

IIFL WEALTH FINANCE LIMITED
ANNUAL REPORT 2019-20

DIRECTORS' REPORT

To,
The Members
IIFL Wealth Finance Limited

Your Directors have pleasure in presenting the **Twenty Sixth 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, 2020.

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 | 2019-2020 (INR in million) | 2018-2019 (Restated) (INR in million) |
|--|-------------------------------|---|
| Gross Total Income | 9,885.53 | 11,938.02 |
| Less: Expenditure | 9,203.77 | 7,513.79 |
| Profit /(Loss) Before Taxation | 681.76 | 4,424.23 |
| Less: Taxation - Current | 287.15 | 1,501.40 |
| - Deferred | (110.75) | 6.44 |
| - Short or Excess Provision of Income Tax | - | - |
| Net Profit / (Loss) After Tax | 505.36 | 2,916.39 |
| Other Comprehensive Income | (10.58) | (1.25) |
| Total Comprehensive Income | 494.78 | 2,915.14 |

3. Review of Business and Operations:

During the year under review, the total income of the Company stood at INR 9,885.53 million as compared to INR 11,938.02 million in the previous year and the profit after tax stood at INR 505.36 million as compared to INR 2,916.39 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:

6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,
Lower Parel (W), Mumbai – 400 013
TEL: (91-22) 4876 5600 | FAX: (91-22) 4875 5606

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- Loan book of the Company stood to INR 36,469.11 million as of March 31, 2020 as against INR 49,107.60 million in the previous year;
- Capital Markets contributed to approx. 69.92% of loan book;
- Gross and Net NPAs (Non-performing assets) were NIL;
- Provision coverage on loans (including for standard assets) was INR 167.2 million as at end of FY20.

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 for a significant period of time. Q3 FY20, GDP growth at 4.5% Y-o-Y while not shocking, appeared to be a firm-set malaise in the Indian economy with very limited avenues for cheer. Importantly, Government spending continues to be an important driver of GDP growth and, excluding public sector services, GDP growth was 3.7% Y-o-Y marking a recent trough in the sputtering economic engine. India's economic growth was largely driven by consumption in recent years, as both investments and exports, the two important growth engines had struggled due to the confluence of multiple factors. However, weakening income growth along with tight liquidity conditions faced by NBFCs since Sep 2018 has dragged down consumption in all quarters of FY20. While acceleration in public spending has been able to offset some of the weakness in consumer demand, it is structurally unsustainable due to the risk of a rising fiscal deficit.

While Q4 is traditionally a strong quarter for Indian industry across sectors, the spectre of the novel coronavirus, named COVID-19 by health experts, has seen a drastic impact across the country. After a slow increase in caseload, the month of March 2020 saw a fast enough increase in positive infections to prompt a massive lockdown imposed by the Government.

At the time of writing this report, the lockdown continues for a large part of the economy however relaxations on some measures has been observed. It remains to be seen how quickly the economy of India, and indeed the world, will bounce back from this complete black swan event affecting mankind today.

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Stimulus measures and RBI solidarity to drive credit growth

Most countries have announced fiscal measures of 3-22% of their GDP. Emphasis has been on revenue measures like partial wage payments and loan guarantees for SMEs, cash transfers, deferment of tax payments, etc. Fiscal deficit as well as public debt for India are higher than most large developing economies' and aggressive spending may trigger a sovereign rating downgrade.

Despite obvious problems, the GoI has been inexplicably cautious, the packages announced to date, amounts to only 1% of GDP with no emphasis on improving public health infra and little support to small businesses.

With or without a package, widespread market consensus estimates a FY21 fiscal deficit upwards of 5% as revenue collections suffer in a fractured economy [IIFL Research estimates CY20 fiscal deficit of 7.2% GDP]

In the absence of large fiscal stimulus measures like those adopted by other countries, RBI has proactively shouldered most of the load of absorbing economic shocks through liquidity enhancement and policy rate cuts:

- Moratorium for loans due in 1st March to 31st May 2020, ostensibly granted to impacted Borrowers but has seen widespread general adoption;
- Repo cut to 4.40% and Reverse Repo to 3.75% - as a measure to stimulate credit growth and prevent banks from parking too much liquidity with RBI;
- Several liquidity measures – Targeted Long-Term Repo Operations (TLTRO) of INR 1.5 Tn + additional INR 0.5 Tn specifically earmarked for Mutual Funds, CRR cut by 100 bps, MSF raised to 3% of NDTL and Refinancing facility of INR 50k cr for NABARD, SIDBI, NHB;
- Various regulatory reliefs pertaining to asset classification norms, lowering LCR requirements, extension of resolution timelines, etc.

Technically, the RBI has breached its framework boundaries of inflation, but incrementally it will need to face three considerations:

1. Transmission will be poor in the face of rate structure problems and risk aversion;
2. Inflation is unpredictable, given that supply chains are broken; and
3. It is difficult to predict the duration and severity of the lockdown.

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Hence, having ammunition (the policy rate is still 4.4%) will likely prove crucial

Industry Overview -

The drastic events of September 2018 (the IL&FS crisis) sparked a severe deterioration the financials and the perception of the NBFC sector. Steadily, the larger and better capitalized NBFCs, with a history of low-NPA lending found favor in the market. By January 2019, most of the well-rated NBFCs were able to raise required funds, leading to FY20 starting with the potential of a return to growth. However, the credit growth seen at 12.3% YoY in Q4 FY19 declined all the way to 7.6% YoY in Q4 FY20. The entire fiscal year witnessed sluggish credit demand, mainly due to hardly any credit growth in Industry which accounts for 31% of overall credit. On the other hand, retail loans drove the overall growth throughout the year, showing a particularly strong 15.7% growth in Q4 FY20.

With that backdrop, the industry ran into the COVID-19 problem in Q4. Different segments within the sector were affected in varying ways when viewed at from the perspectives of liquidity, asset quality and potential for future growth. Small and mid-size entities are seeing disproportionate impact mainly on account of liquidity concerns. e.g. MFIs which can borrow from banks are relatively better off. The entire focus of market participants has shifted to maintaining liquidity at the cost of growth. Industry-wide consensus is to remain cautious and wait out H1 FY21. Most large players/players with strong parentage are also seeing strong traction in TLTRO and are able to raise long term funds at attractive rates (e.g. M&MFS quoted rates 6.8-7.0% in the TLTRO window).

Worryingly, retail credit growth is likely set to moderate significantly due to expected job/salary cuts, deferred discretionary demand and overall lack of clarity on length of lockdown. Asset quality will likely deteriorate across HFC segments but will be worse for those with preponderance of wholesale and LAP portfolios. Asset quality will deteriorate further for most, if not all, players if the lockdown extends for a significant period of time as cash flows of customers are impacted. FY21 will be a unique year to look forward to, starting as it has with a locked down economy. It remains to be seen how the industry will adapt and thrive under whatever framework is christened the “new normal”.

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.

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5. Dividend:

During the year under review the Company has declared and paid an interim Dividend of Rs. 4.40 Per share. The Company has not recommended any final dividend for the FY 2019-20.

6. Transfer to Reserves:

During the FY 2019-20, the Company has transferred an amount of Rs. 239.49 million (as per Ind AS) to Special Reserve in accordance with Section 45IC of the Reserve Bank of India Act, 1934.

7. Capital Adequacy:

During the year under review, the capital adequacy ratio stood at 27.55% comprising of Tier I capital ratio of 24.56% and Tier II capital ratio of 2.99%, well above the regulatory requirement of 15%.

8. Subsidiary/ Joint Ventures/ Associates:

During the year under review, the Company does not acquired any subsidiary or crated a joint venture. However, with effect from April 24, 2020 the Company has acquired IIFL Wealth Capital Markets Limited (Formerly known as L&T Capital Markets Limited), engaged in the Wealth Management business.

9. Share Capital:

During the year under review, the Company has not made any issue of equity shares.

As on March 31, 2020, 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. Resources

During the year under review, the Company met its funding requirements through issuance of NCDs (private placement), CPs, Inter Corporate Deposits (“ICDs”), and borrowings from bank.

(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 basis.

(b) The Company made issue of the Commercial Paper and outstanding Commercial Paper as on March 31, 2020 were INR 397.85 Crores.

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11. 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.

12. Directors

The Board consists of following Directors namely:

- 1) Mr. Yatin Shah – Whole time Director*
- 2) Mr. S. Narayan – Independent Director
- 3) Mrs. Rekha Warriar - Independent Director
- 4) Mr. Shantanu Rastogi – Non-Executive Director
- 5) Mr. Karan Bhagat – Non-Executive Director
- 6) Mr. Himanshu Jain – Whole time Director & CEO

*With effect from January 22, 2020 Mr. Yatin Shah was re-designated and appointed as Whole-time Director & KMP, from earlier non-executive Director of the Company.

Mr. Karan Bhagat was appointed as Additional Director of the Company with effect from June 11, 2020.

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

All the Directors meet the fit and proper criteria stipulated by the Reserve Bank of India (“RBI”). All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

i. **Meetings of the Board of Directors -**

The Board met 6 times during the financial year 2019-20 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 Board level Committees:

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- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee.
- (iii) Corporate Social Responsibility Committee.
- (iv) Risk Management Committee.
- (v) Asset Liability Management Committee.
- (vi) IT Strategy Committee

(i) Audit Committee:

The Audit Committee of the Company is comprising of Mrs. Rekha Warriar, Mr. S. Narayan and Mr. Shantanu Rastogi. During the year under review, there was no change in constitution of the Committee. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013, the Reserve Bank of India guidelines & internal policies. The Committee met four times during the year and discussed on financials audit issues and related matters. 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.

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(ii) Nomination and Remuneration Committee:

As on date of the Report, the Nomination and Remuneration Committee of the Company is comprising of Dr. S. Narayan, Independent Director, Mrs. Rekha Warriar, Independent Director and Mr. Karan Bhagat, Non-Executive Director. 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>.

(iii) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee (“CSR Committee”) of the company is 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. 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 is comprising of Mrs. Rekha Warriar, Independent Director, 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 and Mr. Raghuvir Mukherji, Group Head – Risk Management and.

(v) Asset Liability Management Committee (ALCO):

The ALCO of the company is comprising of Mr. Himanshu Jain, Whole time Director & CEO, Mrs. Rekha Warriar, Independent Director, Mr. Shantanu Rastogi, Non-Executive Director, Mr. Niraj Murarka, COO and Mr. Mihir Nanavati, CFO

(vi) IT Strategy Committee:

The IT Strategy Committee comprising of Dr. S. Narayan, Independent Director, Mr. Abhishek Chandra, Chief Information Officer, Mr. Raghuvir Mukherji, Group Head – Risk Management.

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’

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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.

13. Key Managerial Personnel:

During the year under review Mr. Manoj Gujara, Company Secretary has resigned w.e.f. October 21, 2020, and Mr. Amit Bhandari was appointed as a Company Secretary w.e.f. January 22, 2020. As on March 31, 2020, the Company had the following KMPs:

Mr. Himanshu Jain – Whole time Director & CEO
Mr. Mihir Nanavati – Chief Financial officer
Mr. Amit Bhandari – Company Secretary

14. Particulars of employees:

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended as Annexure I to this report.

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.

The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, KMPs and other employees and none of the employees listed in the said Annexure are related to any Directors of the Company.

15. Employee Stock Option/ Purchase Scheme:

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

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16. 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.

17. 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.

18. Credit Rating:

The non-convertible debentures of the Company enjoy 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) By ICRA Limited and rating of AA from CARE Ratings Limited.

Further, the Commercial Paper of the Company has the highest rating of A1+ from ICRA Limited and CRISIL.

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

19. Extract of Annual Return:

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

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20. 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.

21. Material changes and commitments:

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

22. 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.

23. 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, 2020.

24. 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 - IV**. There are no qualifications, reservations or observations in the Secretarial Audit report. Your directors states that the Company has been compliant of all applicable provisions of the Act in the financial year 2019-20.

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

The details of loans, guarantees or investments made are provided in the Notes to the accounts in Financial Statement.

26. 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.

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The Company has a Board approved 'Related Party Transition Policy, pursuant to recommendation of the Audit Committee. The RPT Policy is also available on the website of the Company .

Key features of the RPT Policy are as follows:

All transactions with related parties ("RPTs") are referred to the Audit Committee of the Company for approval and the Committee also approves any subsequent modification in the RPTs. All RPTs irrespective of whether they are in the ordinary course of business or at an arm's length basis requires approval of Audit Committee.

The process of approval of RPTs by the Board and Shareholders is as under:

Approval by the Board of Directors: Generally all RPTs are in the ordinary course of business and at arm's length price. RPTs which are not at arm's length and which are not in the ordinary course of business are approved by the Board.

Approval by the Shareholders: All material RPTs requires prior approval of the shareholders, based on recommendation of the Board, through an ordinary resolution passed at the general meeting. Where any contract or arrangement is entered into by a Director or any other employee without obtaining the consent of the Board or approval by an ordinary resolution in the general meeting, it is to be ratified by the Board or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

The transactions with related party are disclosed by way of notes to accounts, in the financial statements of the Company for the financial year ended March 31, 2020.

Justification for entering into Related Party Transactions:

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

27. 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:

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Conservation of energy:

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

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

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

Technology absorption and innovation:

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

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

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

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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.

28. 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 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.

29. 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://iiflwealthfinance.com>.

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

30. Reporting of Fraud by Auditors:

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

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(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

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31. Directors Responsibility Statement:

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

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

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.

32. 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.

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- 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.

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;
 - 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.

33. 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.

34. Downstream Investment:

During the financial year 2019-20, the Company has not made any downstream investments in terms of the Foreign Direct Investment Policy.

35. 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

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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 2019-20 is available on website of the Company, <https://iiflwealthfinance.com>

36. 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.

37. 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 2019-20 as **Annexure – II**.
- Form No. MGT 9 – Extract of Annual return as on financial year ended March 31, 2020 as **Annexure III**
- Secretarial Audit Report for the financial year ended March 31, 2020 as **Annexure – IV**.

For and on behalf of the Board of Directors

Sd/-
Himanshu Jain
Whole-time Director & CEO
DIN: 02052409

Sd/-
Yatin Shah
Director
DIN: 03231090

Date: June 11, 2020

Place: Mumbai

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Annexure -I

- 1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

| S/n. | Name of Director | Designation | Ratio | Period |
|------|------------------|---------------------------|-------|------------------|
| 1 | Himanshu Jain | Whole-time Director & CEO | 29 | Apr'19 to Mar'20 |
| 2 | Mr. Yatin Shah | Whole-time Director | 14 | Jan'20 to Mar'20 |

- 2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

| S/n. | Name of Director | Designation | % increase in Remuneration | Period |
|------|------------------|---------------------------|----------------------------|------------------|
| 1 | Himanshu Jain | Whole-time Director & CEO | -Nil | Apr'19 to Mar'20 |
| 2 | Mr. Yatin Shah | Whole-time Director | Nil | Jan'20 to Mar'20 |

- 3. Percentage increase in the median remuneration of employees in the financial year:**

For employees who were in employment for the whole of FY 2018-19 and FY 2019-20 increase in median remuneration is (-21) %

- 4. Number of permanent employees on the rolls of company at the end of the year :**
469

- 5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

For employees other than managerial personnel who were in employment for the whole of FY 2018-19 and 2019-20 the average percentile increase is (-16.3) % and managerial personnel (-24.3) % excluding ESOP's.

- 6. Affirmation that the remuneration is as per remuneration policy of the Company:**

The Company is in compliance with its Nomination and Remuneration Policy.

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ANNEXURE – II

Annual Report on Corporate Social Responsibility activities for the financial year 2019-20

[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"> • Contribution to PM Cares Fund – National Region • Fighting COVID-19 – Maharashtra • Financial Literacy & Inclusion for women – West Bengal <p>The CSR Policy adopted by IIFL Wealth 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 2,12,47,89,044/-</p> |
| <p>4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</p> | <p>INR 4,24,95,781/-</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 4,24,95,781/-</p> |
| <p>b) Amount Spent; and</p> | <p>INR 3,11,00,000/-</p> |

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| | |
|----------------------------|--|
| c) Amount unspent, if any. | An amount of INR 1,13,95,781/- has been left as balance amount from the CSR expenditure limit for the FY 2019-20, and it shall be utilized in the years to follow. |
|----------------------------|--|

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

| Sr . N O | 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 | PM Cares Fund – Fighting Covid-19 pandemic | Medical | India Region | 2,00,00,000/- | Direct - 2,00,00,000/- | 2,00,00,000/- - | 2,00,00,000/- Through India Infoline Foundation |
| 2 | Fighting Covid-19 pandemic | Medical | Dist. Mumbai, State – Maharashtra | 25,00,000/- | Direct - 25,00,000/- | 25,00,000/- | 25,00,000/- Through India Infoline Foundation |
| 3 | Fighting Covid-19 pandemic | Medical | Dist – Mumbai, State – Maharashtra | 25,00,000/- | Direct - 25,00,000/- | 25,00,000/- | 25,00,000/- Through India Infoline Foundation |
| 4 | Financial Literacy & Inclusion for women (rural) | Gender Equality | Dist – Bankura, Jhargram & North 24 Parganas, State – West Bengal | 61,00,000/- | Direct - 61,00,000/- | 61,00,000/- | 61,00,000/- Through India Infoline Foundation |

Brief description of key projects:

1) Fighting Covid-19 Pandemic: The outbreak of the Corona virus Disease 2019 (Covid-19) has caught the world off-guard. The disease has infected millions and taken lives of several hundred thousand. It has pushed global economies to the brink of recession and government had been forced to impose nationwide lockdown, bring all the operations to a standstill. Families, suffered directly and in-directly because of the outbreak. IIFL group made a direct

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contribution to PM Cares to support the government's battle to overcome the pandemic. Moreover, in appreciation of the untiring efforts of the Mumbai Police, IIFL contributed for procurement of protective gear for the police personnel. Contribution were made to regional healthcare systems to increase safety gear and food supplies were provided to the migrant workers stranded in Mumbai.

2) Financial Literacy for women: IIFL Foundation has taken steps towards empowerment of women through Financial Literacy in rural regions of India, especially in East and North-East states of India. IIFL Foundation has established 8 Financial Literacy Centers (FLC) in 4 states – West Bengal, Assam, Tripura and Odisha, reaching out to over 1,08,991 beneficiaries. Financial Literacy Trainings are offered in local languages and provides support to access the financial inclusion services of government, preparation of essential documents and financial counselling. Village level promotional events are organised to have a better outreach with the people.

Reasons for not spending the full amount during the financial year

With the demerger and subsequent listing of IIFL Wealth Management Ltd, the holding Company, the focus of IIFL Wealth Group, with regards to CSR, has been to develop and deploy a robust, longer-term & sustainable strategy. This includes identifying the focus themes, engaging with the right partners & stakeholders, co-developing high impact projects & programs, monitoring the efficacy of the execution and progress towards achieving the desired impact. Significant progress has been made on the above, including:

- IIFLW CSR FOUNDATION incorporated and registered as a section 8 company – IIFL Wealth Group CSR activities will be executed through this foundation
- Key themes have been identified and include education, environment and tech incubators (within institutions)
- Engagement with partners and identification of specific projects

Implementation on select projects has been initiated and IIFL Wealth Group will be able to effectively deploy the unspent CSR corpus over the next financial year.

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

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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

Sd/-
Himanshu Jain
CEO and Whole Time Director
DIN: 02052409

Sd/-
S. Narayan
Independent Director
DIN: 00094081

Date: June 11, 2020
Place: Mumbai

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Annexure III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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 , only Debentures are listed |
| 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

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) |

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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 2019) | | | | No. of Shares held at the end of the year (31 st March 2020) | | | | % 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. | 30,54,93,803 | 0 | 30,54,93,803 | 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):- | 30,54,93,803 | 0 | 30,54,93,803 | 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 |
| 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) | 30,54,93,803 | 0 | 30,54,93,803 | 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 |

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| Category of Shareholders | No. of Shares held at the beginning of the year (01 st April 2019) | | | | No. of Shares held at the end of the year (31 st March 2020) | | | | % Change during the Year |
|--|---|----------|---------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 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 |
| 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) | *30,54,93,803 | 0 | 30,54,93,803 | 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.

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ii) Shareholding of Promoters

| Shareholder's Name | Shareholding at the beginning of the year (01 st April 2019) | | | Shareholding at the end of the year (31 st March 2020) | | | % 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 | 30,54,93,803 | 100 | Nil | 30,54,93,803 | 100 | Nil | - |
| Total | 30,54,93,803 | 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.

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

| | Shareholding at the beginning of the year (As on 01-04-2019) | | Cumulative Shareholding during the year (31-03-2020) | |
|--|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | 30,54,93,803 | 100 | 30,54,93,803 | 100 |
| At the end of the year as on 31-03-2020 | 30,54,93,803 | 100 | 30,54,93,803 | 100 |

There is no change in promoters' shareholding during the year.

