90	12,164.70	-	17,838.60
(d)	Borrowings (other than debt securities)	30,009.05	-	-	30,009.05
(e)	Subordinated liabilities	4,435.00	-	-	4,435.00
(f)	Other financial liabilities	520.49	-	-	520.49
	Total	40,867.70	12,418.72	-	53,286.42

41E.1. Fair values of financial Instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps.

41E. 1a. Financial Instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Financial Instruments measured at fair value	Recurring fair value measurements at 31.03.2019			Total
	Level 1	Level 2	Level 3	
(₹ in Mn)				
Financial Assets				
Investments in mutual funds	726.70	-	-	726.70
Investments in debt securities	-	13,007.84	-	13,007.84
Investments in Government Securities	-	10,352.03	-	10,352.03
Investments in alternate investment funds *	-	-	4,722.11	4,722.11
Investments in others	585.05	-	-	585.05
Derivatives financial assets	-	960.95	-	960.95
Total Assets	1,311.75	24,320.82	4,722.11	30,354.68
Financial Liabilities				
Bonds/ debentures	-	15,353.04	-	15,353.04
Derivative financial liabilities	-	2,516.09	-	2,516.09
Total Liabilities	-	17,869.13	-	17,869.13

* The fair values of these investments are determined basis the NAV published by the funds.



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Note 41. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Financial Instruments measured at fair value	Recurring fair value measurements at 31.03.2018 (₹ in Mn)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds	1,061.77	-	-	1,061.77
Investments in debt securities	-	3,360.37	-	3,360.37
Investments in alternate investment funds *	-	-	618.67	618.67
Investments in others	1,365.15	-	-	1,365.15
Derivatives financial assets	-	49.75	-	49.75
Total Assets	2,426.92	3,410.12	618.67	6,455.71
Financial Liabilities				
Bonds/ debentures	-	8,561.10	-	8,561.10
Derivative financial liabilities	-	814.25	-	814.25
Total Liabilities	-	9,375.35	-	9,375.35

* The fair values of these investments are determined basis the NAV published by the funds.

Financial Instruments measured at fair value	Recurring fair value measurements at 01.04.2017 (₹ in Mn)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds	590.50	-	-	590.50
Investments in debt securities	-	10,583.95	-	10,583.95
Investments in equity Shares	16.83	-	-	16.83
Investments in alternate investment funds *	-	-	8,266.22	8,266.22
Derivatives financial assets	-	10.77	-	10.77
Total Assets	607.33	10,594.72	8,266.22	19,468.27
Financial Liabilities				
Bonds/ debentures	-	12,164.70	-	12,164.70
Derivative financial liabilities	-	254.02	-	254.02
Total Liabilities	-	12,418.72	-	12,418.72

* The fair values of these investments are determined basis the NAV published by the funds.

Reconciliation of Level 3 fair value measurements

(₹ in Mn)

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Opening Balance	618.67	8,266.22	6,322.10
Total gains or losses	-	-	-
- In profit or loss Incl Mark to Market	(11.85)	165.85	316.63
Purchases	7,411.93	12,535.53	37,945.80
Disposal/ Settlements	(3,296.64)	(20,348.93)	(36,318.31)
Transfer out of Level 3	-	-	-
Closing Balance	4,722.11	618.67	8,266.22

41E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

(₹ in Mn)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Cash and cash equivalents	362.58	362.58	379.40	379.40	4,781.68	4,781.68
Bank balance other than above	-	-	1,266.60	1,266.60	2,518.97	2,518.97
Receivables						
(i) Trade receivables	2.90	2.90	5.59	5.59	0.49	0.49
(ii) Other receivables	3,775.35	3,775.35	-	-	856.67	856.67
Loans	50,162.26	50,162.26	72,435.31	72,435.31	36,481.13	36,481.13
Other financial assets	331.67	331.67	47.51	47.51	22.28	22.28
Financial Liabilities						
(i) Trade payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.09	18.09	94.29	94.29	229.26	229.26
Debt securities	24,379.65	24,284.55	10,001.19	9,939.53	5,673.90	5,712.54
Borrowings (other than debt securities)	15,186.91	15,186.91	41,998.54	41,998.54	30,009.05	30,009.05
Subordinated liabilities	5,701.34	5,694.12	5,617.98	5,586.63	4,435.00	4,440.84
Other financial liabilities	2,690.05	2,690.05	1,399.65	1,399.65	520.49	520.49

Financial assets measured at amortised cost:

The carrying amounts of cash and cash equivalents and other bank balances, trade and other receivables, loans and other financial assets are considered to be the same as their fair values due to their short term nature.

Financial liabilities measured at amortised cost:

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

Financial Assets and liabilities which are measured at amortised cost for which fair	As at 31.03.2019 (₹ in Mn)			
	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Debt securities	-	24,284.55	-	24,284.55
Subordinated liabilities	-	5,694.12	-	5,694.12
Financial Assets and liabilities which are measured at amortised cost for which fair				
Financial Liabilities				
Debt securities	-	9,939.53	-	9,939.53
Subordinated liabilities	-	5,586.63	-	5,586.63
Financial Assets and liabilities which are measured at amortised cost for which fair				
Financial Liabilities				
Debt securities	-	5,712.54	-	5,712.54
Subordinated liabilities	-	4,440.84	-	4,440.84



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2019

Note 42. Subsequent Events

There were no subsequent events from the date of financial statements till the date of adoption of accounts

Note 43. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on May 13, 2019

For and on behalf of Board of Directors



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



Yatin Shah
Non-executive Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

Place : Mumbai
Date : May 13th, 2019



These disclosures have been prepared as per audited books of accounts maintained as per Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, adjusted for compliance with Income Recognition and Asset Classification guidelines issued by RBI and RBI master directions DNBS.PPD.02/66.15.001/2016-17 dated 29 September 2016 as amended from time to time.

Note 1. Disclosure as required under Annexure XIV of RBI Directions:
i. Capital Adequacy Ratio:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR (%)	32.78	21.92
CRAR - Tier I Capital (%)	28.66	17.02
CRAR - Tier II Capital (%)	4.12	4.90
Amount of subordinate debt raised as Tier- II capital	420.13	411.80
Amount raised by issue of perpetual debt Instruments.	150.00	150.00

ii. Disclosure of Investments:

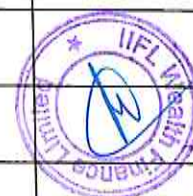
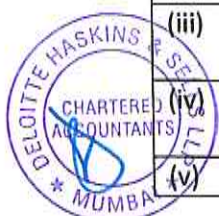
(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(1)	Value of Investments		
	(i) Gross value of Investments		
	(a) In India	2,878.24	633.99
	(b) Outside India	-	-
	(ii) Provision for depreciation/diminution		
	(a) In India	7.16	19.17
	(b) Outside India	-	-
	(iii) Net value of Investments		
	(a) In India	2,871.08	614.82
(b) Outside India	-	-	
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening Balance	19.17	16.72
	(ii) Add: Provision made during the year	6.14	18.17
	(iii) Less: Write -off / write-back of excess provisions during the year	18.15	15.72
	(iv) Closing balance	7.16	19.17

iii. Derivatives
a) Interest rate swap

(₹ in Crore)

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of swap agreements	1,100.00	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	(4.68)	-

b) The company has not entered into any Exchange Traded Interest Rate derivatives


c) Disclosure of Risk Exposure in Derivatives

Mark To Market (MTM) valuation of the 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.

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in derivatives for balance sheet management i.e. hedging its liabilities and assets exposure. Dealing in derivatives is carried out by the treasury department of the Company. The department is also responsible for assessing counterparty and market risk. The Company has put in place policy framework which covers various aspects of derivative exposures.

c) Options Contract Outstanding as at 31st March 2019:
(₹ in Crore)

Option Contract	As at March 31, 2019	As at March 31, 2018
Total Premium Carried forward on Buy Option (Net of Provisions)	88.33	4.98
Total Premium Carried forward on Sell Option (Net of Provisions)	9.05	-
Net Receivable/(Payable)	79.28	4.98

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

v. Asset Liability management maturity pattern- March 31, 2019:
(₹ in Crore)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances *	379.46	299.26	217.30	826.98	1,872.98	1,330.83	-	-	4,926.81
Investments	1,018.85	72.16	200.82	216.10	210.63	65.54	-	1,086.98	2,871.08
Borrowings	1,295.64	45.53	136.96	338.36	888.84	766.78	1,051.58	1,776.27	6,299.96
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Note: In computing the above information, certain estimates, assumptions and adjustments have been made by the Management and relied upon by the auditors.