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 (01-04-19)/end of the year (31-03-20) | | Date | Increase/Decrease in share-holding | Reason | Cumulative Shareholding during the year (01-04-19 to 31-03-20) | |
|-------------------------------------|--|----------------------------------|------|------------------------------------|--------|--|----------------------------------|
| | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| - | - | - | - | - | - | - | - |

IIFL WEALTH FINANCE LIMITED

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CIN: U65990MH1994PLC080646

v) Shareholding of Directors and Key Managerial Personnel:

| Name | Shareholding | | Date | Increase/ Decrease in share- holding | Reason | Cumulative Shareholding during the year (01-04-19 to 31-03-20) | |
|--|---|--|------|---|--------|--|--|
| | No. of shares at the beginning (01- 04-19)/end of the year (31- 03-20) | % 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 the year (01.04.2019) | | | | |
| (i) Principal amount | 53,219.36 | 9,540.12 | - | 62,759.48 |
| (ii) Int. due but not paid | - | - | - | - |
| (iii) Int. accrued but not due | 1,602.47 | 717.53 | - | 2,320.00 |
| Total (i+ ii+ iii) | 54,821.83 | 10,257.65 | - | 65,079.48 |
| Changes in Indebtedness during the year | | | | |
| Addition(Net) | 5,702,209.78 | 168,849.73 | - | 5,871,059.51 |
| Reduction | -5,671,415.97 | -171,887.04 | - | -5,843,303.02 |
| Net Change | 30,793.81 | -3,037.32 | - | 27,756.49 |
| Indebtedness at the end of the financial year (31.03.2020) | | | | |
| (i) Principal amount | 83,879.29 | 6,063.92 | - | 89,943.21 |
| (ii) Int. due but not paid | - | - | - | - |
| (iii) Int. accrued but not due | 1,736.35 | 1,156.41 | - | 2,892.77 |
| Total (i+ ii+ iii) | 85,615.64 | 7,220.33 | - | 92,835.97 |

* The above does not include Cash credit facility from banks

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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) | Yatin Shah (WTD) (W.e.f. 22.01.2020) | |
| 1. Gross salary | | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,68,92,502 | 76,92,219 | 2,45,84,721 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, | 0 | 9,900 | 9,900 |
| (c) Profits in lieu of salary under section 17(3) Income- | - | - | - |
| 2. Stock Option | - | - | - |
| 3. Sweat Equity | - | - | - |
| 4. Commission - as % of profit - others, specify | - | - | - |
| 5. Others, please specify (PF) | 8,06,238 | 4,93,750 | 12,99,988 |
| TOTAL (A) | 1,76,98,740 | 81,95,869 | 2,58,94,609 |
| Ceiling as per the Act | Rs. 7,09,09,798.20 (being 10% 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 (Rs.) |
|-----------------------------|-------------------|-------------------|--------------------|
| | Mr. S. Narayan | Ms. Rekha Warriar | |
| i. Independent Directors | | | |
| - Fee for attending | 5,85,000 | 5,85,000 | 11,70,000 |
| - Commission* | 5,00,000 | 10,00,000 | 15,00,000 |
| - Others, please specify | - | - | - |
| TOTAL (1) | | | |
| i. Other Non-Executive | | | |
| - Fee for attending | - | - | - |
| - Commission | - | - | - |
| - Others, please specify | - | - | - |
| TOTAL (2) | - | - | - |

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| | | | |
|--------------------------------|---|------------------|------------------|
| TOTAL (B)= (1+2) | 10,85,000 | 15,85,000 | 26,70,000 |
| Total Managerial | | | |
| Overall Ceiling as per the Act | Rs. 7,09,09,798.20 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies, 2013) | | |

*Commission pertaining to FY 2018-19 paid during FY 2019-20.

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

| Particulars of | Key Managerial Personnel | | | |
|--|--------------------------|---|--|-----------------------|
| | Mihir Nanavati (CFO) | Manoj Gujran (Company Secretary) (upto 21.10.2019) | Amit Bhandari (Company Secretary) (w.e.f. 22.01.2020) | Total Amount (INR) |
| 1. Gross salary | | | | |
| a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | 11,80,988 | 4,60,296 | 16,41,284 |
| b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | 1,34,483 | 22,749 | 1,57,232 |
| c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | 0 | 0 | 0 |
| 2. Stock Option | - | 0 | 0 | 0 |
| 3. Sweat Equity | - | 0 | 0 | 0 |
| 4. Commission - as % of profit - others, specify | - | - | - | - |
| 5. Others, please specify | - | 83,314.59 | 18,958.33 | 1,02,272.92 |
| TOTAL | - | 13,98,785.59 | 5,02,003.33 | 19,00,788.92 |

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

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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

Sd/-
Himanshu Jain
Whole-time Director & CEO
DIN: 02052409

Sd/-
Yatin Shah
Whole time Director
DIN: 03231090

Date: June 11, 2020
Place: Mumbai
IIFL WEALTH FINANCE LIMITED
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ANNEXURE – IV

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
(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, 2020 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, 2020 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

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

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

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

We further report that:

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- (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 Redeemable Non-Convertible Debentures amounting to INR 3296 crores in different series on private placement/ right basis.
- (b) The Company issued Commercial Papers and outstanding balance was INR 37.25 Crores as on 31st March, 2020.
- (c) Redeemable Non-Convertible Debentures of INR 2601.23 Crore issued in different series were listed on BSE Limited during F.Y. 2019-20.
- (d) The Company acquired Distribution Business of Financial Products from IIFL Wealth Management Ltd., Holding Company at a lump sum consideration of INR 419 Crores.
- (e) The Company acquired 100% paid up share capital of L&T Capital Markets Limited ("L&T") by the Company, at a lump sum consideration of INR 230 Crores and w.e. f. April 24, 2020 it became the subsidiary of the Company.
- (f) During the year the company has passed the Resolutions for the following matters:
 - (i) Special Resolution passed at Extra Ordinary General Meeting (EGM) held on 29.11.2020 for alteration of object clause of Memorandum of Association
 - (ii) Special Resolution u/s 42 of the Act passed at EGM held on 22.01.2020 for issue of Non-Convertible Debentures (NCD) aggregating upto INR 5000 crores on private placement basis for 2020-21
 - (iii) Special Resolution u/s 180 (i)(c) & (a) of Act passed at EGM held on 28.02.2020 for borrowing/ creation of charge etc. upto INR 16000 crores & for increasing the issuance limited of Non-Convertible Debentures (NCD) u/s 42 of the Act from INR 3000 Crore to INR 4000 Crore on private placement basis.

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For J. U. Poojari & Associates
Company Secretaries
ICSI Unique Code: 12009MH644000

Place: Mumbai

Date: June 11, 2020

Jayaram U Poojari
FCS No: 8102 CP No: 8187
UDIN: F008102B000402012

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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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: June 11, 2020

Jayaram U Poojari
FCS No: 8102 CP No: 8187
UDIN: F008102B000402012

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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 31st March 2020, 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 31st March 2020, 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 | Auditors' 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. This includes assessment of macro-economic overlays on account of change in the economic environment including the COVID 19 pandemic.</p> <p>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.</p> <p>As at 31 March 2020, the Company's gross loans and advances amounted to Rs. 38,318.09 million and the impairment provision amounted to Rs. 167.20 million.</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 31st March, 2020; • 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; • For provision against exposures, 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 and appropriateness 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 basis of determining PDs used for a sample of exposures; • For a sample of exposures, we tested the calculation of the Loss Given Default (LGD) used in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; • Reviewed and tested on a sample basis the management's evaluation and assessment of the NIL ECL |

| | | |
|---|---|--|
| | | <p>provision required on account of anticipated impacts of COVID -19 pandemic.</p> <p>.</p> |
| 2 | <p>Information Technology and General Controls</p> <p>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.</p> <p>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.</p> <p>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 provided / 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, controls over firewall configurations and mechanisms implemented by the Company to prevent, detect and respond to network security incidents; • We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy. |

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 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 statement 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 we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss 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 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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.



Deloitte Haskins & Sells LLP

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 Registration No. 117366W/W-100018)



Anjum A. Qazi
Partner
(Membership No.104968)
(UDIN:20104968AAAACP2399)

Place: Mumbai
Date: 29 June 2020

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 March 31, 2020 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.

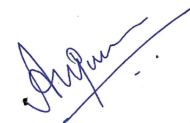
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2020, 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 Registration No. 117366W/W-100018)



Anjum A. Qazi
Partner
(Membership No.104968)
(UDIN:20104968AAAACP2399)

Place: Mumbai
Date: 29 June 2020

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:



Deloitte Haskins & Sells LLP

- (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, goods and services tax, value added tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (c) There are no dues of Goods and Services Tax and Value Added Tax as on 31 March 2020 on account of disputes. Details of income tax not deposited as on 31 March 2020 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) | FY 2015-16 | 9.37 | 7.49 |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeal) | FY 2016-17 | 126.45 | 101.16 |

- (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 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where

Deloitte Haskins & Sells LLP

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, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered 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 Registration No. 117366W/W-100018)



Anjum A. Qazi
Partner
(Membership No.104968)
(UDIN:20104968AAAACP2399)

Place: Mumbai
Date: 29 June 2020

IIFL WEALTH FINANCE LIMITED
CIN: U65990MH1994PLC080646
BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Mn)

| Sr. No. | Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------|---|----------|----------------------|--------------------------|
| | | | | Restated - Refer Note 42 |
| | ASSETS | | | |
| 1 | Financial Assets | | | |
| (a) | Cash and cash equivalents | 3 | 5,225.87 | 362.58 |
| (b) | Bank balance other than (a) above | 4 | 1,210.95 | - |
| (c) | Derivative financial instruments | 5 | 1,315.86 | 960.95 |
| (d) | Receivables | | | |
| | (I) Trade receivables | 6 | 665.88 | 1,948.52 |
| | (II) Other receivables | 6 | 498.29 | 3,775.35 |
| (e) | Loans | 7 | 38,150.89 | 50,163.73 |
| (f) | Investments | 8 | 62,629.03 | 29,393.74 |
| (g) | Other financial assets | 9 | 1,138.69 | 407.04 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | | 241.66 | 1.71 |
| (b) | Property, plant and equipment | 10 | 119.45 | 87.03 |
| (c) | Capital work-in-progress | 11 | 0.69 | 3.19 |
| (d) | Goodwill | | 1,846.40 | 1,846.40 |
| (e) | Other intangible assets | 12 | 768.56 | 736.79 |
| (f) | Right to use asset | 13 | 291.28 | - |
| (g) | Other non-financial assets | 14 | 91.97 | 174.66 |
| | Total Assets | | 114,195.47 | 89,861.69 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Derivative financial instruments | 5 | 2,488.37 | 2,516.10 |
| (b) | Payables | | | |
| | Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 15.1 | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 155.28 | 145.78 |
| (c) | Finance Lease Obligation | 13 | 306.90 | - |
| (d) | Debt securities | 16 | 54,276.68 | 43,445.56 |
| (e) | Borrowings (other than debt securities) | 17 | 28,499.19 | 11,360.13 |
| (f) | Subordinated liabilities | 18 | 5,701.34 | 5,701.34 |
| (g) | Other financial liabilities | 19 | 3,767.11 | 6,984.83 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | | 5.18 | 826.55 |
| (b) | Provisions | | 33.00 | 33.53 |
| (c) | Deferred tax liabilities (net) | 21 | 306.24 | 157.25 |
| (d) | Other non-financial liabilities | 22 | 75.33 | 8.53 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | 23 | 3,054.94 | 3,054.94 |
| (b) | Other equity | 23A | 15,525.91 | 15,627.15 |
| | Total Liabilities and Equity | | 114,195.47 | 89,861.69 |

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Anjum A. Qazi
Partner



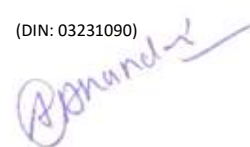
Place : Mumbai
Date : June 29th, 2020

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

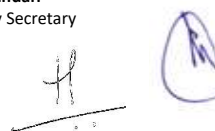


Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020

Yatin Shah
Whole Time Director
(DIN: 03231090)



Amit Bhandari
Company Secretary



IIFL WEALTH FINANCE LIMITED
CIN: U65990MH1994PLC080646
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

| Sr. No. | Particulars | Note No. | 2019-20 | 2018-19 |
|-----------|---|----------|-----------------|----------------------------|
| | | | | Restated -Refer Note 42 |
| 1 | Revenue from operations | | | |
| (a) | Interest income | 24 | 8,019.06 | 6,556.67 |
| (b) | Dividend & Distribution income on investments | 25 | 44.88 | 18.96 |
| (c) | Fees and commission income | 26 | 1,818.99 | 4,843.31 |
| (d) | Net gain on fair value changes | 27 | - | 519.08 |
| | Total revenue from operations | | 9,882.93 | 11,938.02 |
| 2 | Other income | 28 | 2.60 | - |
| 3 | Total income (1+2) | | 9,885.53 | 11,938.02 |
| | Expenses | | | |
| (a) | Finance costs | 29 | 4,932.01 | 4,258.06 |
| (b) | Fees and commission expenses | | 269.69 | 379.20 |
| (c) | Net loss on fair value changes | 27 | 752.34 | |
| (d) | Impairment on financial instruments | 30 | (60.58) | (76.78) |
| (e) | Employee benefits expenses | 31 | 2,028.70 | 1,753.75 |
| (f) | Depreciation, amortization and impairment | 10,12,13 | 233.73 | 62.61 |
| (g) | Other expenses | 32 | 1,047.88 | 1,136.95 |
| 4 | Total expenses | | 9,203.77 | 7,513.79 |
| 5 | Profit before tax (3-4) | | 681.76 | 4,424.23 |
| 6 | Tax expense: | | | |
| (a) | Current tax | 33 | 287.15 | 1,501.40 |
| (b) | Deferred tax | 33 | (110.75) | 6.44 |
| 7 | Profit for the year (5-6) | | 505.36 | 2,916.39 |
| 8 | Other comprehensive income | | | |
| (a) | (i) Items that will not be reclassified to profit or loss - Remeasurements of Employee Benefits | 31.1 | (14.14) | (1.92) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 33 | 3.56 | 0.67 |
| | Subtotal (a) | | (10.58) | (1.25) |
| (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) | | (10.58) | (1.25) |
| 9 | Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year) | | 494.78 | 2,915.14 |
| 10 | Earnings per equity share | | | |
| | Basic (Rs.) | 34 | 1.65 | 9.99 |
| | Diluted (Rs.) | 34 | 1.65 | 9.99 |

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Anjum A. Qazi
Partner

For and on behalf of Board of Directors



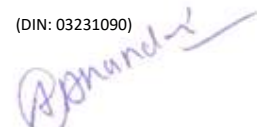
Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)



Yatin Shah
Whole Time Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020



Amit Bhandari
Company Secretary

Place : Mumbai
Date : June 29th, 2020



IIFL WEALTH FINANCE LIMITED
CIN: U65990MH1994PLC080646
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

| Particulars | 2019-20 | 2018-19 |
|---|--------------------|-------------------------|
| | | Restated -Refer Note 42 |
| A. Cash flows from operating activities | | |
| Net profit before taxation | 681.76 | 4,424.23 |
| Adjustments for: | | |
| Depreciation & amortisation | 233.73 | 62.61 |
| Provisions for employee benefits | 11.71 | (14.39) |
| Profit on Sale of Investments | (1,876.71) | (622.28) |
| Impairment on Financial Instrument | (60.58) | (76.78) |
| Employee share based payments | 66.78 | 12.59 |
| Mark to Market loss/(gain) on Derivative Financial Instrument | 928.16 | 62.71 |
| Mark to Market loss/(gain) on Borrowings | 2,691.76 | (40.23) |
| Interest income | (8,019.06) | (6,556.67) |
| Interest expenses | 4,901.49 | 4,258.06 |
| Gain on Termination of Lease | (1.51) | - |
| Interest on lease liabilities | 30.52 | - |
| Interest received | 7,818.91 | 6,461.00 |
| Interest paid | (4,431.48) | (3,067.55) |
| Operating profit before working capital changes | 2,975.48 | 4,903.30 |
| Changes in working Capital : | | |
| (Increase)/ Decrease in Financial/Non-financial Assets | 2,661.02 | (3,570.15) |
| Increase/ (Decrease) in Financial/Non-financial Liabilities | 226.18 | 8.06 |
| Cash (used in)/generated from operations | 5,862.68 | 1,341.21 |
| Decrease/(Increase) in Loans | 12,063.36 | 22,141.68 |
| Cash generated from/ (used in) operating activities | 17,926.04 | 23,482.89 |
| Net income tax (paid) / refunds | (743.09) | (680.24) |
| Net cash generated from / (used in) operating activities (A) | 17,182.95 | 22,802.65 |
| B. Cash flows from investing activities | | |
| Purchase of investments | (1,074,225.75) | (1,145,481.96) |
| Sale of investments | 1,043,077.62 | 1,123,434.48 |
| Fixed Deposit placed | - | (7,833.50) |
| Fixed Deposit matured | - | 9,083.33 |
| Net consideration paid on account of business transfer | (4,190.00) | - |
| (Purchase)/sale of Property, plant and equipment (includes intangible assets)-Net | (169.81) | (2,663.46) |
| Net cash generated from/ (used in) investing activities (B) | (35,507.94) | (23,461.11) |
| C. Cash flows from financing activities | | |
| Issuance of share capital | - | 430.44 |
| Securities premium received | - | 4,569.56 |
| Dividend Paid | (1,620.47) | - |
| Debt Securities and Subordinated Liabilities- taken | 189,216.83 | 28,893.39 |
| Debt Securities and Subordinated Liabilities - repaid | (181,547.15) | (6,343.79) |
| Borrowings - taken | 5,664,623.96 | 252,892.85 |
| Borrowings - repaid | (5,647,472.89) | (279,807.81) |
| Intercompany Deposit - taken | 12,786.82 | 45,420.57 |
| Intercompany Deposit - repaid | (12,798.82) | (45,408.57) |
| Share issue expenses paid | - | (5.00) |
| Net cash (used in)/generated from financing activities (C) | 23,188.28 | 641.64 |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 4,863.29 | (16.82) |
| Opening Cash & cash equivalents | 362.58 | 379.40 |
| Closing Cash & cash equivalents- Refer Note 3 | 5,225.87 | 362.58 |

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Anjum A. Qazi
Partner

For and on behalf of Board of Directors

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

Yatin Shah
Whole Time Director
(DIN: 03231090)

Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020

Amit Bhandari
Company Secretary

Place : Mumbai
Date : June 29th, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(Amount in ₹)

| 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 Reserve | Capital Redemption Reserve | Retained Earnings | | |
| Balance as at 1st April 2019 | 3,054.94 | 11,558.34 | 1.43 | 879.25 | (326.74) | 2.30 | 3,512.57 | 15,627.15 | 18,682.09 |
| Addition on account of business transfer | - | - | - | - | 1,024.45 | - | - | 1,024.45 | 1,024.45 |
| Profits for the year | - | - | - | - | - | - | 505.36 | 505.36 | 505.36 |
| Other Comprehensive income/(loss) | - | - | - | - | - | - | (10.58) | (10.58) | (10.58) |
| Dividends including DDT | - | - | - | - | - | - | (1,620.47) | (1,620.47) | (1,620.47) |
| Transfer (to)/from other reserves | - | - | - | 239.49 | (702.69) | - | 463.20 | - | - |
| Balance as at 31st March 2020 | 3,054.94 | 11,558.34 | 1.43 | 1,118.74 | (4.98) | 2.30 | 2,850.08 | 15,525.91 | 18,580.85 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019
Restated - Refer Note 42

(Amount in ₹)

| 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 Reserve | Capital Redemption Reserve | Retained Earnings | | |
| Balance as at 1st April 2018 | 2,624.50 | 6,993.78 | 1.43 | 516.29 | (3,287.22) | 2.30 | 2,060.72 | 6,287.30 | 8,911.80 |
| Addition on account of business transfer | - | - | - | - | 1,860.14 | - | - | 1,860.14 | 1,860.14 |
| 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 | - | - | - | - | - | - | 2,916.40 | 2,916.40 | 2,916.40 |
| Other Comprehensive income/(loss) | - | - | - | - | - | - | (1.25) | (1.25) | (1.25) |
| Transfer (to)/from other reserves | - | - | - | 362.96 | 1,100.34 | - | (1,463.30) | - | - |
| Balance as at 31st March 2019 | 3,054.94 | 11,558.34 | 1.43 | 879.25 | (326.74) | 2.30 | 3,512.57 | 15,627.15 | 18,682.09 |

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.

vii) **Capital Reserve**

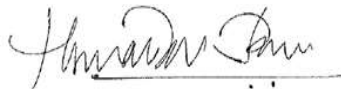
The net assets have been acquired by the company at a net excess consideration of Rs. 4.98 million. Such excess consideration has been recognised as debit to Capital Reserve. (Refer Note 42)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Anjum A. Qazi
Partner

For and on behalf of Board of Directors



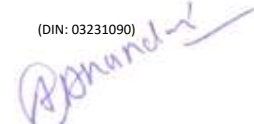
Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)



Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020

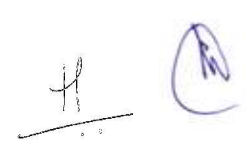


Yatin Shah
Whole Time Director
(DIN: 03231090)



Amit Bhandari
Company Secretary

Place : Mumbai
Date : June 29th, 2020



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements of IIFL Wealth Finance Limited for the year ended March 31, 2020

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 taking 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. During the year, the Company has acquired distribution business from IIFL Wealth Management Limited (the "Parent") - Refer Note 42.

Note 2 – Significant Accounting Policies,

a) Statement of Compliance:

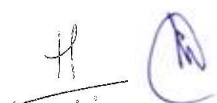
The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise 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.

b) These financials statements have been approved for issue by the Board of Directors of the Company at their meeting held on June 11th, 2020

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.
- Fees and commission relating to Distribution Services: Fees on distribution services are recognized at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- 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) Goodwill on acquisition

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognises an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods. On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

e) Property, plant and equipment

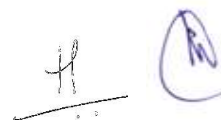
Measurement at recognition:

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.

Handwritten signature and initials in blue ink, located at the bottom right of the page.

IIFL WEALTH FINANCE LIMITED

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 |
|---------------------------|----------------------|
| Computers* | 3 |
| Electrical Equipment* | 5 |
| Office equipment | 5 |
| Furniture and fixtures* # | 5 |
| Air conditioners* | 5 |

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

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

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

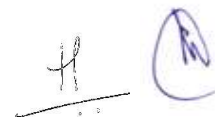
Derecognition:

The carrying amount of an item of property, plant and equipment is 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 Statement of Profit and Loss when the item is derecognized.

f) 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.



IIFL WEALTH FINANCE LIMITED

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 |
| Customer Relationships | 20 |

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.

g) Impairment

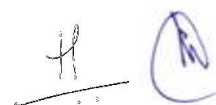
Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events 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.

h) Financial Instruments

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



IIFL WEALTH FINANCE LIMITED

- **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:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- 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:

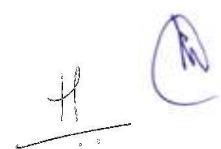
A financial asset is measured at FVTOCI if both of the following conditions are met:

- 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.

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.



IIFL WEALTH FINANCE LIMITED

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.

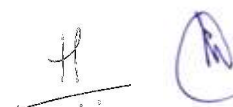
On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

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 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.