* Advances include Intercompany Deposits of Rs 58.21 crore

Asset Liability management maturity pattern- March 31, 2018:
(₹ in Crore)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances *	1,244.16	718.89	269.08	998.60	2,063.62	1,596.64	-	-	6,890.99
Investments	247.07	155.17	136.51	-	-	70.07	-	6.00	614.82
Borrowings	1,294.60	1,169.50	1,766.21	139.44	-	682.14	527.65	1,108.41	6,687.95
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Advances include Intercompany Deposits of Rs 189.89 crore



vi. Exposure to Real Estate Sector:

(₹ in Crore)

Sr. no.	Category	March 31, 2019	March 31, 2018
a) Direct Exposure			
(i)	Residential Mortgages-		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	272.22	170.47
(ii)	Commercial Real Estate-		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	132.07	153.60
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b) Indirect Exposure			
Total Exposure to Real Estate Sector *		404.29	324.07

* The above does not include aggregate accrued interest of ₹ 15.04 crore (P.Y ₹ 8.70 crore)

vii. Exposure to Capital Market:

(₹ in Crore)

Sr. no.	Category	March 31, 2019	March 31, 2018
(i)	Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	10.31
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	790.79	1,335.33
(iii)	Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	2,774.20	3,585.66
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	50.36	110.42
(vi)	Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)**	-	-
Total Exposure to Capital Market *		3,615.35	5,041.72

* The above does not include aggregate accrued interest of ₹ 94.49 crore (P.Y ₹ 91.03 crore)



** The above does not include Investments in Alternate Investment fund of ₹ 471.37 crore (P.Y ₹ 60.66 crore)

viii. **Details of financing of parent company products.**

There is no financing of parent company products during the current year

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

x. **Unsecured Advances**

The Company has not obtained any intangible security towards the unsecured advances.

xi. **Registration obtained from other financial sector regulators**

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

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

a. No penalty has been imposed during the year.

xiii. **Details of Credit Ratings:**

A) **Ratings assigned by Credit Rating Agencies:**

(₹ in Crore)

Rating Agency	Product	Amount	Rating Assigned
ICRA	Commercial Papers	3,000	A1 + (A one Plus)
ICRA	NCD	1,000	AA
ICRA	PP-MLD	4,050	AA
ICRA	PP-MLD	300	AA
ICRA	PP-MLD unsecured	200	AA
ICRA	Unsecured NCD	650	AA
ICRA	Commercial Papers	5,500	A1 + (A one Plus)
CRISIL	IPO Financing	5,000	CRISIL A1+
CRISIL	Commercial Papers	5,500	CRISIL A1+
CARE	PP-MLD	100	AA

xiv. **Directors Remuneration**

(₹ in Crore)

Particulars	2018-2019	2017-2018
Commission and sitting fees	0.26	0.31
Total	0.26	0.31

xv. **Details of Provisions and Contingencies :**

(₹ in Crore)

Particulars	2018-2019	2017-2018
Provision for depreciation on Investment	(12.01)	2.45
Provision towards NPA	-	-
Other Provision and Contingencies:		
Bad debts written off/(back)	-	-
Mark to Market on derivative contracts	10.86	(3.70)
Provision for standard assets	(8.05)	14.87
Total	(9.20)	13.62
Provision made towards Income Tax	90.65	50.79

xvi. **Draw Down from Reserves :**

The Company has not made any drawdown from existing reserves.



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xvii. Details of concentration of deposits, advances, exposures & NPA:

a) Concentration of Advances:

(₹ in Crore)

Particulars	2018-2019	2017-2018
Total advances to twenty largest borrowers *	2099.25	2,534.09
Percentage of advances to twenty largest borrowers to total advances	41.66%	34.84%

* Advances includes Interest accrued on loans

b) Concentration of Exposures:

(₹ in Crore)

Particulars	2018-2019	2017-2018
Total exposure to twenty largest borrowers / customers *	2099.25	2,534.09
Percentage of exposure to twenty largest borrowers / customers to total exposure	41.66%	34.84%

* Exposure comprises of only Loans and Interest accrued on loans

c) Concentration of NPAs:

The Company does not have any NPAs as at 31st March 2019 (Previous Year Nil).

d) Details of Sector wise NPA:

The Company does not have any NPAs as at 31st March 2019 (Previous Year Nil).