IIFL WEALTH FINANCE LIMITED

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.

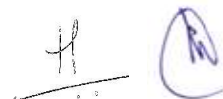
(iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

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

i) Derivative financial instruments

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

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting gain or loss is recognized in the statement of sprofit and loss unless the derivative is designated and effective as a hedging instrument.



IIFL WEALTH FINANCE LIMITED

j) 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.

k) 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. Non-monetary 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.

l) 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.

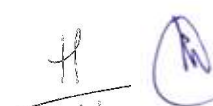
Current tax:

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 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.



IIFL WEALTH FINANCE LIMITED

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.

m) 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.

n) Cash and Cash Equivalents

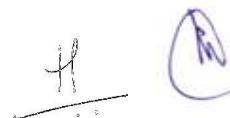
Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

o) 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:



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(I) Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company 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.

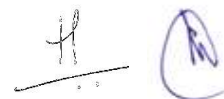
Recognition and measurement of defined benefit plans:

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.

p) Lease accounting

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

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As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Where appropriate, the right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

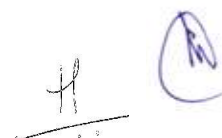
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognizes income on operating leases based on the contractual arrangements.

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IIFL WEALTH FINANCE LIMITED

Critical accounting estimate and judgement

1. Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised

2. Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Changes in accounting policies / Transition note:

On 30 March 2019, the Ministry of Corporate Affairs (“MCA”) through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

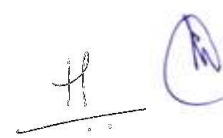
Effective from 1 April 2019 (‘the date of transition’), the Company applied Ind AS 116 using the modified retrospective approach, wherein Right-of-use (‘ROU’) asset is recognised at an amount equal to the lease liability. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

Refer note 2 – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Company as a lessee

As a lessee, the Company leases assets which includes office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for these leases.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company’s incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.



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Following is the summary of practical expedients elected on initial application:

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application i.e. from April 1, 2019.

q) 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.

r) Segment Reporting

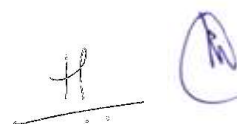
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

s) Earnings Per Share:

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

t) 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.

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IIFL WEALTH FINANCE LIMITED

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**

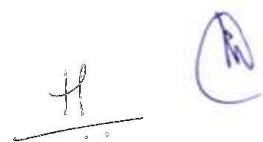
The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

- **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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IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 3. Cash and Cash Equivalents

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows) | | |
| Balance with banks | | |
| -In current accounts | 2,125.53 | 362.58 |
| In Deposit accounts (with original maturity of three months or less) | 3,100.34 | - |
| Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows) | 5,225.87 | 362.58 |

Note 4. Bank Balance other than 3 above:

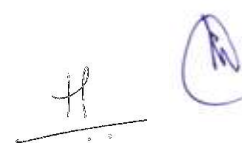
(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Other Bank Balances | | |
| In Earmarked Accounts | 300.00 | - |
| In Deposit accounts (with original maturity of more than 3 months) | 910.95 | - |
| Total | 1,210.95 | - |

Out of the Fixed Deposits shown above:

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Lien marked against derivative transactions | 910.95 | - |
| Total | 910.95 | - |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 5. Derivative Financial Instruments (Refer Note 41)

| Part I | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Notional amounts | Fair value - Assets | Notional amounts | Fair value - Assets |
| (i) Interest rate derivatives | | | | |
| Interest rate swaps | 26,000.00 | - | 1,143.59 | - |
| Subtotal(i) | 26,000.00 | - | 1,143.59 | - |
| (ii) Equity linked derivatives (Nifty Linked) | | | | |
| Option premium paid | 5,524.85 | 469.40 | - | 883.27 |
| Option premium received | 3,759.74 | - | 871.43 | - |
| Derivative component of debt securities | 846.46 | 846.46 | 473.35 | 77.68 |
| Subtotal(ii) | 9,284.59 | 1,315.86 | 1,344.78 | 960.95 |
| Total Derivative Financial Instruments | 35,284.59 | 1,315.86 | 2,488.37 | 960.95 |
| | | | 16,468.08 | 2,516.10 |

(₹ in Mn)

| Part II | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Notional amounts | Fair value - Assets | Notional amounts | Fair value - Assets |
| 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 | 35,284.59 | 1,315.86 | 2,488.37 | 960.95 |
| Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv) | 35,284.59 | 1,315.86 | 2,488.37 | 960.95 |
| | | | 16,468.08 | 2,516.10 |

(₹ in Mn)

Note 6. Receivables (Refer Note 41)

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (i) Trade receivables | | |
| Receivables considered good - Unsecured | 666.70 | 1,948.52 |
| Total (i)- Gross | 666.70 | 1,948.52 |
| Less: Impairment loss allowance | 0.82 | - |
| Total (i)- Net | 665.88 | 1,948.52 |
| (ii) Other receivables | | |
| Receivables considered good - Unsecured | 498.29 | 3,775.35 |
| Total (ii)- Gross | 498.29 | 3,775.35 |
| Less: Impairment loss allowance | - | - |
| Total (ii)- Net | 498.29 | 3,775.35 |

- 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 2020 and 31st March 2019.
- b) There are no credit impaired receivables as at 31st March 2020 and 31st March 2019.
- c) Other receivables include receivables on sale of investments aggregating to ₹ 313.33 million (P.Y ₹ 3,755.23 million)
- d) No trade or other receivables are interest bearing.

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 7. Loans (Refer Note 41)

| Loans | As at March 31, 2020 | | | | As at March 31, 2019 | | | | Total |
|---------------------------------|----------------------|------------------------------------|------------------------|------------------|----------------------|---|------------------------|----------|------------------|
| | Amortised cost | At Fair value | | Total | Amortised cost | At Fair value | | Subtotal | |
| | | Through Other Comprehensive Income | Through profit or loss | | | Designated at fair value through profit or loss | Through profit or loss | | |
| (A) | | | | | | | | | |
| (i) Term loans * | 38,316.71 | - | - | 38,316.71 | 50,390.30 | - | - | - | 50,390.30 |
| (ii) Others-Staff Loan | 1.38 | - | - | 1.38 | 1.43 | - | - | - | 1.43 |
| Total (A) -Gross | 38,318.09 | - | - | 38,318.09 | 50,391.73 | - | - | - | 50,391.73 |
| Less: Impairment loss allowance | (167.20) | - | - | (167.20) | (228.00) | - | - | - | (228.00) |
| Total (A) - Net | 38,150.89 | - | - | 38,150.89 | 50,163.73 | - | - | - | 50,163.73 |
| (B) | | | | | | | | | |
| (i) Secured by tangible assets | 34,958.79 | - | - | 34,958.79 | 47,755.42 | - | - | - | 47,755.42 |
| (ii) Unsecured | 3,359.30 | - | - | 3,359.30 | 2,636.31 | - | - | - | 2,636.31 |
| Total (B)-Gross | 38,318.09 | - | - | 38,318.09 | 50,391.73 | - | - | - | 50,391.73 |
| (C) | | | | | | | | | |
| (I) Loans in India | 38,318.09 | - | - | 38,318.09 | 50,391.73 | - | - | - | 50,391.73 |
| Less: Impairment loss allowance | (167.20) | - | - | (167.20) | (228.00) | - | - | - | (228.00) |
| Total (C) (I)-Net | 38,150.89 | - | - | 38,150.89 | 50,163.73 | - | - | - | 50,163.73 |
| (II) Loans outside India | - | - | - | - | - | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - | - |
| Total (C) (II)- Net | - | - | - | - | - | - | - | - | - |
| Total C(I) and C(II) | 38,150.89 | - | - | 38,150.89 | 50,163.73 | - | - | - | 50,163.73 |

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

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

* Includes Loan to related parties- Refer Note 40

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 8. Investments (Refer Note 41)

| Investments | As at March 31, 2020 | | | | | | As at March 31, 2019 | | | | | | | | | | |
|-------------------------------------|----------------------|---------------|------------------|---|------------------|----------------|------------------------------------|---------------|---------|---|----------|--------|-------|---|---------|---|------------------|
| | Amortised cost | At Fair value | | | Total | Amortised cost | Through Other Comprehensive Income | At Fair value | | Designated at fair value through profit or loss | Subtotal | Others | Total | | | | |
| | | 1 | 2 | 3 | | | | 4 | 5-2+3+4 | | | | | 6 | 7-1+5+6 | 8 | 9 |
| (A) | | | | | | | | | | | | | | | | | |
| Mutual funds | - | - | 11,006.17 | - | 11,006.17 | - | - | - | - | - | - | - | - | - | - | - | 726.70 |
| Government securities | - | - | 32,164.29 | - | 32,164.29 | - | - | - | - | - | - | - | - | - | - | - | 10,352.03 |
| Debt securities | - | - | 11,942.13 | - | 11,942.13 | - | - | - | - | - | - | - | - | - | - | - | 13,007.85 |
| Equity instruments | - | - | 104.68 | - | 104.68 | - | - | - | - | - | - | - | - | - | - | - | - |
| Alternate investment funds | - | - | 7,411.76 | - | 7,411.76 | - | - | - | - | - | - | - | - | - | - | - | 4,722.11 |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 585.05 |
| Total (A) | - | - | 62,629.03 | - | 62,629.03 | - | - | - | - | - | - | - | - | - | - | - | 29,393.74 |
| (B) | | | | | | | | | | | | | | | | | |
| i) Investments outside India | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ii) Investments in India | - | - | 62,629.03 | - | 62,629.03 | - | - | - | - | - | - | - | - | - | - | - | 29,393.74 |
| Total (B) | - | - | 62,629.03 | - | 62,629.03 | - | - | - | - | - | - | - | - | - | - | - | 29,393.74 |
| (C) | | | | | | | | | | | | | | | | | |
| Less: Allowance for impairment loss | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total - Net (D) = A-C | - | - | 62,629.03 | - | 62,629.03 | - | - | - | - | - | - | - | - | - | - | - | 29,393.74 |

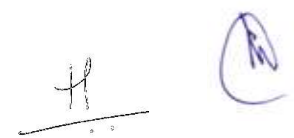
Note

Of the above investments, ₹ 45,283.88 million (P.Y ₹ 16,892.88 million) are kept as collateral.

Note 8. Investments (Refer Note 41)

(₹ in Mn)

| Name of Investment | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|----------------|------------------|----------------------|---------------|------------------|
| | Face Value | No. of Units | Total Amount | Face Value | No. of Units | Total Amount |
| Investment in Mutual Funds include : | | | | | | |
| ADITYA BIRLA SL CREDIT RISK DIRECT-GROWTH | 10.00 | 3,591,505.00 | 52.83 | - | - | - |
| ADITYA BIRLA SL CREDIT RISK DIRECT-GROWTH- Segregated Portfolio 1 | 10.00 | 3,591,505.00 | 1.56 | - | - | - |
| ADITYA BIRLA SL MEDIUM TERM DIRECT-GROWTH | 10.00 | 3,162,822.02 | 72.84 | - | - | - |
| ADITYA BIRLA SL MEDIUM TERM DIRECT-GROWTH- Segregated Portfolio 1 | 10.00 | 3,162,822.01 | 4.60 | - | - | - |
| AXIS STRATEGIC BOND DIRECT-GROWTH | 10.00 | 4,205,807.00 | 87.21 | - | - | - |
| DSP FMP SERIES 241-36M DIRECT-GROWTH | 10.00 | 4,800,000.00 | 55.01 | - | - | - |
| HDFC CREDIT RISK DEBT DIRECT-GROWTH | 10.00 | 2,108,369.00 | 36.78 | - | - | - |
| HDFC DEBT FUND FOR CANCER CURE - 50% REGULAR OPTION-2014 - DIVIDEND DONATION | 10.00 | 1,000,000.00 | 10.02 | 10.00 | 1,000,000.00 | 10.03 |
| HDFC Equity Opportunities Fund II 1126D May 2017 (1) Reg-Growth | 10.00 | 2,000,000.00 | 16.52 | - | - | - |
| HDFC Liquid Fund - Direct Plan - Growth Option | 1,000.00 | 10,880.00 | 42.50 | - | - | - |
| HDFC Liquid Fund-GROWTH | 1,000.00 | 171,786.76 | 667.15 | 1,000.00 | 77,201.46 | 282.78 |
| HDFC MUTUAL FUND EOF II 1126D MAY 17(1)REG DIVPAY 14JL20 | - | - | - | 10.00 | 18,100,000.00 | 195.28 |
| HDFC MUTUAL FUND FMP 1124D JU 18 (1) SR 41 DIR GROWTH 26JL21 | 10.00 | 5,700,000.00 | 65.25 | - | - | - |
| HDFC MUTUAL FUND FMP 1302D SEP 16 (1) SR 37 REG GROWTH 21AP20 | 10.00 | 10,815,013.00 | 143.21 | 10.00 | 7,605,013.00 | 92.31 |
| HDFC MUTUAL FUND FMP 1309D SEP 16 (1) SR 37 REG GROWTH 20AP20 | 10.00 | 8,100,000.00 | 107.44 | - | - | - |
| HDFC MUTUAL FUND FMP 3360D MAR2014(1)SR 30 REG GROWTH 06JU23 | 10.00 | 1,000.00 | 0.02 | - | - | - |
| HDFC MUTUAL FUND FMP 3360D MAR2014(1)SR30 REG QTYDIVPY 06JU23 | 10.00 | 5,000,000.00 | 51.17 | 10.00 | 5,000,000.00 | 50.02 |
| HDFC SHORT TERM DEBT FUND - REGULAR | 10.00 | 2,243,540.00 | 50.79 | - | - | - |
| ICICI PRU LIQUID-GROWTH | 100.00 | 6,841,482.51 | 2,001.14 | - | - | - |
| ICICI PRU MEDIUM TERM BOND DIRECT-GROWTH | 10.00 | 1,522,332.00 | 50.56 | - | - | - |
| ICICI PRUDENTIAL MUTUAL FUND FMP SR 82-1136D PL P CUM 30AP21 | 10.00 | 5,420,000.00 | 63.26 | - | - | - |
| ICICI PRUDENTIAL MUTUAL FUND VALUE FD SR 4 DIV PAY 08MY19 | - | - | - | 10.00 | 2,100,000.00 | 21.55 |
| IDFC MUTUAL FUND EQ OPR SR 5 REGULAR PLAN GROWTH 15MR21 | - | - | - | 10.00 | 7,563,345.00 | 74.72 |
| IIFL LIQUID FUND - REGULAR PLAN - GROWTH | 1,000.00 | 8.08 | 0.01 | 1,000.00 | 8.08 | 0.01 |
| INVESCO INDIA LIQUID-GROWTH | 1,000.00 | 368,473.73 | 1,000.37 | - | - | - |
| KOTAK FMP SERIES 232 - 1137 DAYS - DIRECT PLAN - GROWTH | 10.00 | 8,225,000.00 | 95.57 | - | - | - |
| KOTAK MAHINDRA MUTUAL FUND CREDIT RISK FUND DIR GROWTH ENED | 10.00 | 4,838,106.01 | 113.50 | - | - | - |
| KOTAK MAHINDRA MUTUAL FUND MEDIUM TERM FD DIR GROWTH OP | 10.00 | 2,854,225.00 | 49.06 | - | - | - |
| L&T RESURGENT INDIA BOND DIRECT-GROWTH | 10.00 | 2,829,354.55 | 43.57 | - | - | - |
| RELIANCE MUTUAL FUND LIQUID FD-GRW PL-GROWTH - DEMAT MODE | 1,000.00 | 41,000.00 | 197.72 | - | - | - |
| SBI Liquid Fund - REGULAR PLAN -Growth | 1,000.00 | 1,532,405.55 | 4,740.67 | - | - | - |
| SBI SAVINGS-GROWTH | 10.00 | 34,740,162.07 | 1,076.84 | - | - | - |
| UTI FIXED TERM INCOME FUND - SERIES XXVII - II (1161 DAYS) REG-GROWTH | 10.00 | 9,776,500.00 | 109.00 | - | - | - |
| | | | 11,006.17 | | | 726.70 |
| Investment in Government Securities include : | | | | | | |
| 07.16 GOVT. STOCK 2023 | 100.00 | 500,000.00 | 53.61 | - | - | - |
| 07.68 GOVT. STOCK 2023 | 100.00 | 5,000,000.00 | 545.81 | - | - | - |
| 7.32% GOVERNMENT OF INDIA FVRS100 28JAN2024 | 100.00 | 162,500,000.00 | 17,414.61 | 100.00 | 72,500,000.00 | 7,455.23 |
| 7.35% GOVT. STOCK 2024 | 100.00 | 53,500,000.00 | 5,784.00 | - | - | - |
| 7.37% GOVERNMENT OF INDIA FVRS100 16APR2023 | - | - | - | 100.00 | 13,000,000.00 | 1,367.44 |
| 7.72% GOVT. STOCK 2025 | 100.00 | 16,500,000.00 | 1,805.68 | - | - | - |
| 8.24% GOVERNMENT OF INDIA GOVT. STOCK 2027 | 100.00 | 7,500,000.00 | 830.17 | 100.00 | 14,500,000.00 | 1,529.36 |
| 8.40% GOVT. STOCK 2024 | 100.00 | 50,000,000.00 | 5,556.29 | - | - | - |
| 9.15% GOVT. STOCK 2024 | 100.00 | 1,500,000.00 | 174.12 | - | - | - |
| | | | 32,164.29 | | | 10,352.03 |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 8. Investments (Refer Note 41)

(₹ in Mn)

| Name of Investment | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|--------------|------------------|----------------------|--------------|------------------|
| | Face Value | No. of Units | Total Amount | Face Value | No. of Units | Total Amount |
| Investment in Debt Securities include : | | | | | | |
| 0% KOTAK MAHINDRA INVESTMENTS LIMITED KMIL/2018-19/NCD03 ZC NCD 29JN21 FVRS10LAC | 1,000,000.00 | 8.00 | 7.55 | - | - | - |
| 0.00% EMBASSY OFFICE PARKS REIT 3-JUNE-22 | 1,000,000.00 | 103.00 | 112.17 | - | - | - |
| 0.00% INDIA GRID TRUST 4-JAN-23 | 1,000,000.00 | 111.00 | 120.02 | - | - | - |
| 0.00% TATA CAPITAL FINANCE 17-MARCH-21 | 1,000,000.00 | 250.00 | 248.49 | - | - | - |
| 0.00% TATA CAPITAL FINANCE 26-JUNE-20 | - | - | - | 1,000,000.00 | 15.00 | 15.62 |
| 10.50% INDUSIND BANK LIMITED SERIES III-2019 NCD PERPETUAL FVRS10LAC | 1,000,000.00 | 377.00 | 369.54 | 1,000,000.00 | 1,000.00 | 992.09 |
| 11% BANK OF INDIA SR-1 PERPETUAL BOND FVRS10LACS | - | - | - | - | - | - |
| 15.75% MANIPAL HEALTHCARE PRIVATE LIMITED SERIES A NCD 25MR24 FVRS10LAC | - | - | - | 1,000,000.00 | 1,170.00 | 1,175.03 |
| 7.27% PFC LTD TAX FREE BOND 15 YRS SR2A ANNUAL | 1,000.00 | 425.00 | 0.51 | - | - | - |
| 7.39% HUDCO TAX FREE BOND 15 YRS TR2IIA ANNUAL | 1,000.00 | 602.00 | 0.69 | - | - | - |
| 7.51/8.01 HOUSING AND URBAN DEVELOPMENT CORP. LTD. 7.51/8.01 LOA 16FB28 FVRS1000_N5 | 1,000.00 | 1,701.00 | 1.89 | - | - | - |
| 8.1/8.22 HOUSING AND URBAN DEVELOPMENT CORP. LTD. 8.1/8.22 LOA 05MR22 FVRS1000_N3 | 1,000.00 | 4,540.00 | 4.76 | - | - | - |
| 8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA 8.2 BD 25JN22 FVRS1000_N1 | 1,000.00 | 143,902.00 | 155.68 | - | - | - |
| 8.3% L & T INFR FIN CO LTD NCD 22MR21 FVRS1000 | 1,000.00 | 9,036.00 | 17.85 | - | - | - |
| 8.30% NATIONAL HIGHWAYS AUTHORITY OF INDIA 8.3 BD 25JN22 FVRS1000_N2 | 1,000.00 | 50,000.00 | 59.08 | - | - | - |
| 8.40% INDIGRID 2024 SECURED REDEEMABLE MLD SERIES B FV 10 LAKHS 24JAN24 | 1,000,000.00 | 653.00 | 661.62 | - | - | - |
| 8.52 IDFC FIRST BANK LIMITED SR-0BB 17 OPT IV NCD 27FB25 FVRS10LAC | 1,000,000.00 | 98.00 | 94.99 | - | - | - |
| 8.54% NHPC LTD TAX FREE BOND 15 YRS TR-1 SR2-A ANNUAL | 1,000.00 | 1,685.00 | 2.14 | - | - | - |
| 8.55% IIFCL TRANCHE III SERIES 2A 15YRS | - | - | - | 1,000.00 | - | 0.50 |
| 8.70% BANK OF BARODA SERIES X NCD PERPETUAL FVRS10LAC | 1,000,000.00 | 150.00 | 147.12 | - | - | - |
| 8.75% SBI SERIES I 8.75 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 1.00 | 1.04 | - | - | - |
| 8.75% TATA PROJECTS LIMITED SR B 8.75 NCD 11JN23 FVRS10LAC | 1,000,000.00 | 750.00 | 778.34 | - | - | - |
| 8.85% HDFC BANK BASEL III PERPETUAL BONDS SERIES 1/2017-18 | 1,000,000.00 | 52.00 | 55.70 | - | - | - |
| 8.90% RELIANCE HOME FINANCE LTD SR-I CAT III & IV 3YRS FV RS 1000 | - | - | - | 1,000.00 | 6,605.00 | 6.61 |
| 8/8.15 INDIAN RAILWAY FINANCE CORPORATION LIMITED 8/8.15 LOA 23FB22 FVRS1000_N1 | 1,000.00 | 252,877.00 | 272.13 | - | - | - |
| 9.08% UNION BANK OF INDIA SR-XXIV BD PERPETUAL FVRS10LAC | 1,000,000.00 | 95.00 | 101.58 | 1,000,000.00 | 95.00 | 99.33 |
| 9.20% POWER FINANCE CORPORATION LTD. BD 07JL21 FVRS10LAC LOA UPTO 07JL14 | 1,000,000.00 | 10.00 | 10.96 | - | - | - |
| 9.37% STATE BANK OF INDIA SERIES II BD PERPETUAL FVRS10LAC | 1,000,000.00 | 191.00 | 199.39 | 1,000,000.00 | 1,421.00 | 1,463.48 |
| 9.45% STATE BANK OF INDIA NCD FV10LAC 22MAR2030 | 1,000,000.00 | 350.00 | 355.53 | - | - | - |
| 9.50% INDUSIND BANK LIMITED BD PERPETUAL FVRS10LAC | 1,000,000.00 | 85.00 | 83.26 | - | - | - |
| 9.50% INDUSIND BANK LIMITED BD PERPETUAL FVRS10LAC | 1,000,000.00 | 2.00 | 1.95 | - | - | - |
| 9.56% STATE BANK OF INDIA SERIES 1 NCD PERPETUAL FVRS10LAC | 1,000,000.00 | 15.00 | 15.80 | 1,000,000.00 | 160.00 | 166.64 |
| 9.90% ICICI BANK LIMITED SR DDE18AT 9.90 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 226.00 | 234.56 | 1,000,000.00 | 1,082.00 | 1,118.32 |
| 9.95% SYNDICATE BANK SR-IV LOA PERPETUAL FVRS10LAC | 1,000,000.00 | 5.00 | 5.17 | - | - | - |
| ADITYA BIRLA FINANCE LIMITED SERIES C1 NCD 05JU20 FVRS10LAC | 1,000,000.00 | 20.00 | 23.33 | - | - | - |
| AMRI HOSPITALS LIMITED LOA 02AP21 FVRS10LAC | - | - | - | 1,000,000.00 | 1,500.00 | 1,628.47 |
| ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000 | 10,000.00 | 7,221.00 | - | - | 7,221.00 | - |
| EDELWEISS FINANCE & INVESTMENTS LTD 67K503B 04-APRIL-19 | - | - | - | 100,000.00 | 150.00 | 20.05 |
| EDELWEISS FINVEST PRIVATE LIMITED SR-A0A702A NCD 26MAY20 FVRS1LAC | - | - | - | 100,000.00 | 500.00 | 65.39 |
| EMAMI INFRASTRUCTURE LIMITED NCD 25MR21 FVRS10LAC | - | - | - | 1,000,000.00 | 500.00 | 540.53 |
| HDB FINANCIAL SERVICES LIMITED SERIES A/01ZC/124 NCD 29OT21 FVRS10LAC | 1,000,000.00 | 50.00 | 58.55 | - | - | - |
| HDB FINANCIAL SERVICES LIMITED SR-A/0104 OP 3 NCD 08JL20 FVRS10LAC | 1,000,000.00 | 7.00 | 8.72 | 1,000,000.00 | 15.00 | 17.20 |
| HINDUJA LEYLAND FINANCE LIMITED SR 001 BR NCD 17SP24 FVRS10LAC | 1,000,000.00 | 228.00 | 255.08 | 1,000,000.00 | 347.00 | 368.55 |
| ICICI BANK LIMITED SR-DMR17AT 9.2 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 240.00 | 239.96 | 1,000,000.00 | 9.00 | 8.95 |
| ICICI BANK LIMITED SR-DMR18AT 9.15 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 15.00 | 15.93 | - | - | - |
| INDIA INFOLINE FINANCE LIMITED MLD-2021 G2 NCD 22NOV21 | 1,000,000.00 | 3.00 | 3.09 | - | - | - |
| INDIA INFOLINE FINANCE LIMITED SR C-12 BR NCD 27AR20 FVRS10LAC | 1,000,000.00 | 8.00 | 9.15 | - | - | - |
| KOTAK MAHINDRA INVESTMENTS LIMITED SR-030 NCD 05AG20 FVRS10LAC | 1,000,000.00 | 5.00 | 4.89 | 1,000,000.00 | 100.00 | 89.75 |
| L&T INFRA DEBT FUND LIMITED SR D-FY 2019-20 BR NCD 28FB25 FVRS10LAC | 1,000,000.00 | 85.00 | 86.16 | - | - | - |
| L&T INFRA DEBT FUND LIMITED SR E-FY 2019-20 | 1,000,000.00 | 1,046.00 | 1,081.04 | - | - | - |
| LIC HOUSING FINANCE LIMITED SR TRANCHE 375 LOA 18MY20 FVRS10LAC | 1,000,000.00 | 50.00 | 55.35 | - | - | - |
| PUNJAB NATIONAL BANK SR-IX9.21BDPERPETUALFVRS10LACLOAUPTO27AP17 | 1,000,000.00 | 449.00 | 442.89 | 1,000,000.00 | 348.00 | 336.37 |
| PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL FVRS10LAC | 1,000,000.00 | 437.00 | 426.53 | 1,000,000.00 | 784.00 | 737.72 |
| PUNJAB NATIONAL BANK SR-VIII 8.95 LOA PERPETUAL FVRS10LAC | 1,000,000.00 | 718.00 | 712.42 | 1,000,000.00 | 85.00 | 82.69 |
| PUNJAB NATIONAL BANK SR-XI 8.98 BD PERPETUALFVRS10LACLOAUPTO03SP17 | 1,000,000.00 | 859.00 | 892.93 | 1,000,000.00 | 859.00 | 872.82 |
| RELIANCE CAPITAL LIMITED RCL MLD SERIES B/367-A 28-NOV-19 | - | - | - | 100,000.00 | 137.00 | 23.83 |
| RELIANCE CAPITAL LIMITED RCL MLD SERIES B/369-A TYPE II 02-DEC-19 | - | - | - | 100,000.00 | 60.00 | 10.42 |
| RELIANCE CAPITAL LIMITED SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC | 100,000.00 | 239.00 | 8.92 | 100,000.00 | 629.00 | 111.99 |
| RELIANCE CAPITAL LIMITED SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC | 100,000.00 | 704.00 | 26.25 | 100,000.00 | 704.00 | 125.25 |
| RELIANCE CAPITAL LIMITED SR-B/364A TYPE I BR NCD 04NV19 FVRS1LAC | - | - | - | 100,000.00 | 336.00 | 59.59 |
| RELIANCE CAPITAL LIMITED SR-B/433A BR NCD 09AG21 FVRS1LAC | - | - | - | 100,000.00 | 4,241.00 | 459.19 |
| RELIANCE FINANCIAL LIMITED SR B/190328N BR NCD 11JN22 FVRS1LAC | - | - | - | 100,000.00 | 2,692.00 | 289.34 |
| RELIANCE CAPITAL LIMITED MLD SERIES B/435A 25OCT21 FVRS1LAC | - | - | - | 100,000.00 | 2,243.00 | 233.96 |
| STATE BANK OF INDIA SR-1 9 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 29.00 | 30.76 | 1,000,000.00 | 779.00 | 815.54 |
| STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 410.00 | 424.25 | 1,000,000.00 | 300.00 | 305.61 |
| STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 1,150.00 | 1,196.76 | - | - | - |
| SYNDICATE BANK SR-V 9.8 LOA PERPETUAL FVRS10LAC | 1,000,000.00 | 1,383.00 | 1,443.18 | 1,000,000.00 | 383.00 | 398.98 |
| UNION BANK OF INDIA SR-XXIII TR-2 9.1 BD PERPETUAL FVRS10LAC | 1,000,000.00 | 381.00 | 376.48 | 1,000,000.00 | 381.00 | 368.04 |
| | | | 11,942.13 | | | 13,007.85 |



Note 8. Investments (Refer Note 41)

(₹ in Mn)

| Name of Investment | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|---------------|---------------|----------------------|---------------|--------------|
| | Face Value | No. of Units | Total Amount | Face Value | No. of Units | Total Amount |
| Investment in Equity Instrument include : | | | | | | |
| FINEWORTHY SOFTWARE SOLUTIONS LIMITED | 10.00 | 479,904.00 | 104.68 | - | - | - |
| | | | 104.68 | | | |
| Investment in Alternate investment funds include : | | | | | | |
| ABAKKUS EMERGING OPPORTUNITIES FUND - 1 - CLASS E | 1,000.00 | 10,000.00 | 8.12 | - | - | - |
| ABAKKUS GROWTH FUND - 1 - CLASS E | 1,000.00 | 10,000.00 | 7.35 | 1,000.00 | 10,000.00 | 10.64 |
| BLUME VENTURES FUND | 10,000.00 | 910.00 | 22.09 | 10,000.00 | 910.00 | 25.98 |
| EDELWEISS CATALYST OPPORTUNITIES FUND - CLASS A1 | 10.00 | 5,595,834.69 | 41.75 | - | - | - |
| HIGH CONVICTION FUND - SERIES 1 - CLASS S | 10.00 | 2,500,000.00 | 18.02 | - | - | - |
| IA ALL CAP FUND - CLASS S | 10.00 | 10,356,188.09 | 60.66 | 10.00 | 10,356,188.09 | 93.91 |
| IA BALANCE FUND - CLASS S1 | - | - | - | 10.00 | 504,582.80 | 5.28 |
| IA BALANCE FUND - CLASS S2 | 10.00 | 778,505.41 | 8.73 | 10.00 | 4,082,941.13 | 43.09 |
| IA BALANCE FUND - CLASS S3 | - | - | - | 10.00 | 78,681.07 | 0.82 |
| IA BLENDED FUND - SERIES 2 - CLASS A | 10.00 | 26,264,366.63 | 259.36 | - | - | - |
| IA BLENDED FUND - SERIES 2 - CLASS S | 10.00 | 3,611,612.99 | 35.67 | 10.00 | 3,052,890.54 | 30.24 |
| IA DIVERSIFIED FUND - CLASS S2 | 10.00 | 2,514,771.62 | 29.26 | 10.00 | 2,514,771.62 | 26.49 |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S1 | 10.00 | 2,990,919.72 | 28.27 | - | - | - |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S2 | 10.00 | 1,015,710.31 | 7.92 | 10.00 | 744,826.19 | 7.16 |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S3 | - | - | - | 10.00 | 859,536.41 | 8.49 |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S5 | 10.00 | 100.10 | 0.18 | 10.00 | 100.10 | 0.18 |
| IA OPPORTUNITIES FUND - SERIES 2 - CLASS S1 | 10.00 | 4,094,149.34 | 36.16 | 10.00 | 2,162,210.48 | 21.33 |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S2 | 10.00 | 192,925.37 | 1.52 | - | - | - |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S4 | 10.00 | 714,520.61 | 7.70 | - | - | - |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S5 | 10.00 | 192,879.77 | 1.53 | - | - | - |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S1 | 10.00 | 238,068.95 | 2.23 | 10.00 | 87,500.00 | 0.88 |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S2 | 10.00 | 241,854.52 | 1.91 | 10.00 | 87,500.00 | 0.90 |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S4 | 10.00 | 469,868.62 | 3.88 | 10.00 | 87,500.00 | 0.90 |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S5 | - | - | - | 10.00 | 87,500.00 | 0.88 |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S1 | 10.00 | 100,000.00 | 0.92 | 10.00 | 100,000.00 | 1.11 |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S2 | 10.00 | 79,902.19 | 0.62 | - | - | - |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S3 | 10.00 | 480,811.87 | 3.81 | 10.00 | 501,500.59 | 5.31 |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S4 | 10.00 | 359,270.98 | 4.05 | 10.00 | 400,000.00 | 4.10 |
| IA OPPORTUNITIES FUND - SERIES 9 - CLASS S4 | 10.00 | 1,485,569.38 | 13.59 | 10.00 | 1,000,000.00 | 10.50 |
| IA VALUE FUND - SERIES A - CLASS S4 | 10.00 | 1,697,585.10 | 18.23 | - | - | - |
| ICICI PRUDENTIAL REAL ESTATE AIF II - CLASS A | 100.00 | 314,646.58 | 26.86 | 100.00 | 728,195.63 | 72.60 |
| IIFL BLENDED FUND - SERIES A - CLASS S1 | 10.00 | 2,238,190.16 | 13.09 | 10.00 | 1,702,149.70 | 15.74 |
| IIFL BLENDED FUND - SERIES A - CLASS S2 | 10.00 | 2,014,489.69 | 16.14 | 10.00 | 1,546,399.34 | 16.14 |
| IIFL BLENDED FUND - SERIES A - CLASS S3 | 10.00 | 1,962,115.86 | 17.75 | 10.00 | 1,495,837.53 | 15.84 |
| IIFL BLENDED FUND - SERIES A - CLASS S4 | 10.00 | 1,993,820.26 | 16.91 | 10.00 | 1,543,696.57 | 16.71 |
| IIFL BLENDED FUND - SERIES A - CLASS S5 | 10.00 | 2,051,947.16 | 16.37 | 10.00 | 1,552,131.86 | 15.18 |
| IIFL BLENDED FUND - SERIES B - CLASS S | 10.00 | 3,223,489.50 | 26.70 | 10.00 | 1,657,151.16 | 15.15 |
| IIFL BLENDED FUND - SERIES C - CLASS B | 10.00 | 2,500.00 | 0.02 | 10.00 | 2,500.00 | 0.03 |
| IIFL BLENDED FUND - SERIES C - CLASS S | 10.00 | 3,193,222.93 | 29.52 | 10.00 | 3,010,000.00 | 31.58 |
| IIFL EQUITY OPPORTUNITIES FUND - CLASS S | 10.00 | 1,944,390.94 | 18.07 | - | - | - |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S1 | 10.00 | 2,532,726.88 | 35.00 | 10.00 | 2,532,726.88 | 41.67 |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S2 | 10.00 | 2,681,829.17 | 18.60 | 10.00 | 2,681,829.17 | 30.45 |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S3 | 10.00 | 2,798,155.07 | 30.78 | 10.00 | 2,798,155.07 | 37.47 |
| IIFL HIGH GROWTH COMPANIES FUND - CLASS A1 | 10.00 | 7,983,908.32 | 69.19 | - | - | - |
| IIFL HIGH GROWTH COMPANIES FUND - CLASS A2 | 10.00 | 3,043,992.30 | 26.63 | - | - | - |
| IIFL HIGH GROWTH COMPANIES FUND - CLASS S | 10.00 | 6,300,855.67 | 56.98 | 10.00 | 5,000,000.00 | 56.51 |
| IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CLASS B | 4.00 | 1,899,242.10 | 4.15 | - | - | - |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS A1 | 10.00 | 655,318.43 | 7.11 | - | - | - |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS A3 | 10.00 | 8,632,170.87 | 93.82 | - | - | - |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS B3 | 10.00 | 8,720,785.37 | 93.77 | - | - | - |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS S | 10.00 | 17,500,000.00 | 190.76 | 10.00 | 17,500,000.00 | 177.51 |
| IIFL INCOME OPPORTUNITIES FUND SERIES DEBT ADVANTAGE - CLASS A2 | 2.16 | 1,000,000.00 | 2.18 | 8.49 | 1,000,000.00 | 8.87 |
| IIFL INCOME OPPORTUNITIES FUND SERIES DEBT ADVANTAGE - CLASS S | 2.16 | 7,102,978.66 | 15.38 | 8.49 | 7,102,978.66 | 62.96 |
| IIFL INCOME OPPORTUNITIES FUND SERIES SPECIAL SITUATIONS - CLASS B | 4.00 | 932,923.14 | 2.04 | - | - | - |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS A | 10.00 | 5,726,134.67 | 56.30 | - | - | - |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS B | 10.00 | 16,041,035.92 | 158.26 | 10.00 | 10,670,000.00 | 106.69 |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS S | 10.00 | 1,623,037.43 | 16.26 | 10.00 | 1,000,000.00 | 10.02 |
| IIFL LONG TERM EQUITY GROWTH FUND - CLASS S | 10.00 | 1,000,000.00 | 9.16 | 10.00 | 1,000,000.00 | 11.05 |
| IIFL LONG TERM GROWTH FUND I - CLASS S | - | - | - | 10.00 | 10,000,000.00 | 115.83 |
| IIFL MULTI-STRATEGY FUND - CLASS S | 10.00 | 10,000,000.00 | 84.34 | 10.00 | 10,000,000.00 | 108.38 |
| IIFL ONE OPPORTUNITIES FUND - SERIES 20 - CLASS S | 10.00 | 5,530,405.69 | 34.77 | - | - | - |
| IIFL RE ORGANIZE INDIA EQUITY FUND - CLASS S | 10.00 | 11,440,326.99 | 60.98 | 10.00 | 11,440,326.99 | 92.18 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CLASS A | 6.06 | 8,086,078.81 | 47.98 | 7.01 | 8,086,078.81 | 64.75 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CLASS B | 6.06 | 5,560,256.52 | 32.48 | 7.01 | 3,668,104.01 | 28.97 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS B | 8.59 | 26,712,466.05 | 190.96 | 9.09 | 19,258,266.05 | 196.34 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS C | 4.28 | 3,680,000.00 | 12.21 | 4.57 | 3,680,000.00 | 16.86 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS S | 8.59 | 25,000,000.00 | 186.35 | 9.09 | 25,000,000.00 | 264.63 |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS A | 9.13 | 33,661,718.26 | 263.44 | 9.69 | 33,661,718.26 | 330.92 |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 8. Investments (Refer Note 41)

(₹ in Mn)

| Name of Investment | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|---------------|------------------|----------------------|---------------|------------------|
| | Face Value | No. of Units | Total Amount | Face Value | No. of Units | Total Amount |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS S | 9.13 | 10,000,000.00 | 78.25 | 9.69 | 10,000,000.00 | 98.02 |
| IIFL SEED VENTURES FUND - SERIES 2 - CLASS S | 10.00 | 5,000,000.00 | 50.40 | - | - | - |
| IIFL SEED VENTURES FUND 1 - CLASS S | 9.75 | 18,584,493.69 | 434.50 | 10.00 | 18,584,493.69 | 356.45 |
| IIFL SELECT EQUITY FUND - CLASS S | 10.00 | 3,027,199.07 | 42.47 | 10.00 | 3,027,199.07 | 30.26 |
| IIFL SELECT EQUITY FUND - CLASS S1 | 10.00 | 4,168,707.62 | 59.83 | 10.00 | 4,168,707.62 | 42.63 |
| IIFL SELECT SERIES I - CLASS S | 8.59 | 1,680,799.34 | 16.54 | 10.00 | 1,680,799.34 | 22.31 |
| IIFL SELECT SERIES II - CLASS S | 10.00 | 5,000,000.00 | 47.15 | 10.00 | 5,000,000.00 | 49.65 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CLASS A2 | 9.17 | 936,113.06 | 8.48 | 10.00 | 5,981,673.27 | 69.55 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CLASS S | 9.17 | 4,345,070.33 | 39.99 | 10.00 | 4,345,070.33 | 51.51 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S | 10.00 | 47,643.75 | 0.14 | 10.00 | 47,643.75 | 0.44 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S | 10.00 | 172,476.76 | 1.36 | 10.00 | 172,476.76 | 1.74 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S | 10.00 | 893,170.63 | 9.26 | 10.00 | 893,170.63 | 8.93 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S | 10.00 | 474,032.44 | 3.65 | 10.00 | 474,032.44 | 4.72 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S | 10.00 | 485,026.05 | 3.48 | 10.00 | 485,026.05 | 4.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 5.19 | 404,782.25 | 3.97 | 10.00 | 404,782.25 | 3.34 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS A1 | 9.25 | 3,392,046.77 | 30.69 | - | - | - |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS S | 9.25 | 4,506,593.49 | 40.44 | 10.00 | 4,506,593.49 | 51.45 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S | 10.00 | 47,643.75 | 0.14 | 10.00 | 47,643.75 | 0.44 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S | 10.00 | 172,476.76 | 1.36 | 10.00 | 172,476.76 | 1.74 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S | 10.00 | 893,068.16 | 9.26 | 10.00 | 893,068.16 | 8.93 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S | 10.00 | 474,032.44 | 3.65 | 10.00 | 474,032.44 | 4.72 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S | 10.00 | 485,026.05 | 3.48 | 10.00 | 485,026.05 | 4.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 10.00 | 404,782.25 | 3.97 | 10.00 | 404,782.25 | 3.34 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS S | 9.44 | 4,591,092.16 | 40.03 | 10.00 | 8,651,124.89 | 96.63 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S | 10.00 | 88,134.75 | 0.26 | 10.00 | 88,134.75 | 0.81 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S | 10.00 | 319,008.57 | 2.53 | 10.00 | 319,008.57 | 3.22 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S | 10.00 | 894,851.80 | 9.26 | 10.00 | 894,851.80 | 8.94 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S | 10.00 | 876,860.33 | 6.74 | 10.00 | 876,860.33 | 8.72 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S | 10.00 | 485,026.05 | 3.48 | 10.00 | 485,026.05 | 4.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 5.55 | 748,840.80 | 7.34 | 10.00 | 748,840.80 | 6.17 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS A1 | 10.00 | 982,469.75 | 8.11 | - | - | - |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS S | 10.00 | 4,989,314.11 | 41.98 | 10.00 | 4,989,314.11 | 50.31 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S | 10.00 | 172,476.76 | 1.36 | 10.00 | 172,476.76 | 1.74 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS A2 | 10.00 | 224,996.60 | 2.33 | - | - | - |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S | 10.00 | 890,061.60 | 9.26 | 10.00 | 1,115,058.20 | 11.14 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S | 10.00 | 7,340,756.54 | 56.13 | 10.00 | 7,340,756.54 | 72.56 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S | 10.00 | 485,026.05 | 3.48 | 10.00 | 485,026.05 | 4.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS A1 | 10.00 | 4,307,801.27 | 35.24 | 10.00 | 1,028,027.54 | 9.93 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS S | 10.00 | 5,061,683.74 | 41.97 | 10.00 | 5,061,683.74 | 49.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S | 10.00 | 172,476.76 | 1.36 | 10.00 | 172,476.76 | 1.74 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S | 10.00 | 890,654.40 | 9.26 | 10.00 | 890,654.40 | 8.90 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S | 10.00 | 534,033.05 | 4.11 | 10.00 | 534,033.05 | 5.31 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S | 10.00 | 485,026.05 | 3.48 | 10.00 | 485,026.05 | 4.85 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 6 - CLASS S | 10.00 | 5,000,000.00 | 34.91 | 10.00 | 5,000,000.00 | 51.17 |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CLASS S | 10.00 | 5,000,000.00 | 45.48 | 10.00 | 5,000,000.00 | 51.59 |
| IIFL YIELD ENHANCER FUND - CLASS A | 2.24 | 11,432,074.89 | 22.76 | 2.57 | 11,432,074.89 | 31.09 |
| IIFL YIELD ENHANCER FUND - CLASS B | 2.24 | 9,641,771.15 | 18.56 | 2.57 | 1,974,916.99 | 5.22 |
| IIFL YIELD ENHANCER FUND - CLASS S | 2.24 | 47,473,236.91 | 99.42 | 2.57 | 47,473,236.91 | 134.49 |
| INDIA ALTERNATIVES PRIVATE EQUITY FUND II | 100,000.00 | 2,759.69 | 242.24 | 100,000.00 | 1,373.56 | 120.36 |
| INDIA HOUSING FUND - CLASS A | 9.92 | 1,929,193.84 | 21.13 | - | - | - |
| INDIA HOUSING FUND - CLASS B | 9.92 | 2,983,026.58 | 32.72 | - | - | - |
| INDIA HOUSING FUND - CLASS E | 9.92 | 51,788,853.56 | 570.61 | 10.00 | 25,390,775.90 | 264.37 |
| INDIA HOUSING FUND - CLASS S | 9.92 | 5,000,000.00 | 56.71 | 10.00 | 5,000,000.00 | 52.17 |
| INDIA HOUSING FUND - SERIES 2 - CLASS A | 10.00 | 15,000,000.00 | 153.12 | - | - | - |
| INDIA HOUSING FUND - SERIES 2 - CLASS B | 10.00 | 97,014,772.05 | 991.94 | - | - | - |
| INDIA HOUSING FUND - SERIES 2 - CLASS I | 10.00 | 60,343,800.00 | 609.96 | - | - | - |
| INDIA HOUSING FUND - SERIES 2 - CLASS S | 10.00 | 5,000,000.00 | 50.65 | - | - | - |
| INDIAREIT APARTMENT FUND - CLASS B | 100,000.00 | 65.77 | 11.13 | - | - | - |
| IRON PILLAR INDIA FUND1 - CLASS A | 100.00 | 2,285,282.34 | 245.90 | 100.00 | 2,116,131.54 | 248.92 |
| KAE CAPITAL FUND II A - CLASS B | 100,000.00 | 2,100.00 | 217.63 | 100,000.00 | 2,100.00 | 210.00 |
| PEGASUS INDIA EVOLVING OPPORTUNITIES FUND | 100,000.00 | 363.57 | 35.79 | 100,000.00 | 123.53 | 11.30 |
| WHITE OAK INDIA EQUITY FUND - CLASS A | 10.00 | 2,900,564.69 | 27.39 | 10.00 | 1,912,740.77 | 21.36 |
| WHITE OAK INDIA EQUITY FUND II - CLASS J | 10.00 | 1,000,000.00 | 9.40 | 10.00 | 1,000,000.00 | 10.46 |
| XPONENTIAL OPPORTUNITIES FUND I - CLASS B2 | 100,000.00 | 800.00 | 80.56 | 100,000.00 | 800.00 | 80.00 |
| ZERODHA AIF SCHEME 1 | 100.00 | 480,646.76 | 48.74 | - | - | - |
| | | | 7,411.76 | | | 4,722.11 |
| Investment in Others include : | | | | | | |
| IRB INVIT FUND | - | - | - | 100.00 | 8,815,000.00 | 585.05 |
| | | | | | | 585.05 |
| Total | | | 62,629.03 | | | 29,393.74 |