xviii. Movement of NPAs:

The Company does not have any NPAs as at 31st March 2019 (Previous Year Nil).

xix. Disclosure of Complaints:

Sr. No.	Particulars	2018-2019	2017-2018
i	Number of complaints pending at the beginning of year	-	-
ii	Number of complaints received during the year	-	-
iii	Number of complaints redressed during the year	-	-
iv	Number of complaints pending at the end of the year	-	-

Customer complaints details as given above are as identified by the Company and relied upon by the auditors

xx. The Company does not have any Overseas Assets

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

Note 2. Disclosure of restructured accounts:

The Company does not have any Restructured Accounts

Note 3. Asset classification:

(₹ in Crore)

Particulars	Outstanding Balance	Provision
Standard Assets	5,039.03	19.64
	(7,273.89)	(27.70)
Sub-Standard Assets	-	-
	(-)	(-)
Doubtful Assets	-	-
	(-)	(-)
Loss Assets	-	-
	(-)	(-)
Total	5,039.03	19.64
	(7,273.89)	(27.70)



Note:

- a. In terms of RBI circular a general provision of ₹ 19.64 crore (Previous Year ₹ 27.70 crore) has been made at 0.40 % (Previous year @ 0.40%) of the standard assets.
- b. Figures in bracket represent previous year's figures.

Note 4. Particulars as per paragraph 18 of RBI Directions:

Liabilities Side

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:

Current year		(₹ in Crore)	
Particulars	Amount outstanding	Amount overdue	
(a) Debentures:			
Secured	4,371.39	-	
Unsecured (Other than falling within the meaning of public deposits)	641.89	-	
(b) Deferred credits	-	-	
(c) Loans from Banks	150.00	-	
(d) Inter-corporate loans and borrowings	1.20	-	
(e) Commercial Paper	382.68	-	
(f) Public Deposits	-	-	
(g) Other Loans (CBLO)	984.81	-	

Previous year		(₹ in Crore)	
Particulars	Amount outstanding	Amount overdue	
(a) Debentures:			
Secured	2,030.53	-	
Unsecured (Other than falling within the meaning of public deposits)	593.83	-	
(b) Deferred credits	-	-	
(c) Term loans	-	-	
(d) Inter-corporate loans and borrowings	-	-	
(e) Commercial Paper	4,189.26	-	
(f) Public Deposits	-	-	
(g) Other Loans (Overdraft)	10.59	-	

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

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

Previous year		(₹ in Crore)	
Particulars	Amount Outstanding	Amount overdue	
a) In the form of Unsecured debentures	-	-	
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	



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Particulars	Amount Outstanding	Amount overdue
a) In the form of Unsecured debentures	-	-
c) Other public deposits	-	-

Assets Side

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

(₹ in Crore)

Amount Outstanding	2018-2019	2017-2018
Assets Side:		
(a) Secured	4,775.54	6,758.57
(b) Unsecured	263.49	515.32

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

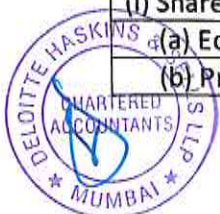
(₹ in Crore)

Particulars	2018-2019	2017-2018
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5. Break-up of Investments:

(₹ in Crore)

Particulars	2018-2019	2017-2018
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	48.29	242.14
(iii) Units of mutual funds	72.16	105.44
(iv) Government Securities	1,018.85	-
(v) Others	58.51	136.51
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	368.63	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	133.46	54.66
Long Term Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-



(ii) Debentures and Bonds	752.69	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	84.20	70.07
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	334.29	6.00

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

Current Year

(₹ in Crore)

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	4,775.54	263.49	5,039.03
Total	4,775.54	263.49	5,039.03

Previous Year

(₹ in Crore)

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	6,758.57	515.32	7,273.89
Total	6,758.57	515.32	7,273.89

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

Current Year

(₹ in Crore)

Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2 Other than related parties	2,901.97	2,871.08
Total	2,901.97	2,871.08



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Previous year

(₹ in Crore)

Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2 Other than related parties	617.24	614.82
Total	617.24	614.82

8. Other information:

(₹ in Crore)

Particulars	2018-2019	2017-2018
(i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

Note 5. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



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



Yatin Shah
Non-executive
Director
(DIN: 03231090)

Place : Mumbai
Dated : 13th May 2019



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