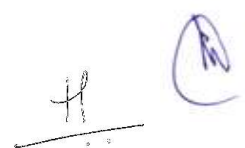
IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 9. Other financial assets

₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Unsecured | | |
| Deposit with Clearing Corporation of India Limited (CCL) | 31.60 | 143.90 |
| Other deposits | 77.33 | 67.00 |
| Income accrued & not due | 272.46 | 7.54 |
| Receivables from Group/Holding company (Refer Note 40) | 587.46 | 12.32 |
| Advance for purchase of Investments in units of AIF | - | 175.00 |
| Others | 169.84 | 1.28 |
| Total | 1,138.69 | 407.04 |



Note 10. Property Plant and Equipment



(₹ in Mn)

F.Y 2019-20

| Particulars | Furniture Fixture | Vehicles | Office Equipment | Air Conditioner | Computers | Electrical Equipment | Land | CWIP | Total |
|---|----------------------|----------|---------------------|--------------------|-----------|-------------------------|------|------|--------|
| Gross Carrying Value as on April 01, 2019 | 101.39 | - | 7.14 | 0.27 | 15.87 | 2.36 | 1.00 | - | 128.03 |
| Additions | 65.99 | - | 1.68 | 0.45 | 3.92 | 1.12 | - | - | 73.16 |
| Deductions/ Adjustments during the year | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 167.38 | - | 8.82 | 0.72 | 19.79 | 3.48 | 1.00 | - | 201.19 |
| Depreciation | | | | | | | | | |
| Upto April 01, 2019 | 32.32 | - | 1.51 | 0.07 | 6.12 | 0.98 | - | - | 41.00 |
| Depreciation for the year | 30.81 | - | 2.27 | 0.11 | 6.37 | 1.18 | - | - | 40.74 |
| Deductions/Adjustments during the year | - | - | - | - | - | - | - | - | - |
| Upto March 31, 2020 | 63.13 | - | 3.78 | 0.18 | 12.49 | 2.16 | - | - | 81.74 |
| Net Block as at March 31, 2020 | 104.25 | - | 5.04 | 0.54 | 7.30 | 1.32 | 1.00 | - | 119.45 |

F.Y 2018-19

| Particulars | Furniture Fixture | Vehicles | Office Equipment | Air Conditioner | Computers | Electrical Equipment | Land | CWIP | Total |
|---|----------------------|----------|---------------------|--------------------|-----------|-------------------------|------|------|--------|
| Gross Carrying Value as on April 01, 2018 | - | - | 0.08 | - | - | - | 1.00 | - | 1.08 |
| Additions | 101.39 | - | 7.06 | 0.27 | 15.87 | 2.36 | - | - | 126.95 |
| Additions related to acquisitions | - | - | - | - | - | - | - | - | - |
| Deductions/ Adjustments during the year | - | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | 101.39 | - | 7.14 | 0.27 | 15.87 | 2.36 | 1.00 | - | 128.03 |
| Depreciation | | | | | | | | | |
| Upto April 01, 2018 | - | - | 0.02 | - | - | - | - | - | 0.02 |
| Depreciation for the year | 32.32 | - | 1.49 | 0.07 | 6.12 | 0.98 | - | - | 40.98 |
| Deductions/Adjustments during the year | - | - | - | - | - | - | - | - | - |
| Upto March 31, 2019 | 32.32 | - | 1.51 | 0.07 | 6.12 | 0.98 | - | - | 41.00 |
| Net Block as at March 31, 2019 | 69.07 | - | 5.63 | 0.20 | 9.75 | 1.38 | 1.00 | - | 87.03 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 11. Capital work in Progress

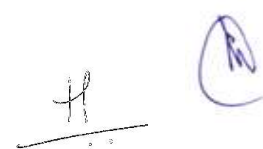
(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Opening balance | 3.19 | - |
| Additions | - | 3.19 |
| Deductions | 2.50 | - |
| Closing Balance | 0.69 | 3.19 |

Note 12. Other Intangible Assets

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Software/Intangible assets- Acquired | | |
| Opening Gross Carrying Value* | 760.36 | 6.45 |
| Additions | 99.17 | 753.91 |
| Deductions / adjustments during the year | - | - |
| Closing Gross Block | 859.53 | 760.36 |
| Amortisation | | |
| Opening Accumulated Depreciation | 23.57 | 1.93 |
| Amortisation for the year | 67.40 | 21.64 |
| Deductions / adjustments during the year | - | - |
| Closing Accumulated Depreciation | 90.97 | 23.57 |
| Net Block | 768.56 | 736.79 |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020
Note 13. Disclosure Pursuant to Ind AS 116 "Leases"
Change in Accounting Policy

The Company has adopted Ind AS 116 — "Leases" with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 amounting to Rs 2.10 million has been recognized and "Right to use assets" has been recognized at an amount equal to the "Lease liability" as at that date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right to use lease assets" and interest accrued on "Lease liability".

| Particular | (₹ in Mn) | | |
|---|-----------|-------------|-------------|
| | Premises | Vehicles | Total |
| Lease commitments as at 31 March 2019 | - | - | - |
| Add/(less): contracts reassessed as lease contracts | - | 2.10 | 2.10 |
| Add/(less): adjustments on account of extension/termination | - | - | - |
| Lease liabilities as on 1 April 2019 | - | 2.10 | 2.10 |

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

| Particulars | Premises | Vehicles | Total |
|--|---------------|--------------|---------------|
| Balance as at 01 April, 2019 | - | 2.10 | 2.10 |
| Additions on account of business transfer | 403.79 | 47.87 | 451.66 |
| Additions during the year | 0.39 | 7.81 | 8.20 |
| Depreciation charge for the year | (25.35) | (5.89) | (31.24) |
| Depreciation on account of business transfer | (81.40) | (12.96) | (94.36) |
| Deletions during the year | (42.84) | (2.24) | (45.08) |
| Balance as at March 31, 2020 | 254.59 | 36.69 | 291.28 |

Following is the break up of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

| Particulars | As at March 31, 2020 |
|-------------------------------|----------------------|
| Current lease liabilities | 96.90 |
| Non-current lease liabilities | 210.00 |
| Total | 306.90 |

The following is the movement in lease liabilities during the year ended March 31, 2020:

| Particulars | Premises | Vehicles | Total |
|--|---------------|--------------|---------------|
| Balance as at 01 April, 2019 | - | 2.10 | 2.10 |
| Additions on account of Slump sale | 333.95 | 36.54 | 370.49 |
| Additions | 0.39 | 7.81 | 8.20 |
| Deletion | (44.27) | (2.29) | (46.56) |
| Finance cost accrued during the period | 6.47 | 1.17 | 7.64 |
| Payment of lease liabilities | (28.57) | (6.40) | (34.97) |
| Balance as at March 31, 2020 | 267.97 | 38.93 | 306.90 |

Maturity analysis – contractual undiscounted cash flows

| Particulars | Premises | Vehicles | Total |
|---|---------------|--------------|---------------|
| Less than one year | 96.96 | 21.68 | 118.64 |
| One to five years | 209.13 | 21.61 | 230.74 |
| More than five years | 8.59 | - | 8.59 |
| Total undiscounted lease liabilities at 31 March 2020 | 314.68 | 43.29 | 357.97 |
| Lease liabilities included in the statement of financial position at 31 March 2020 | 267.97 | 38.93 | 306.90 |

Amounts recognised in profit or loss

| Particulars | As at March 31, 2020 |
|--|----------------------|
| Interest on lease liabilities | 7.63 |
| Expenses relating to short-term leases | 21.64 |
| Depreciation relating to leases | 125.59 |
| Total | 154.86 |

Amounts recognised in the statement of cash flows

| Particulars | As at March 31, 2020 |
|-------------------------------|----------------------|
| Total cash outflow for leases | 34.97 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 14. Other Non Financial Assets

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Prepaid expenses-Unsecured | 73.36 | 150.18 |
| Advances recoverable in cash or in kind or for value to be received – Unsecured | 18.61 | 24.48 |
| Total | 91.97 | 174.66 |

Note 15. Trade Payables

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Trade payables | | |
| - (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 15.1) | - | - |
| - (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises : | | |
| - Sundry creditors for expenses | 64.60 | 6.85 |
| - Accrued salaries and benefits | 3.66 | 37.18 |
| - Provision for expenses | 87.02 | 101.75 |
| Total | 155.28 | 145.78 |

15.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 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 | 2019-20 | 2018-19 |
|--|---------|---------|
| (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 | - | - |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 16. Debt Securities

(₹ in Mn)

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | | |
|---|------------------------|---|--|----------------------|------------------------|---|--|
| | At Amortised cost 1 | At Fair value Through profit or loss 2 | Designated at fair value through profit or loss 3 | Total 4=1+2+3 | At Amortised cost 1 | At Fair value Through profit or loss 2 | Designated at fair value through profit or loss 3 |
| Liability component of compound financial instruments | 8,297.52 | - | - | 8,297.52 | 6,241.42 | - | 6,241.42 |
| Bonds/ Debentures | 22,420.35 | 23,196.23 | - | 45,616.58 | 18,138.23 | - | 33,377.36 |
| Commercial papers | 372.50 | - | - | 372.50 | 3,978.50 | - | 3,978.50 |
| Less: Prepaid Discount | (9.92) | - | - | (9.92) | (151.72) | - | (151.72) |
| Total | 31,080.45 | 23,196.23 | - | 54,276.68 | 28,206.43 | 15,239.13 | 43,445.56 |
| Debt securities in India | 31,080.45 | 23,196.23 | - | 54,276.68 | 28,206.43 | - | 43,445.56 |
| Debt securities outside India | - | - | - | - | - | - | - |
| Total | 31,080.45 | 23,196.23 | - | 54,276.68 | 28,206.43 | 15,239.13 | 43,445.56 |

| Residual maturity | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--------------------------------------|----------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Balance outstanding | Interest rate % (p.a) * | Balance outstanding | Interest rate % (p.a) * | Balance outstanding | Interest rate % (p.a) * |
| At Amortised cost | 4,175.98 | 9.16% - 10.05% | 2,714.19 | 9.16% - 11.18% | | |
| Above 5 years | 20,964.36 | 8.50% - 10.25% | 10,130.17 | 7.97% - 9.75% | | |
| 1-5 years | 5,940.11 | 6.75% - 10.00% | 15,362.07 | 8.00% - 10.00% | | |
| Less than 1 year | | | | | | |
| At Fair value through profit or loss | | | | | | |
| Above 5 years | 11,983.33 | Market linked | 13,459.96 | Market linked | | |
| 1-5 years | 5,652.29 | Market linked | 1,779.17 | Market linked | | |
| Less than 1 year | 5,560.61 | Market linked | - | - | | |

* Indicates Effective Interest Rate


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

Commercial papers are unsecured short term papers issued at discount. The cost on outstanding commercial papers ranges from 6.75% to 8.50% p.a. (P.Y. 8% to 10% p.a.)

| Particulars | (₹ in Mn) |
|--|-----------------------------|
| Debentures include : | As at March 31, 2020 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-05-2020 | 1,155.08 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04-08-2020 | 2,026.02 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16-10-2020 | 1,296.44 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-02-2021 | 330.43 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02-03-2021 | 2,683.81 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-03-2021 | 1,000.00 |
| 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 22-03-2021 | 2,546.37 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-04-2021 | 1,622.65 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-05-2021 | 10,193.70 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-06-2021 | 5,049.18 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09-08-2021 | 583.67 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25-10-2021 | 361.62 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-05-2022 | 1,374.07 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-05-2022 | 1,470.89 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-06-2022 | 42.88 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02-08-2022 | 1,569.94 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20-10-2022 | 331.28 |
| 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 | 178.15 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28-12-2023 | 12.69 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18-01-2024 | 63.67 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07-02-2024 | 25.35 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-02-2024 | 3,706.91 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-06-2025 | 454.66 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-07-2025 | 581.61 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12-03-2026 | 5,049.22 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12-04-2026 | 2,453.35 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-04-2026 | 2,389.01 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10-11-2026 | 13.02 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13-11-2026 | 13.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23-11-2026 | 110.30 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-11-2026 | 45.35 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04-12-2026 | 25.75 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08-12-2026 | 12.84 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10-12-2026 | 12.94 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16-12-2026 | 64.56 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31-12-2026 | 25.94 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-02-2027 | 25.86 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11-12-2028 | 502.92 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22-01-2029 | 706.89 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-03-2030 | 1,032.47 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22-03-2029 | 1,052.70 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-03-2029 | 650.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-04-2029 | 705.90 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29-03-2030 | 231.00 |
| | 53,914.09 |

| Commercial Papers include | As at March 31, 2020 |
|---|----------------------|
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 13-05-2020 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 15-05-2020 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 18-05-2020 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 10-07-2020 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 10-07-2020 | 62.50 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 28-12-2020 | 60.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 25-02-2021 | 50.00 |
| | 372.50 |

| Debentures include : | As at March 31, 2019 |
|---|----------------------|
| 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 | 300.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019 | 30.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 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 |



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

| Particulars | (₹ in Mn) |
|--|------------------|
| 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 | 146.60 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019 | 164.10 |
| 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 | 78.20 |
| 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 | 31.70 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019 | 14.00 |
| 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 | 994.60 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2021 | 476.92 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/05/2022 | 1,441.31 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/05/2022 | 1,684.18 |
| 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 | 301.65 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023 | 11.57 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024 | 11.54 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024 | 58.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024 | 57.74 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/02/2024 | 1,338.68 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/10/2024 | 2,186.60 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/11/2024 | 2,182.20 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2025 | 1,024.49 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/07/2025 | 838.53 |
| 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 | 1,688.06 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026 | 1,714.78 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/04/2026 | 2,296.78 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2026 | 970.76 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026 | 72.47 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026 | 12.06 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026 | 102.34 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026 | 54.10 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026 | 23.72 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026 | 11.85 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026 | 11.84 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026 | 11.88 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026 | 64.00 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026 | 35.66 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026 | 47.14 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/02/2027 | 23.63 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2027 | 87.07 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/12/2028 | 502.92 |
| Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/01/2029 | 706.89 |
| | 39,618.78 |

| Commercial Papers include | As at March 31, 2019 |
|---|----------------------|
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/04/2019 | 500.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/04/2019 | 250.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 16/04/2019 | 80.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019 | 100.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 07/05/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 07/05/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 13/05/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 20/05/2019 | 250.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 30/05/2019 | 60.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 20/06/2019 | 60.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/07/2019 | 50.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 15/07/2019 | 270.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019 | 18.50 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019 | 34.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019 | 34.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019 | 22.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 02/01/2020 | 1,000.00 |
| Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 02/01/2020 | 1,000.00 |
| | 3,978.50 |

IFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 17. Borrowings (other than Debt securities)

(₹ in Mn)

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | | | |
|--|----------------------|---------------------------------------|---|----------------------|-------------------|---------------------------------------|-------|------------------|
| | At Amortised Cost | At Fair Value Through profits or loss | Designated at fair value through profit or loss | Total | At Amortised Cost | At Fair Value Through profits or loss | Total | |
| | 1 | 2 | 3 | 4=1+2+3 | 1 | 2 | 3 | 4=1+2+3 |
| (a) Term loans | | | | | | | | |
| (i) from banks | - | - | - | - | - | - | - | - |
| (ii) from related parties (Refer Note 40) | - | - | - | - | 12.00 | - | - | 12.00 |
| (b) Loans repayable on demand | | | | | | | | |
| (i) from banks | - | - | - | - | 1,500.00 | - | - | 1,500.00 |
| (ii) from other parties | 28,500.00 | - | - | 28,500.00 | 9,850.00 | - | - | 9,850.00 |
| (c) Borrowings from Collateralized Borrowing and Lending Obligation (CBLO) | | | | | | | | |
| Less: Prepaid Discount | (0.81) | - | - | (0.81) | (1.87) | - | - | (1.87) |
| Total | 28,499.19 | - | - | 28,499.19 | 11,360.13 | - | - | 11,360.13 |

| Residual maturity | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------|----------------------|-----------------------|----------------------|-----------------------|
| | Balance outstanding | Interest rate % (p-a) | Balance outstanding | Interest rate % (p-a) |
| At Amortised cost | | | | |
| Above 5 years | - | - | - | - |
| 1-5 years | 28,499.19 | 0.51% | 11,360.13 | 6.95% - 8.70% |
| Less than 1 year | - | - | - | - |

- 1 Term loans repayable to related parties are unsecured.
- 2 Loans repayable on demand from banks- As at 31st March 2019, the loans are secured by way of pari passu charge on specific receivables. The interest rates on these loans are linked to Marginal Cost of Funds based Lending Rate (MCLR) of the lending bank + Spread.
- 3 Borrowings from CBLO are secured against Investments in Government Securities.

| Explanatory Notes | As at March 31, 2020 | |
|---|----------------------|---------|
| | Particulars | ₹ in Mn |
| (i) Collateralized Borrowing and Lending Obligation Repayable on 03/04/2020 | 28,500.00 | |
| (ii) Working Capital Demand Loan Repayable on 30/08/2019 | 1,500.00 | |
| (iii) Collateralized Borrowing and Lending Obligation Repayable on 02/04/2019 | 9,850.00 | |
| | 11,350.00 | |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 18. Subordinated Liabilities:

| Particulars | As at March 31, 2020 | | | | As at March 31, 2019 | | | |
|--|----------------------|---------------------------------------|---|-------------------------|----------------------|--------------------------------------|---|----------|
| | At Amortised cost | At Fair value through profits 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 |
| (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 |
| Subordinated debt | 4,201.34 | - | - | 4,201.34 | 4,201.34 | - | - | 4,201.34 |
| Total (A) | 5,701.34 | - | - | 5,701.34 | 5,701.34 | - | - | 5,701.34 |
| (B) | | | | | | | | |
| Subordinated liabilities in India | 5,701.34 | - | - | 5,701.34 | 5,701.34 | - | - | 5,701.34 |
| Subordinated liabilities outside India | - | - | - | - | - | - | - | - |
| Total (B) | 5,701.34 | - | - | 5,701.34 | 5,701.34 | - | - | 5,701.34 |
| Residual maturity | | | | | | | | |
| As at March 31, 2020 | Balance outstanding | Interest rate % (p.a) * | Balance outstanding | Interest rate % (p.a) * | As at March 31, 2019 | Balance outstanding | Interest rate % (p.a) * | |
| At Amortised cost | 1,500.00 | 10.00% | 1,500.00 | 10.00% | | | | |
| Less: 3 years | 4,201.34 | 8.8 % to 9.26% | 4,201.34 | 8.8 % to 9.26% | | | | |
| Less: 1 year | - | - | - | - | | | | |

* Indicates Effective Interest Rate

Note- The above subordinated liabilities are fully paid up, unsecured, free of any restrictive clauses and are subordinate to the claims of other creditors.

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

| Particulars | As at March 31, 2020 (₹ in Mn) | As at March 31, 2019 (₹ in Mn) |
|--|-----------------------------------|-----------------------------------|
| (i) Perpetual Debt Instruments include: | | |
| 10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,00,000 Each Redeemable on 22/05/2027 | 1,00,00,000 | 1,00,00,000 |
| 10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,00,000 Each Redeemable on 02/05/2027 | 1,56,00,000 | 1,56,00,000 |
| (ii) Subordinated debt include: | | |
| 11.42% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 06/06/2022 | 2,00,00,000 | 2,00,00,000 |
| 11.42% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 13/06/2022 | 75,00,000 | 75,00,000 |
| 9.00% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 19/07/2023 | 25,36,000 | 25,36,000 |
| 9.10% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 24/06/2022 | 10,00,000 | 10,00,000 |
| 11.42% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 24/06/2022 | 55,00,000 | 55,00,000 |
| 11.42% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 30/05/2022 | 30,00,000 | 30,00,000 |
| 11.42% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 31/07/2022 | 15,00,000 | 15,00,000 |
| 11.11% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 31/07/2022 | 15,00,000 | 15,00,000 |
| 11.18% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 69,22,000 | 69,22,000 |
| 11.25% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 10,00,000 | 10,00,000 |
| 11.25% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 2,80,43,000 | 2,80,43,000 |
| 11.30% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 70,05,000 | 70,05,000 |
| 11.35% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 79,76,000 | 79,76,000 |
| 11.37% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 11,92,000 | 11,92,000 |
| 11.40% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 31,92,000 | 31,92,000 |
| 11.45% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 10,25,000 | 10,25,000 |
| 11.62% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 82,54,000 | 82,54,000 |
| 12.18% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 49,06,000 | 49,06,000 |
| 12.28% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 02/05/2023 | 115,21,000 | 115,21,000 |
| 11.11% Subordinated Debt of Face Value Rs. 10,00,00,000 Each Redeemable on 10/01/2024 | 58,00,000 | 58,00,000 |
| | 4,201.34 | 4,201.34 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

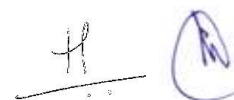
Note 19. Other Financial Liabilities**(₹ in Mn)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Interest accrued but not due | 2,892.77 | 2,433.91 |
| Payable on account of purchase of investments | 174.42 | 269.10 |
| Payable to holding company / group companies | 358.10 | 4,208.74 |
| Others | 341.82 | 73.08 |
| Total | 3,767.11 | 6,984.83 |

Note 19.1: No amount was required to be transferred to 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 20. Provisions:**(₹ in Mn)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits | 33.00 | 33.53 |
| Total | 33.00 | 33.53 |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 21. Deferred Taxes

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

| | (Amount in ₹) | | | |
|--|-----------------|------------------------------|-------------------------------------|-----------------|
| | Opening balance | Recognised in profit or loss | Recognised in/reclassified from OCI | Closing balance |
| Deferred tax assets: | | | | |
| Difference between book base and tax base of property, plant & equipment and intangible assets | 0.14 | 0.78 | - | 0.92 |
| Impairment of Financial Assets | 79.67 | (37.38) | - | 42.29 |
| Retirement benefits for employees | 1.45 | 5.11 | 1.74 | 8.30 |
| Impact of Ind AS 116 | - | 0.46 | - | 0.46 |
| Unspent CSR | - | 1.43 | - | 1.43 |
| Restatement Impact | 15.76 | (15.76) | - | - |
| Total deferred tax assets (A) | 97.02 | (45.36) | 1.74 | 53.40 |
| Offsetting of deferred tax (assets) with deferred tax liabilities | - | - | - | - |
| Net Deferred tax (assets) | 97.02 | (45.36) | 1.74 | 53.40 |
| Deferred tax liabilities: | | | | |
| Unrealised profit on investments etc. | 5.71 | 183.11 | - | 188.82 |
| Goodwill | - | 170.82 | - | 170.82 |
| Restatement Impact | 248.57 | (248.57) | - | - |
| Total deferred tax liabilities (B) | 254.28 | 105.36 | - | 359.64 |
| Offsetting of deferred tax liabilities with deferred tax (assets) | (97.02) | 45.36 | (1.74) | (53.40) |
| Net Deferred tax liabilities | 157.26 | 150.72 | (1.74) | 306.24 |
| Deferred tax liabilities (A - B) | 157.26 | 150.72 | (1.74) | 306.24 |

Note- The above includes impact of Rs. 22.73 million in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020 (Refer Note below)

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

| | (Amount in ₹) | | | |
|--|-----------------|------------------------------|-------------------------------------|-----------------|
| | Opening balance | Recognised in profit or loss | 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 Financial Assets | 106.07 | (26.40) | - | 79.67 |
| Retirement benefits for employees | 1.41 | (0.11) | 0.15 | 1.45 |
| Restatement Impact | 5.96 | 9.81 | - | 15.77 |
| Total deferred tax assets (A) | 113.22 | (16.34) | 0.15 | 97.03 |
| Offsetting of deferred tax (assets) with deferred tax liabilities | | | | - |
| Net Deferred tax (assets) | 113.22 | (16.34) | 0.15 | 97.03 |
| Deferred tax liabilities: | | | | |
| Difference between book base and tax base of property, plant & equipment and intangible assets | | | | - |
| Unrealised profit on investments etc. | 11.60 | (5.89) | - | 5.71 |
| Goodwill | - | 248.57 | - | 248.57 |
| Total deferred tax liabilities (B) | 11.60 | 242.68 | - | 254.28 |
| Offsetting of deferred tax liabilities with deferred tax (assets) | (113.22) | 16.34 | (0.15) | (97.03) |
| Net Deferred tax liabilities | (101.62) | 259.02 | (0.15) | 157.25 |
| Deferred tax liabilities (A - B) | (101.62) | 259.02 | (0.15) | 157.25 |

The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Company has re-measured its deferred tax assets and liabilities as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Profit and Loss Account under "Tax expense" for the year ended March 31, 2020.

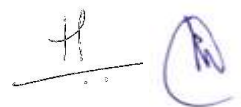
IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 22. Other Non Financial Liabilities:

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------|----------------------|
| Statutory remittances | 75.33 | 7.61 |
| Others | - | 0.92 |
| Total | 75.33 | 8.53 |



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

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:

| | ₹ in Min | |
|--|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Authorised : | | |
| 350,000,000 Equity shares (Previous years 350,000,000 Equity shares) of ₹ 10/- each with voting rights | 3,500.00 | 3,500.00 |
| Issued, Subscribed and Paid Up: 305,493,803 Equity shares (Previous years 305,493,803 Equity shares) of ₹ 10/- each fully paidup with voting rights | 3,054.94 | 3,054.94 |
| Total | 3,054.94 | 3,054.94 |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 305,493,803 | 3,054.94 | 262,449,733 | 2,624.50 |
| Add: Issued during the year | - | - | 43,044,070 | 430.44 |
| Outstanding at the end of the year | 305,493,803 | 3,054.94 | 305,493,803 | 3,054.94 |

(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, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| IIFL Wealth Management Limited and its nominees | 305,493,803 | 100% | 305,493,803 | 100% |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| IIFL Wealth Management Limited and its nominees | 305,493,803 | 100% | 305,493,803 | 100% |

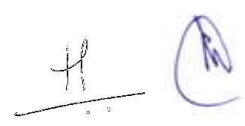
(f) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 23A. Other Equity:

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Securities premium | 11,558.34 | 11,558.34 |
| General reserve | 1.43 | 1.43 |
| Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934 | 1,118.74 | 879.25 |
| Capital Reserve | (4.98) | (326.74) |
| Capital Redemption Reserve | 2.30 | 2.30 |
| Retained earnings | 2,850.08 | 3,512.57 |
| Total | 15,525.91 | 15,627.15 |



Note 24. Interest Income

(₹ in Mn)

| Particulars | 2019-20 | | | | 2018-19 | | | |
|----------------------------------|--|--|---|-----------------|--|--|---|-----------------|
| | 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 | - | 4,872.33 | - | 4,872.33 | - | 6,105.16 | - | 6,105.16 |
| Interest income from investments | - | - | 3,116.32 | 3,116.32 | - | - | 397.43 | 397.43 |
| Interest on deposits with banks | - | 13.48 | - | 13.48 | - | 53.28 | - | 53.28 |
| Other interest income | - | 16.93 | - | 16.93 | - | 0.80 | - | 0.80 |
| Total | - | 4,902.74 | 3,116.32 | 8,019.06 | - | 6,159.24 | 397.43 | 6,556.67 |

Note 25. Dividend & Distribution income on investments (₹ in Mn)

| Particulars | 2019-20 | 2018-19 |
|------------------------------------|--------------|--------------|
| Dividend Income | 17.09 | 12.32 |
| Distribution income on investments | 27.79 | 6.64 |
| TOTAL | 44.88 | 18.96 |

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

| Particulars | 2019-20 | 2018-19 |
|-------------------|-----------------|-----------------|
| Distribution fees | 1,803.14 | 4,838.08 |
| Commission Income | 15.85 | 5.23 |
| TOTAL | 1,818.99 | 4,843.31 |

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

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|---------------|
| (A) Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| - Investments | 1,876.71 | 622.28 |
| - Derivatives | 62.71 | (143.43) |
| - Borrowings | (2,691.76) | 40.23 |
| (B) Others | | |
| Total net gain/(loss) on fair value changes (B) | (752.34) | 519.08 |
| (C) Fair value changes: | | |
| -Realised | 2,169.57 | 653.39 |
| -Unrealised | (2,921.91) | (134.31) |
| Total net gain/(loss) on fair value changes(C) to tally with (B) | (752.34) | 519.08 |

Note 28. Other Income (₹ in Mn)

| Particulars | 2019-20 | 2018-19 |
|----------------------|-------------|----------|
| Miscellaneous income | 2.60 | - |
| Total | 2.60 | - |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 29. Finance Cost

(₹ in Mn)

| Particulars | 2019-20 | | | 2018-19 | | |
|--------------------------------------|--|---|-----------------|--|---|-----------------|
| | 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 | - | 1,947.78 | 1,947.78 | - | 2,183.98 | 2,183.98 |
| Interest on debt securities | - | 2,288.86 | 2,288.86 | - | 1,463.52 | 1,463.52 |
| Interest on subordinated liabilities | - | 605.65 | 605.65 | - | 567.52 | 567.52 |
| Other Finance Costs | - | 89.72 | 89.72 | - | 43.04 | 43.04 |
| Total | - | 4,932.01 | 4,932.01 | - | 4,258.06 | 4,258.06 |

Note 30. Impairment On Financial Instruments

(₹ in Mn)

| Particulars | 2019-20 | | 2018-19 | |
|----------------|---|---|---|---|
| | 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 | - | (60.80) | - | (75.56) |
| On receivables | - | 0.22 | - | (1.22) |
| Total | - | (60.58) | - | (76.78) |

Note 31. Employee Benefit Expenses

(₹ in Mn)

| Particulars | 2019-20 | 2018-19 |
|---|-----------------|-----------------|
| Salaries and wages | 1,852.92 | 1,611.62 |
| Contribution to provident and other funds | 59.53 | 53.38 |
| Share based payments to employees | 66.78 | 12.59 |
| Staff welfare expenses | 37.76 | 90.55 |
| Gratuity expense (Refer Note 31.1) | 11.71 | 15.83 |
| Leave encashment | - | (30.22) |
| Total | 2,028.70 | 1,753.75 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

31.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) For the year ended 31st March 2020

| Particulars | 2019-2020 | 2018-2019 |
|---------------------|---|---|
| Type of benefit | Gratuity | Gratuity |
| Country | India | India |
| Reporting currency | INR | INR |
| Reporting standard | Indian Accounting Standard 19 (Ind AS 19) | Indian Accounting Standard 19 (Ind AS 19) |
| Funding status | Funded | Funded |
| Starting period | 01-Apr-19 | 01-Apr-18 |
| Date of reporting | 31-Mar-20 | 31-Mar-19 |
| Period of reporting | 12 Months | 12 Months |

| Assumptions (F.Y 2019-2020) | | |
|----------------------------------|--|--|
| Expected return on plan assets | 6.04% | 7.64% |
| Rate of discounting | 6.04% | 7.64% |
| 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 | 2019-2020 | 2018-2019 |
|--|---------------|---------------|
| Present value of benefit obligation at the beginning of the period | 115.54 | 76.99 |
| Interest cost | 8.83 | 6.01 |
| Current service cost | 9.15 | 14.76 |
| Liability transferred in/ acquisitions | 0.59 | 15.48 |
| (Liability transferred out/ divestments) | (0.52) | (0.16) |
| (Benefit paid directly by the employer) | (0.53) | - |
| (Benefit paid from the fund) | (13.06) | (2.00) |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions | 15.84 | 0.95 |
| Actuarial (gains)/losses on obligations - due to experience | (0.31) | 3.51 |
| Present value of benefit obligation at the end of the period | 135.53 | 115.54 |

| Table showing change in the fair value of plan assets | 2019-2020 | 2018-2019 |
|---|---------------|--------------|
| Fair value of plan assets at the beginning of the period | 82.01 | 63.30 |
| Interest income | 6.27 | 4.94 |
| Contributions by the employer | 25.93 | - |
| Assets transferred in/acquisitions | - | 13.22 |
| Benefit paid from the fund | (13.06) | (2.00) |
| Return on plan assets, excluding interest income | 1.39 | 2.54 |
| Fair value of plan assets at the end of the period | 102.53 | 82.01 |

| Amount recognized in the balance sheet | 2019-2020 | 2018-2019 |
|--|----------------|----------------|
| (Present value of benefit obligation at the end of the period) | (135.53) | (115.54) |
| Fair value of plan assets at the end of the period | 102.53 | 82.01 |
| Funded status (surplus/ (deficit)) | (33.00) | (33.53) |
| Net (liability)/asset recognized in the balance sheet | (33.00) | (33.53) |

| Net interest cost for current period | 2019-2020 | 2018-2019 |
|--|--------------|--------------|
| Present value of benefit obligation at the beginning of the period | 115.54 | 76.99 |
| Fair value of plan assets at the beginning of the period | (82.01) | (63.30) |
| Net liability/(asset) at the beginning | 33.53 | 13.69 |
| Interest cost | 8.83 | 6.01 |
| (Interest income) | (6.27) | (4.94) |
| Net interest cost for current period | 2.56 | 1.07 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

| Expenses recognized in the statement of profit or loss for current period | 2019-2020 | 2018-2019 |
|---|--------------|--------------|
| Current service cost | 9.15 | 14.76 |
| Net interest cost | 2.56 | 1.07 |
| Expenses recognized | 11.71 | 15.83 |

| Expenses recognized in the other comprehensive income (OCI) for current period | 2019-2020 | 2018-2019 |
|--|--------------|-------------|
| Actuarial (gains)/losses on obligation for the period | 15.53 | 4.46 |
| Return on plan assets, excluding interest income | (1.39) | (2.54) |
| Net (income)/expense for the period recognized in OCI | 14.14 | 1.92 |

| Balance sheet reconciliation | 2019-2020 | 2018-2019 |
|--|--------------|--------------|
| Opening net liability | 33.53 | 13.69 |
| Expenses recognized in statement of profit or loss | 11.71 | 15.83 |
| Expenses recognized in OCI | 14.14 | 1.92 |
| Net liability/(asset) transfer in | 0.59 | 2.25 |
| Net (liability)/asset transfer out | (0.52) | (0.16) |
| (Benefit paid directly by the employer) | (0.53) | - |
| (Employer's contribution) | (25.93) | - |
| Net liability/(asset) recognized in the balance sheet | 33.00 | 33.53 |

| Category of assets | 2019-2020 | 2018-2019 |
|--------------------|---------------|--------------|
| Insurance fund | 102.53 | 82.01 |
| Total | 102.53 | 82.01 |

| Other details | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| Weighted average duration of Projected benefit Obligation | 10 | 9 |
| Average expected future service | 9 | 9 |

| Net Interest Cost for Next Year | 2019-2020 | 2018-2019 |
|--|--------------|--------------|
| Present Value of Benefit Obligation at the End of the Period | 135.53 | 115.54 |
| (Fair Value of Plan Assets at the End of the Period) | (102.53) | (82.01) |
| Net Liability/(Asset) at the End of the Period | 33.00 | 33.53 |
| Interest Cost | 8.19 | 8.83 |
| (Interest Income) | (6.19) | (6.27) |
| Net Interest Cost for Next Year | 2.00 | 2.56 |

| Expenses Recognized in the Statement of Profit or Loss for Next Year | 2019-2020 | 2018-2019 |
|--|--------------|--------------|
| Current Service Cost | 17.34 | 9.15 |
| Net Interest Cost | 2.00 | 2.56 |
| (Expected Contributions by the Employees) | - | - |
| Expenses Recognized | 19.34 | 11.71 |

| Maturity analysis of the benefit payments | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| 1st following year | 11.67 | 10.18 |
| 2nd following year | 10.24 | 9.27 |
| 3rd following year | 10.48 | 10.15 |
| 4th following year | 11.12 | 10.49 |
| 5th following year | 10.76 | 11.41 |
| Sum of years 6 to 10 | 48.90 | 47.88 |
| Sum of years 11 and above | 142.08 | 141.81 |

| Sensitivity analysis | 2019-2020 | 2018-2019 |
|---|---------------|---------------|
| PBO on current assumptions | 135.53 | 115.54 |
| Delta effect of +1% change in rate of discounting | (10.31) | (8.23) |
| Delta effect of -1% change in rate of discounting | 11.88 | 9.44 |
| Delta effect of +1% change in rate of salary increase | 5.99 | 5.37 |
| Delta effect of -1% change in rate of salary increase | (6.03) | (5.32) |
| Delta effect of +1% change in rate of employee turnover | 0.73 | 1.39 |
| Delta effect of -1% change in rate of employee turnover | (0.90) | (1.64) |

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

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

31.2 Defined Contribution Plans:

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

| (₹ in Mn) | | |
|-------------------------------------|--------------|--------------|
| Particulars | 2019-20 | 2018-19 |
| Contribution to provident fund | 59.53 | 53.35 |
| Contribution to ESIC | - | 0.03 |
| Contribution to labour welfare fund | 0.00 | 0.00 |
| Total | 59.53 | 53.38 |

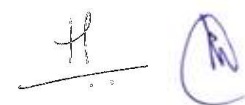
The Company contributes to recognised provident fund for employees. Under the scheme, the Company is required to contribute specified percentage of payroll costs to fund the benefits.

Note 32. Other Expenses:-*

(₹ in Mn)

| Particulars | 2019-20 | 2018-19 |
|---|-----------------|-----------------|
| Operating expenses | 73.51 | 32.99 |
| Rent and energy cost | 26.09 | 266.22 |
| Insurance | 2.72 | 1.21 |
| Repairs & maintenance | 19.99 | 18.67 |
| Marketing, advertisement and business promotion expenses | 406.24 | 298.91 |
| Travelling & conveyance | 95.81 | 131.36 |
| Legal & professional fees | 100.63 | 67.48 |
| Communication | 19.04 | 21.64 |
| Software charges / Technology cost | 93.56 | 75.98 |
| Office & other expenses | 159.87 | 193.12 |
| Donation | 1.18 | - |
| Directors' fees and commission | 3.33 | 2.55 |
| Remuneration to Auditors : | | |
| Audit fees (net of GST input credit) | 2.25 | 1.94 |
| Certification expenses | 1.16 | 0.33 |
| Out Of pocket expenses | - | 0.01 |
| Corporate social responsibility expenses & donation (Refer Note 38) | 42.50 | 24.54 |
| Miscellaneous expenses | 0.00 | 0.00 |
| Total | 1,047.88 | 1,136.95 |

* Includes transactions with related parties-Refer Note 40



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020
Note 33. Income taxes

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in Mn)

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|--|---------------|-----------------|
| | Statement of Profit and Loss: | | |
| (a) | Profit and Loss section: | | |
| | (i) Current Income tax : | | |
| | Current income tax expense | 270.91 | 1,501.40 |
| | Tax expense in respect of earlier years | 16.24 | - |
| | | 287.15 | 1,501.40 |
| | (ii) Deferred Tax: | | |
| | Tax expense on origination and reversal of temporary differences | (133.48) | 6.44 |
| | Effect on deferred tax balances due to the change in income tax rate | 22.73 | - |
| | | (110.75) | 6.44 |
| | Income tax expense reported in the Statement of Profit or Loss [(i)+(ii)] | 176.40 | 1,507.84 |
| (b) | Other Comprehensive Income (OCI) Section: | | |
| | 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 | 3.56 | 0.67 |
| | Income tax expense reported in Other comprehensive income | 3.56 | 0.67 |

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

(₹ in Mn)

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|--|---------------|-----------------|
| (a) | Profit/(loss) before tax | 681.76 | 4,424.23 |
| (b) | Income tax expense at tax rates applicable including deferred tax | 171.59 | 1,546.01 |
| (c) | (i) Tax on income subject to lower tax rate | | |
| | (A) Gains on investments (including fair valuation) | 35.48 | (32.06) |
| (d) | (ii) Tax on Income exempt from Tax | | |
| | (A) Income from Investments (Including tax suffered income on investment in AIF) | (4.30) | (5.57) |
| | (iii) Tax on expense not tax deductible | | |
| | (A) Expenses not allowable as tax deductible as per tax laws | 5.36 | 4.64 |
| | (iv) Tax effect on account of restatement | (70.54) | - |
| | (v) Effect on deferred tax due to change in Income tax | 22.73 | - |
| | (vi) Tax expense in respect of earlier years | 16.24 | - |
| | (vii) Tax effect on various other items | (0.16) | (5.18) |
| | Total effect of tax adjustments [(i) to (vii)] | 4.81 | (38.17) |
| (e) | Tax expense recognised during the year | 176.40 | 1,507.84 |
| | Effective tax rate | 25.87% | 34.08% |

IIFL WEALTH FINANCE LIMITED**Notes forming part of Financial Statements for the Year ended March 31, 2020****Note 34. Earnings Per Share:**

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

(₹ in Mn)

| Particulars | | 2019-20 | 2018-19 |
|--|-------|---------|----------|
| 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 | 505.36 | 2,916.39 |
| Weighted average number of shares subscribed | B | 305.49 | 291.81 |
| Face value of equity shares (in ₹) fully paid | | 10.00 | 10.00 |
| Basic EPS (₹) | A/B | 1.65 | 9.99 |
| DILUTED | | | |
| Profit after tax as per Statement of Profit and Loss | A | 505.36 | 2,916.39 |
| Weighted average number of shares subscribed | B | 305.49 | 291.81 |
| Add: Potential equity shares on account of conversion of employee stock option | C | - | - |
| Weighted average number of shares outstanding | D=B+C | 305.49 | 291.81 |
| Diluted EPS (₹) | A/D | 1.65 | 9.99 |

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

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------------|----------------------|
| Commitments on investments | 2,322.47 | 1,904.08 |
| Total | 2,322.47 | 1,904.08 |

Note- In addition to above, Refer note 44 on Subsequent Events

Contingent Liabilities

(₹ in Mn)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------|----------------------|----------------------|
| In respect of Income tax demand * | 135.82 | 9.37 |
| Total | 135.82 | 9.37 |

* Amount paid under protest with respect to income tax demand ₹ 27.16 million (P Y ₹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.

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

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 ₹ 32,860.64 million (Previous Year ₹ 38,901.19 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 ₹ 31.10 million as against ₹ 42.50 million required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing in achieving 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 education, community awareness, sports, environmental sustainability, and health. (Refer Note 40. on Related Party Disclosures)

Note 39. Segment Reporting

Products offered by IIFL Wealth Finance Limited (the Company), i.e. lending, credit solutions etc. forms part of the Wealth Management segment. The distribution business acquired by the Company by way of business transfer also forms key part of the same Cash Generating Unit (CGU). The credit solutions and other products of IIFL Wealth Finance are principally offered to the clients, who form part of the Wealth Management CGU.

In view of the above, in the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Companies Act, 2013 (the "Act"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2020

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 |
| | IIFL Asset Management Limited |
| | IIFL Investment Adviser and Trustee Services Limited |
| | IIFL Trustee Limited |
| | IIFL Wealth Portfolio Managers Limited (Formerly 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 (amalgamated with IIFL Wealth Management Ltd w.e.f |
| | IIFL Altior Advisors Limited (w.e.f November 05, 2018) |
| | IIFL Wealth Employee Benefit Trust (upto March 31, 2018) |
| | IIFL Wealth Employee Welfare 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) |
| | IIFL Securities Pte. Limited |
| | IIFL Capital (Canada) Limited |
| IIFL Capital Pte. Limited | |
| IIFLW CSR Foundation (w.e.f Jan 20, 2020) | |
| Fellow Subsidiaries | IIFL Finance Limited (Formerly known as IIFL Holdings Limited) |
| | IIFL Securities Limited (Formerly known as India Infoline Limited) |
| | IIFL Commodities Limited (Formerly known as India Infoline Commodities 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) |
| | IIFL Securities Services IFSC Limited |
| | IIFL Asset Reconstruction Limited (w.e.f May 09, 2017) |
| | India Infoline Finance Limited |
| | IIFL Home Finance Limited |
| | Clara Developers Private Limited |
| | Samasta Microfinance Limited (w.e.f March 01, 2017) |
| | Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited) |
| | Ayusha Dairy Private Limited (w.e.f March 01, 2017) |
| | Geocentric Solutions Private Limited (w.e.f. December 20, 2019 and upto March 25, 2020) |
| | Shreyans Foundation LLP |
| | General Atlantic Singapore Fund Pte Limited |
| | FIH Mauritius Investment Limited |
| | Mr. Karan Bhagat, Managing Director |
| | Mr. Nirmal Jain, Director |
| | Mr. Venkataraman Rajamani, Director |
| | Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat) |
| | Ms. Ami Shah (Spouse of Mr. Yatin Shah) |
| | Ms. Madhu Jain (Spouse of Mr. Nirmal Jain) |
| | Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani) |
| | Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah) |
| | Mr. Varun Bhagat (Relative of Mr. Karan Bhagat) |
| | India Infoline Foundation |
| | Kyrush Investments |
| | Kyrush Realty Private Limited |
| | Naykia Realty Private Limited |
| | Kyrush Trading & Investments Private Limited |
| | India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, |
| | Yatin Investments |
| | CDE Real Estate Private Limited |
| | Financial advisors (India) Private Limited |
| | Orpheous Trading Private Limited |
| | Ardent Impex Private Limited |
| | Spaia Capital Limited |
| | Spaia P2P Limited |
| | Spaia Insurance Brokers Limited |
| | Spaia Trading Limited |
| | MINI Consultants Private Limited |
| | Sunder Bhawar Ventures Private Limited |
| | Sunder Bhawar Holiday Home Private Limited (Upto Mar 04, 2018) |
| | 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 | |
| Kiaan Shah Family Private Trust | |
| Other Related Parties | |

Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2020

b) Significant Transactions with Related Parties

(Amount in ₹)

| Nature of Transaction | Key Managerial Person | Holding Company | Fellow Subsidiaries | 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) |
| Business Transfer | | | | | |
| IIFL Wealth Management Limited | - | 4,190.00 | - | - | 4,190.00 |
| | - | - | - | - | - |
| Amount received/ receivable on account of reimbursement of Expenses for transition period and creditors paid | | | | | |
| IIFL Wealth Management Limited | - | 167.12 | - | - | 167.12 |
| | - | - | - | - | - |
| Amount paid / payable on account of Transfer of Revenue for transition period & realisation of debtors | | | | | |
| IIFL Wealth Management Limited | - | 1,117.53 | - | - | 1,117.53 |
| | - | - | - | - | - |
| Dividend Paid | | | | | |
| IIFL Wealth Management Limited | - | 1,344.17 | - | - | 1,344.17 |
| | - | - | - | - | - |
| Loans Given | | | | | |
| Karan Bhagat | - | - | - | 331.52 | 331.52 |
| | - | - | - | (157.70) | (157.70) |
| Yatin Shah | 35.00 | - | - | - | 35.00 |
| | (59.20) | - | - | - | (59.20) |
| Shilpa Bhagat | - | - | - | 911.25 | 911.25 |
| Ami Shah | - | - | - | 293.35 | 293.35 |
| Nirmal Jain | - | - | - | 1,999.99 | 1,999.99 |
| | - | - | - | (1,507.72) | (1,507.72) |
| Venkataraman Rajamani | - | - | - | 999.99 | 999.99 |
| | - | - | - | (1,500.00) | (1,500.00) |
| Madhu Jain | - | - | - | 2,000.00 | 2,000.00 |
| | - | - | - | (1,507.72) | (1,507.72) |
| Yatin Investments | - | - | - | 1,749.99 | 1,749.99 |
| | - | - | - | - | - |
| Kyrush Investments | - | - | - | 1,749.99 | 1,749.99 |
| | - | - | - | - | - |
| Loan Received Back | | | | | |
| Karan Bhagat | - | - | - | 489.22 | 489.22 |
| | - | - | - | - | - |
| Yatin Shah | 94.20 | - | - | - | 94.20 |
| | - | - | - | - | - |
| Shilpa Bhagat | - | - | - | 911.25 | 911.25 |
| | - | - | - | - | - |
| Ami Shah | - | - | - | 293.35 | 293.35 |
| | - | - | - | - | - |
| Nirmal Jain | - | - | - | 1,999.99 | 1,999.99 |
| | - | - | - | (1,507.72) | (1,507.72) |
| Venkataraman Rajamani | - | - | - | 999.99 | 999.99 |
| | - | - | - | (1,500.00) | (1,500.00) |
| Madhu Jain | - | - | - | 2,000.00 | 2,000.00 |
| | - | - | - | (1,507.72) | (1,507.72) |
| Yatin Investments | - | - | - | 1,749.99 | 1,749.99 |
| | - | - | - | - | - |
| Kyrush Investments | - | - | - | 1,749.99 | 1,749.99 |
| | - | - | - | - | - |
| ICD Given | | | | | |
| IIFL Investment Adviser & Trustee Services Limited | - | - | 4,597.30 | - | 4,597.30 |
| | - | - | (2,710.00) | - | (2,710.00) |
| IIFL Distribution Services Limited | - | - | 3,030.00 | - | 3,030.00 |
| | - | - | (31.80) | - | (31.80) |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 43,559.20 | - | 43,559.20 |
| | - | - | (35,000.70) | - | (35,000.70) |
| IIFL Asset Management Limited | - | - | 3,567.20 | - | 3,567.20 |
| | - | - | (190.00) | - | (190.00) |
| IIFL Wealth Management Limited | - | 47,961.40 | - | - | 47,961.40 |
| | - | (22,684.25) | - | - | (22,684.25) |
| IIFL Trustee Limited | - | - | - | - | - |
| | - | - | (1.00) | - | (1.00) |
| IIFL Finance Limited (Formerly known as India Infoline Finance Limited) | - | - | - | 500.00 | 500.00 |
| | - | - | - | - | - |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2020

| ICD Received Back | | | | | |
|---|--------|-------------|-------------|----------|-------------|
| IIFL Investment Adviser & Trustee Services Limited | - | - | 4,597.30 | - | 4,597.30 |
| IIFL Distribution Services Limited | - | - | (2,710.00) | - | (2,710.00) |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 3,030.00 | - | 3,030.00 |
| IIFL Asset Management Limited | - | - | (31.80) | - | (31.80) |
| IIFL Wealth Manangement Limited | - | - | 43,559.20 | - | 43,559.20 |
| IIFL Trustee Limited | - | - | (36,460.70) | - | (36,460.70) |
| IIFL Finance Limited (Formerly known as India Infoline Finance Limited) | - | - | 3,567.20 | - | 3,567.20 |
| | - | - | (340.00) | - | (340.00) |
| IIFL Wealth Manangement Limited | - | 46,712.60 | - | - | 46,712.60 |
| IIFL Trustee Limited | - | (22,390.99) | - | - | (22,390.99) |
| IIFL Finance Limited (Formerly known as India Infoline Finance Limited) | - | - | - | 500.00 | 500.00 |
| | - | - | - | - | - |
| ICD Taken | | | | | |
| IIFL Investment Adviser & Trustee Services Limited | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | (414.80) | - | (414.80) |
| IIFL Asset Management Limited | - | - | 1,130.30 | - | 1,130.30 |
| IIFL Wealth Manangement Limited | - | - | (70.60) | - | (70.60) |
| IIFL Trustee Limited | - | - | 540.00 | - | 540.00 |
| | - | - | (268.30) | - | (268.30) |
| IIFL Wealth Manangement Limited | - | 11,116.52 | - | - | 11,116.52 |
| IIFL Trustee Limited | - | (44,978.07) | - | - | (44,978.07) |
| | - | - | - | - | - |
| ICD Repaid | | | | | |
| IIFL Investment Adviser & Trustee Services Limited | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | (414.80) | - | (414.80) |
| IIFL Asset Management Limited | - | - | 1,142.30 | - | 1,142.30 |
| IIFL Wealth Manangement Limited | - | - | (58.60) | - | (58.60) |
| IIFL Trustee Limited | - | - | 540.00 | - | 540.00 |
| | - | - | (268.30) | - | (268.30) |
| IIFL Wealth Manangement Limited | - | 11,116.52 | - | - | 11,116.52 |
| IIFL Trustee Limited | - | (44,978.07) | - | - | (44,978.07) |
| | - | - | - | - | - |
| Interest Income on Loans | | | | | |
| Kyrush Investments | - | - | - | 7.20 | 7.20 |
| Yatin Investments | - | - | - | 7.29 | 7.29 |
| Karan Bhagat | - | - | - | 4.47 | 4.47 |
| Yatin Shah | 6.11 | - | - | (0.14) | (0.14) |
| Shilpa Bhagat | (0.05) | - | - | - | (0.05) |
| Ami Shah | - | - | - | 6.65 | 6.65 |
| Nirmal Jain | - | - | - | 11.55 | 11.55 |
| Venkataraman Rajamani | - | - | - | 7.36 | 7.36 |
| Madhu Jain | - | - | - | (2.72) | (2.72) |
| | - | - | - | 2.62 | 2.62 |
| | - | - | - | (2.72) | (2.72) |
| | - | - | - | 4.58 | 4.58 |
| | - | - | - | (2.72) | (2.72) |
| Interest Income on ICD | | | | | |
| IIFL Investment Adviser & Trustee Services Limited | - | - | 6.49 | - | 6.49 |
| IIFL Distribution Services Limited | - | - | (3.91) | - | (3.91) |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 3.61 | - | 3.61 |
| IIFL Asset Management Limited | - | - | - | - | - |
| IIFL Wealth Manangement Limited | - | - | 72.30 | - | 72.30 |
| IIFL Trustee Limited | - | - | (116.40) | - | (116.40) |
| IIFL Finance Limited (Formerly known as India Infoline Finance Limited) | - | - | 5.06 | - | 5.06 |
| | - | - | (0.49) | - | (0.49) |
| IIFL Wealth Manangement Limited | - | 132.80 | - | - | 132.80 |
| IIFL Trustee Limited | - | (74.97) | - | - | (74.97) |
| IIFL Finance Limited (Formerly known as India Infoline Finance Limited) | - | - | - | 18.41 | 18.41 |
| | - | - | - | - | - |
| Interest Expense on ICD | | | | | |
| IIFL Investment Adviser & Trustee Services Limited | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | (0.12) | - | (0.12) |
| IIFL Asset Management Limited | - | - | 0.80 | - | 0.80 |
| IIFL Wealth Manangement Limited | - | - | (0.08) | - | (0.08) |
| | - | - | 0.03 | - | 0.03 |
| IIFL Wealth Manangement Limited | - | 9.63 | - | - | 9.63 |
| | - | (68.89) | - | - | (68.89) |
| Purchase of Investment | | | | | |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | - | - | - | 507.93 | 507.93 |
| IIFL Management Services Ltd | - | - | - | 1,325.25 | 1,325.25 |
| IIFL Wealth Manangement Limited | - | 74.28 | - | - | 74.28 |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | (3,582.86) | - | (3,582.86) |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2020

| | | | | | |
|---|---------|------------|------------|----------|------------|
| Redemption/Buy Back of NCD | | | | | |
| IIFL Wealth Management Limited | - | 200.50 | - | - | 200.50 |
| | - | (4,705.08) | - | - | (4,705.08) |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 19,426.44 | - | 19,426.44 |
| | - | - | (1,677.13) | - | (1,677.13) |
| Subscription of NCD | | | | | |
| Samasta Microfinance Limited | - | - | - | - | - |
| | - | - | - | (995.45) | (995.45) |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | - | - | - | 4,483.00 | 4,483.00 |
| | - | - | - | (353.92) | (353.92) |
| IIFL Home Finance Limited | - | - | - | - | - |
| | - | - | - | (382.24) | (382.24) |
| Issue of NCD | | | | | |
| IIFL Wealth Management Limited | - | - | - | - | - |
| | - | (12.52) | - | - | (12.52) |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 2,342.38 | - | 2,342.38 |
| | - | - | (2,303.00) | - | (2,303.00) |
| Sale of Investment | | | | | |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | - | - | - | 1,297.89 | 1,297.89 |
| | - | - | - | (65.25) | (65.25) |
| IIFL Management Services Ltd | - | - | - | 20.97 | 20.97 |
| | - | - | - | - | - |
| IIFL Home Finance Limited | - | - | - | 739.83 | 739.83 |
| | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | - | - | - |
| | - | - | (151.61) | - | (151.61) |
| Interest Income on NCD/Investment | | | | | |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | - | - | - | 0.05 | 0.05 |
| | - | - | - | (2.26) | (2.26) |
| IIFL Home Finance Limited | - | - | - | 5.14 | 5.14 |
| | - | - | - | - | - |
| Interest Expense on NCD | | | | | |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset) | - | - | 23.14 | - | 23.14 |
| | - | - | (5.09) | - | (5.09) |
| IIFL Wealth Management Limited | - | - | - | - | - |
| | - | (5.83) | - | - | (5.83) |
| Remuneration to Director/KMP/Other related party | | | | | |
| Himanshu Jain | 17.70 | - | - | - | 17.70 |
| | (26.62) | - | - | - | (26.62) |
| Yatin Shah | 8.20 | - | - | - | 8.20 |
| | - | - | - | - | - |
| Varun Bhagat | - | - | - | 1.43 | 1.43 |
| | - | - | - | - | - |
| Gratuity Expenses | | | | | |
| Himanshu Jain | 0.35 | - | - | - | 0.35 |
| | - | - | - | - | - |
| Yatin Shah | 0.06 | - | - | - | 0.06 |
| | - | - | - | - | - |
| Varun Bhagat | - | - | - | 0.10 | 0.10 |
| | - | - | - | - | - |
| Sitting Fees/Commission To Directors | | | | | |
| Rekha Warrrier | 1.54 | - | - | - | 1.54 |
| | (1.04) | - | - | - | (1.04) |
| S Narayan | 1.54 | - | - | - | 1.54 |
| | (1.68) | - | - | - | (1.68) |
| Fees/Expenses incurred/Reimbursed For Services Procured | | | | | |
| IIFL Distribution Services Limited | - | - | 62.66 | - | 62.66 |
| | - | - | (45.43) | - | (45.43) |
| IIFL Wealth Management Limited | - | 15.94 | - | - | 15.94 |
| | - | - | - | - | - |
| IIFL Altiore Advisors Limited | - | - | 33.30 | - | 33.30 |
| | - | - | - | - | - |
| IIFL INC | - | - | 35.84 | - | 35.84 |
| | - | - | - | - | - |
| Corporate Social Responsibility (CSR) | | | | | |
| India Infoline Foundation Limited | - | - | - | 26.10 | 26.10 |
| | - | - | - | (24.54) | (24.54) |
| Allocation / Reimbursement of expenses | | | | | |
| IIFL Management Services Limited | - | - | - | 0.54 | 0.54 |
| | - | - | - | - | - |
| IIFL Distribution Services Limited | - | - | 0.53 | - | 0.53 |
| | - | - | (0.24) | - | (0.24) |
| IIFL Wealth Management Limited | - | 30.33 | - | - | 30.33 |
| | - | (25.16) | - | - | (25.16) |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 40. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2020

| Other funds paid | | | | | |
|--|---|--------|--------|---|---------------|
| IIFL Wealth Management Limited | - | 603.59 | - | - | 603.59 |
| | - | (9.31) | - | - | (9.31) |
| IIFL Distribution Services Limited | - | - | 0.01 | - | 0.01 |
| | - | - | (1.20) | - | (1.20) |
| IIFL Asset Management Limited | - | - | 0.74 | - | 0.74 |
| | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors Limited) | - | - | 0.16 | - | 0.16 |
| | - | - | - | - | - |
| Other funds received | | | | | |
| IIFL Wealth Management Limited | - | 431.91 | - | - | 431.91 |
| | - | - | - | - | - |
| IIFL Asset Management Limited | - | - | - | - | - |
| | - | - | - | - | - |
| IIFL Distribution Services Limited | - | - | - | - | - |
| | - | - | (0.05) | - | (0.05) |
| | - | - | - | - | - |

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

| Nature of Transaction | Key Managerial Person | Holding Company | Fellow Subsidiaries | Other Related Parties | Total |
|--|-----------------------|-----------------|---------------------|-----------------------|-----------------|
| Sundry payables | | | | | |
| IIFL Distribution Services Limited | - | - | 26.81 | - | 26.81 |
| | - | - | - | - | - |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors Limited) | - | - | 55.92 | - | 55.92 |
| | - | - | (17.57) | - | (17.57) |
| IIFL Wealth Management Limited | - | 225.62 | - | - | 225.62 |
| | - | (10.31) | - | - | (10.31) |
| IIFL Altire Advisors Limited | - | - | 35.97 | - | 35.97 |
| | - | - | - | - | - |
| IIFL Management Services Limited | - | - | - | 0.04 | 0.04 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sundry receivables | | | | | |
| IIFL Distribution Services Limited | - | - | - | - | - |
| | - | - | (1.44) | - | (1.44) |
| IIFL Asset Management Limited | - | - | 15.68 | - | 15.68 |
| | - | - | - | - | - |
| IIFL Investment Adviser & Trustee Services Limited | - | - | 3.15 | - | 3.15 |
| | - | - | (0.20) | - | (0.20) |
| IIFL Management Services Limited | - | - | - | - | - |
| | - | - | - | (0.72) | (0.72) |
| | - | - | - | - | - |
| Receivables from Broker | | | | | |
| IIFL Distribution Services Limited | - | - | 586.79 | - | 586.79 |
| | - | - | (10.16) | - | (10.16) |
| | - | - | - | - | - |
| ICD Taken | | | | | |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors Limited) | - | - | - | - | - |
| | - | - | (12.00) | - | (12.00) |
| | - | - | - | - | - |
| ICD Given | | | | | |
| IIFL Wealth Management Limited | - | 1,830.90 | - | - | 1,830.90 |
| | - | (582.10) | - | - | (582.10) |
| | - | - | - | - | - |
| Loans Given | | | | | |
| Karan Bhagat | - | - | - | - | - |
| | - | - | - | (157.70) | (157.70) |
| Yatin Shah | - | - | - | - | - |
| | (59.20) | - | - | - | (59.20) |

The above list of related party transactions and balances do not include related party transactions pertaining to transfer of distribution / PMS business pertaining to period from 01st April 2018 to 31st March 2019 and 01st April 2019 to 31st December 2019.

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 loans 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:

| Loans to customers | | Apr 2019- Mar 2020 | | | |
|------------------------------------|--|--|--|---|------------------|
| Particulars | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total |
| Loans* | 36,469.11 | - | - | - | 36,469.11 |
| Total gross carrying amount | 36,469.11 | - | - | - | 36,469.11 |
| Loss allowance | (167.20) | - | - | - | (167.20) |
| Carrying amount | 36,301.91 | - | - | - | 36,301.91 |

* Excluding Intercorporate deposits and Staff Loan.

| Loans to customers | | Apr 2018- Mar 2019 | | | |
|------------------------------------|--|--|--|---|------------------|
| Particulars | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total |
| 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 Intercorporate deposits and Loan to CBLO

Reconciliation of Expected Credit Loss/ Impairment Loss allowance with regards to lending operations for F.Y 19-20 is as follows

| Particulars | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total |
|---|--|--|--|---|---------------|
| Loss allowance as at 01.04.2019 | 228.00 | - | - | - | 228.00 |
| Provision on loans originated during the year | 44.54 | - | - | - | 44.54 |
| Net change in provision on continuing loans | 48.75 | - | - | - | 48.75 |
| Provision on loans derecognised during the year | (154.09) | - | - | - | (154.09) |
| Loss allowance as at 31.03.2020 | 167.20 | - | - | - | 167.20 |

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

| Particulars | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total |
|---|--|--|--|---|---------------|
| 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 |

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

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

2) Trade receivables, Other receivables and Other Financial Assets

The Company's trade receivables primarily includes receivables on account of distribution business.. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

Credit Risk on Other Receivables and 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:

| Financial liabilities | As at 31st March 2020 | | | | | |
|---|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| | 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 | 2,488.37 | - | 49.05 | 110.82 | 2,328.50 | - |
| Trade Payables | 155.28 | 155.28 | - | - | - | - |
| Debt Securities | 54,276.68 | - | 3,439.78 | 8,060.95 | 26,616.65 | 16,159.30 |
| Borrowings (Other than Debt Securities) | 28,499.19 | 28,499.19 | - | - | - | - |
| Subordinated Liabilities | 5,701.34 | - | - | - | 4,201.34 | 1,500.00 |
| Other financial liabilities | 3,767.11 | 539.69 | 323.33 | 102.15 | 2,325.33 | 476.61 |
| Total | 94,887.97 | 29,195.16 | 3,812.16 | 8,273.92 | 35,472.82 | 18,135.91 |

For Finance Lease Obligation maturity refer note no 13

| Financial liabilities | As at 31st March 2019 | | | | | |
|---|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| | Total | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Derivative financial instruments | 2,516.09 | - | - | 331.09 | 2,006.79 | 178.22 |
| Trade Payables | 145.78 | 145.78 | - | - | - | - |
| Debt Securities | 43,445.56 | 3,096.31 | 3,708.49 | 8,557.28 | 11,909.34 | 16,174.14 |
| Borrowings (Other than Debt Securities) | 11,360.13 | 9,860.13 | 1,500.00 | - | - | - |
| Subordinated Liabilities | 5,701.34 | - | - | - | 4,201.34 | 1,500.00 |
| Other financial liabilities | 6,984.83 | 4,701.30 | 442.26 | 436.89 | 1,247.55 | 156.83 |
| Total | 70,153.73 | 17,803.52 | 5,650.75 | 9,325.26 | 19,365.02 | 18,009.19 |

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:

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|--|-----------------------|-----------------------|
| Floating Rate Liabilities (Debt Securities and Borrowings) | 5,049.18 | 4,906.61 |

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

| Impact on Profit and Loss after tax and Equity | 2019-20 | 2018-19 |
|--|---------|---------|
| Increase of 0.25% | (9.45) | (7.98) |
| Decrease of 0.25% | 9.45 | 7.98 |

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 rate 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:

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|-------------|-----------------------|-----------------------|
| Loans | 36,469.11 | 49,107.60 |

| Impact on Profit and Loss after tax and Equity | 2019-20 | 2018-19 |
|--|---------|---------|
| Increase of 0.25% | 68.23 | 79.87 |
| Decrease of 0.25% | (68.23) | (79.87) |

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:

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|----------------------------------|-----------------------|-----------------------|
| Financial Assets | | |
| Derivative financial instruments | 1,315.86 | 960.95 |
| Investments | 62,629.03 | 29,393.74 |
| | 63,944.89 | 30,354.69 |
| Financial Liabilities | | |
| Derivative financial instruments | 2,488.37 | 2,516.10 |
| Debt securities | 23,196.23 | 15,239.13 |
| | 25,684.60 | 17,755.23 |

The sensitivity analysis is done on the basis of a hypothetical 1% change in value of investments in alternative investment funds, and other investments and derivatives assets and liabilities that are equity linked. In respect of investments and borrowings that are interest rate sensitive, the impact is computed on the basis of a hypothetical change of 0.25% in the interest rate over the duration of underlying instruments.

Below is the sensitivity analysis for the year :

| | 2019-20 | 2018-19 |
|-------------------------------------|----------|---------|
| Increase | | |
| Impact on Profit and Loss after tax | 338.88 | 42.89 |
| Impact on Equity | 338.88 | 42.89 |
| Decrease | | |
| Impact on Profit and Loss after tax | (338.88) | (42.89) |
| Impact on Equity | (338.88) | (42.89) |

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 March 31, 2020 was 27.55%(P.Y 32.78%) comprising of Tier I 24.56% (P.Y 28.66%) and Tier II 2.99% (P.Y 4.12%) (Refer Note 1. Disclosure as required under Annexure XIV of RBI Directions)

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

| Sr. No. | Particulars | As at 31st March 2020 | | | |
|---------|---|---------------------------|--|---|-------------------|
| | | Measure at amortised cost | Measured at fair value through profit or loss(P/L) | Measured at fair value through other comprehensive income (OCI) | Total |
| | Financial Assets | | | | |
| (a) | Cash and cash equivalents | 5,225.87 | - | - | 5,225.87 |
| (b) | Bank balance other than (a) above | 1,210.95 | - | - | 1,210.95 |
| (c) | Derivative financial instruments | - | 1,315.86 | - | 1,315.86 |
| (d) | Receivables | | | | |
| | (I) Trade receivables | 665.88 | - | - | 665.88 |
| | (II) Other receivables | 498.29 | - | - | 498.29 |
| (e) | Loans | 38,150.89 | - | - | 38,150.89 |
| (f) | Investments | - | 62,629.03 | - | 62,629.03 |
| (g) | Other financial assets | 1,138.69 | - | - | 1,138.69 |
| | Total | 46,890.57 | 63,944.89 | - | 110,835.46 |
| | Financial Liabilities | | | | |
| (a) | Derivative financial instruments | - | 2,488.37 | - | 2,488.37 |
| (b) | Payables | | | | |
| | (I) Trade payables | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 155.28 | - | - | 155.28 |
| (c) | Finance Lease Obligation | 306.90 | - | - | 306.90 |
| (d) | Debt securities | 31,080.45 | 23,196.23 | - | 54,276.68 |
| (e) | Borrowings (other than debt securities) | 28,499.19 | - | - | 28,499.19 |
| (f) | Subordinated liabilities | 5,701.34 | - | - | 5,701.34 |
| (g) | Other financial liabilities | 3,767.11 | - | - | 3,767.11 |
| | Total | 69,510.27 | 25,684.60 | - | 95,194.87 |

| Sr. No. | Particulars | As at 31st March 2019 | | | |
|---------|---|---------------------------|--|---|------------------|
| | | Measure at amortised cost | Measured at fair value through profit or loss(P/L) | Measured at fair value through other comprehensive income (OCI) | Total |
| | 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 | 1,948.52 | - | - | 1,948.52 |
| | (II) Other receivables | 3,775.35 | - | - | 3,775.35 |
| (e) | Loans | 50,163.73 | - | - | 50,163.73 |
| (f) | Investments | - | 29,393.74 | - | 29,393.74 |
| (g) | Other financial assets | 407.04 | - | - | 407.04 |
| | Total | 56,657.22 | 30,354.69 | - | 87,011.91 |
| | Financial Liabilities | | | | |
| (a) | Derivative financial instruments | - | 2,516.10 | - | 2,516.10 |
| (b) | Payables | | | | |
| | (I) Trade payables | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 145.78 | - | - | 145.78 |
| (c) | Finance Lease Obligation | - | - | - | - |
| (d) | Debt securities | 28,206.43 | 15,239.13 | - | 43,445.56 |
| (e) | Borrowings (other than debt securities) | 11,360.13 | - | - | 11,360.13 |
| (f) | Subordinated liabilities | 5,701.34 | - | - | 5,701.34 |
| (g) | Other financial liabilities | 6,984.83 | - | - | 6,984.83 |
| | Total | 52,398.51 | 17,755.23 | - | 70,153.74 |

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

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 includes Net Asset Value (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 31.03.2020 | | | |
|--|---|------------------|-----------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments in mutual funds | 11,006.17 | - | - | 11,006.17 |
| Investments in debt securities | - | 11,942.13 | - | 11,942.13 |
| Investments in Government Securities | - | 32,164.29 | - | 32,164.29 |
| Investments in alternate investment funds * | - | - | 7,411.76 | 7,411.76 |
| Investments in equity shares | - | - | 104.68 | 104.68 |
| Derivatives financial assets | - | 1,315.86 | - | 1,315.86 |
| Total Assets | 11,006.17 | 45,422.28 | 7,516.44 | 63,944.89 |
| Financial Liabilities | | | | |
| Bonds/ debentures | - | 23,196.23 | - | 23,196.23 |
| Derivative financial liabilities | - | 2,488.37 | - | 2,488.37 |
| Total Liabilities | - | 25,684.60 | - | 25,684.60 |

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

| Financial instruments measured at fair value | Recurring fair value measurements at 31.03.2019 | | | |
|--|---|------------------|-----------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments in mutual funds | 726.70 | - | - | 726.70 |
| Investments in debt securities | - | 13,007.85 | - | 13,007.85 |
| 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 | 24,320.83 | 4,722.11 | 30,354.69 |
| Financial Liabilities | | | | |
| Bonds/ debentures | - | 15,239.13 | - | 15,239.13 |
| Derivative financial liabilities | - | 2,516.10 | - | 2,516.10 |
| Total Liabilities | - | 17,755.23 | - | 17,755.23 |

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

Reconciliation of Level 3 fair value measurements

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|-----------------------|-----------------------|
| Opening Balance | 4,722.11 | 618.67 |
| Total gains or losses | - | - |
| - in profit or loss incl Mark to Market | (378.22) | (11.85) |
| Purchases | 9,984.83 | 7,411.93 |
| Disposal/ Settlements | (6,812.28) | (3,296.64) |
| Transfer out of Level 3 | - | - |
| Closing Balance | 7,516.44 | 4,722.11 |

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

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

| Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed | As at 31st March 2020 | | As at 31st March 2019 | |
|---|-----------------------|------------|-----------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | |
| Cash and cash equivalents | 5,225.87 | 5,225.87 | 362.58 | 362.58 |
| Bank balance other than above | 1,210.95 | 1,210.95 | - | - |
| Receivables | | | | |
| (i) Trade receivables | 665.88 | 665.88 | 1,948.52 | 1,948.52 |
| (ii) Other receivables | 498.29 | 498.29 | 3,775.35 | 3,775.35 |
| Loans | 38,150.89 | 38,150.89 | 50,163.73 | 50,163.73 |
| Other financial assets | 1,138.69 | 1,138.69 | 407.04 | 407.04 |
| 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 | 155.28 | 155.28 | 145.78 | 145.78 |
| Finance Lease Obligation | 306.90 | 306.90 | - | - |
| Debt securities | 31,080.45 | 31,138.62 | 28,206.43 | 28,111.33 |
| Borrowings (other than debt securities) | 28,499.19 | 28,499.19 | 11,360.13 | 11,360.13 |
| Subordinated liabilities | 5,701.34 | 5,039.31 | 5,701.34 | 5,694.12 |
| Other financial liabilities | 3,767.11 | 3,767.11 | 6,984.83 | 6,984.83 |

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, finance lease obligation 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 values are disclosed | As at at 31.03.2020 | | | |
|---|---------------------|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Debt securities | - | 31,138.62 | - | 31,138.62 |
| Subordinated liabilities | - | 5,039.31 | - | 5,039.31 |

| Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed | As at at 31.03.2019 | | | |
|---|---------------------|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Liabilities | | | | |
| Debt securities | - | 28,111.33 | - | 28,111.33 |
| Subordinated liabilities | - | 5,694.12 | - | 5,694.12 |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020
Note 42. Business Combination

During the year the Company acquired the Distribution Business vide a business transfer arrangement with IIFL Wealth Management Limited (the Parent) with effect from January 1, 2020. In terms of the said agreement, IIFL Wealth Management Ltd. has transferred, inter-alia, Employees, Assets, Liabilities, Contracts, Intangible Assets, relating to distribution business for a lump sum consideration. This being a common control business combination within the meaning of Ind AS 103, the financial statements of previous reported periods are restated. The details of the transaction and restatement are given below:

| Particulars | Amount |
|--------------------------|-------------|
| Purchase Consideration | 4,190.00 |
| Net Assets Transferred | 4,185.02 |
| Excess/ (Deficit) | 4.98 |

The net assets have been acquired by the Company at a net excess consideration of Rs. 4.98 million. Such excess consideration has been recognised as debit to Capital Reserve.

The Company has also acquired Goodwill due to this business transfer amounting to Rs 1,846.40 million from IIFL Wealth Management Limited. IIFL Wealth Management Limited had previously accounted for this goodwill on account of acquisition of its subsidiary IIFL Wealth Advisors (India) Limited.

The effect of such transfer on the Statement of Balance Sheet as at 31st March 2019 and Profit and Loss for the year ended 31 March 2020 and its comparative period is as below:

Balance Sheet

| Sr. No. | Particulars | As at March 31, 2019 | As at March 31, 2019 |
|----------|---|----------------------|------------------------|
| | | Restated | (Previously Published) |
| | ASSETS | | |
| 1 | Financial Assets | | |
| (a) | Cash and cash equivalents | 362.58 | 362.58 |
| (b) | Derivative financial instruments | 960.95 | 960.95 |
| (c) | Receivables | | |
| | (I) Trade receivables | 1,948.52 | 2.90 |
| | (II) Other receivables | 3,775.35 | 3,775.35 |
| (d) | Loans | 50,163.73 | 50,162.26 |
| (e) | Investments | 29,393.74 | 29,393.73 |
| (f) | Other financial assets | 407.04 | 331.67 |
| 2 | Non-Financial Assets | | |
| (a) | Current tax assets (net) | 1.71 | 1.71 |
| (b) | Deferred tax assets (net) | - | 76.55 |
| (c) | Property, plant and equipment | 87.03 | 1.04 |
| (d) | Capital work-in-progress | 3.19 | - |
| (e) | Goodwill | 1,846.40 | - |
| (f) | Other intangible assets | 736.79 | 2.10 |
| (g) | Other non-financial assets | 174.66 | 17.10 |
| | Total Assets | 89,861.69 | 85,087.94 |
| | LIABILITIES AND EQUITY | | |
| 1 | LIABILITIES | | |
| | Financial Liabilities | | |
| (a) | Derivative financial instruments | 2,516.10 | 2,516.09 |
| (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 | 145.78 | 19.09 |
| | (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 | 43,445.56 | 39,732.69 |
| (d) | Borrowings (other than debt securities) | 11,360.13 | 15,186.91 |
| (e) | Subordinated liabilities | 5,701.34 | 5,701.34 |
| (f) | Other financial liabilities | 6,984.83 | 2,690.05 |
| 2 | Non-Financial Liabilities | | |
| (a) | Current tax liabilities (net) | 826.55 | 221.18 |
| (b) | Provisions | 33.53 | 4.16 |
| (c) | Deferred tax liabilities (net) | 157.25 | - |
| (d) | Other non-financial liabilities | 8.53 | 7.60 |
| 3 | EQUITY | | |
| (a) | Equity share capital | 3,054.94 | 3,054.94 |
| (b) | Other equity | 15,627.15 | 15,953.89 |
| | Total Liabilities and Equity | 89,861.69 | 85,087.94 |

IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the Year ended March 31, 2020

Profit and Loss Account

| Sr. No. | Particulars | 2019-2020 (including financial performance for the period April – Dec 2019 in respect of acquired business) | 2019-2020 (excluding financial performance for the period April – Dec 2019 in respect of acquired business) | 2018-2019 (restated) | 2018-2019 (previously published) |
|----------|---|---|---|----------------------|----------------------------------|
| 1 | Revenue from operations | | | | |
| (a) | Interest income | 8,019.06 | 8,009.59 | 6,556.67 | 6,556.38 |
| (b) | Dividend & Distribution income on investments | 44.88 | 44.88 | 18.96 | 18.96 |
| (c) | Fees and commission income | 1,818.99 | 485.22 | 4,843.31 | 42.85 |
| (d) | Net gain on fair value changes | - | - | 519.08 | 519.08 |
| | Total revenue from operations | 9,882.93 | 8,539.69 | 11,938.02 | 7,137.27 |
| 2 | Other income | 2.60 | 2.57 | - | - |
| 3 | Total income (1+2) | 9,885.53 | 8,542.26 | 11,938.02 | 7,137.27 |
| | Expenses | | | | |
| (a) | Finance costs | 4,932.01 | 4,909.13 | 4,258.06 | 4,258.01 |
| (b) | Fees and commission expenses | 269.69 | 57.70 | 379.20 | - |
| (c) | Net loss on fair value changes | 752.34 | 752.34 | - | - |
| (d) | Impairment on financial instruments | (60.58) | (60.68) | (76.78) | (75.56) |
| (e) | Employee benefits expenses | 2,028.70 | 670.02 | 1,753.75 | 63.91 |
| (f) | Depreciation, amortization and impairment | 233.73 | 61.06 | 62.61 | 2.53 |
| (g) | Other expenses | 1,047.88 | 444.86 | 1,136.95 | 157.01 |
| 4 | Total expenses | 9,203.77 | 6,834.43 | 7,513.79 | 4,405.90 |
| 5 | Profit before tax (3-4) | 681.76 | 1,707.83 | 4,424.23 | 2,731.37 |
| 6 | Tax expense: | 176.40 | 505.19 | 1,507.84 | 916.29 |
| 7 | Profit for the year (5-6) | 505.36 | 1,202.64 | 2,916.39 | 1,815.08 |
| 8 | Other comprehensive income | | | | |
| (a) | (i) Items that will not be reclassified to profit or loss | | | | |
| | - Remeasurements of Employee Benefits | (14.14) | (6.91) | (1.92) | (0.43) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 3.56 | 1.74 | 0.67 | 0.15 |
| | Subtotal (a) | (10.58) | (5.17) | (1.25) | (0.28) |
| (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) | (10.58) | (5.17) | (1.25) | (0.28) |
| 9 | Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year) | 494.78 | 1,197.47 | 2,915.14 | 1,814.80 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 43.1. Maturity analysis of assets and liabilities as at March 31, 2020

| Sr. No. | Particulars | Within 12 months | After 12 months | Total |
|----------|---|------------------|------------------|-------------------|
| | ASSETS | | | |
| 1 | Financial Assets | | | |
| (a) | Cash and cash equivalents | 5,225.87 | - | 5,225.87 |
| (b) | Bank balance other than (a) above | 1,210.95 | - | 1,210.95 |
| (c) | Derivative financial instruments | 50.88 | 1,264.98 | 1,315.86 |
| (d) | Receivables | | | |
| | (I) Trade receivables | 665.88 | - | 665.88 |
| | (II) Other receivables | 498.29 | - | 498.29 |
| (e) | Loans | 37,407.82 | 743.07 | 38,150.89 |
| (f) | Investments | 52,411.44 | 10,217.59 | 62,629.03 |
| (g) | Other financial assets | 1,029.76 | 108.93 | 1,138.69 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | - | 241.66 | 241.66 |
| (b) | Property, plant and equipment | - | 119.45 | 119.45 |
| (c) | Capital work-in-progress | - | 0.69 | 0.69 |
| (d) | Goodwill | - | 1,846.40 | 1,846.40 |
| (e) | Other intangible assets | - | 768.56 | 768.56 |
| (f) | Right to use asset | - | 291.28 | 291.28 |
| (g) | Other non-financial assets | 69.73 | 22.24 | 91.97 |
| | Total Assets | 98,569.62 | 15,623.85 | 114,194.47 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Derivative financial instruments | 159.87 | 2,328.50 | 2,488.37 |
| (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 | 155.28 | - | 155.28 |
| (c) | Finance Lease Obligation | 96.90 | 210.00 | 306.90 |
| (d) | Debt securities | 11,500.72 | 42,775.96 | 54,276.68 |
| (e) | Borrowings (other than debt securities) | 28,499.19 | - | 28,499.19 |
| (f) | Subordinated liabilities | - | 5,701.34 | 5,701.34 |
| (g) | Other financial liabilities | 965.18 | 2,801.93 | 3,767.11 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | 5.18 | - | 5.18 |
| (b) | Provisions | 33.00 | - | 33.00 |
| (c) | Deferred tax liabilities (net) | - | 306.24 | 306.24 |
| (c) | Other non-financial liabilities | 75.33 | - | 75.33 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | - | 3,054.94 | 3,054.94 |
| (b) | Other equity | - | 15,525.91 | 15,525.91 |
| | Total Liabilities and Equity | 41,490.65 | 72,704.82 | 114,195.47 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 43.2. Maturity analysis of assets and liabilities as at March 31, 2019

| Sr. No. | Particulars | Within 12 months | After 12 months | Total |
|----------|---|------------------|------------------|------------------|
| | ASSETS | | | |
| 1 | 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 | 1,948.52 | - | 1,948.52 |
| | (II) Other receivables | 3,775.35 | - | 3,775.35 |
| (e) | Loans | 36,927.65 | 13,236.08 | 50,163.73 |
| (f) | Investments | 17,433.68 | 11,960.06 | 29,393.74 |
| (g) | Other financial assets | 196.14 | 210.90 | 407.04 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | - | 1.71 | 1.71 |
| (b) | Property, plant and equipment | - | 87.03 | 87.03 |
| (c) | Capital work-in-progress | - | 3.19 | 3.19 |
| (d) | Goodwill | - | 1,846.40 | 1,846.40 |
| (e) | Other intangible assets | - | 736.79 | 736.79 |
| (f) | Right to use asset | - | - | - |
| (g) | Other non-financial assets | 154.33 | 20.33 | 174.66 |
| | Total Assets | 60,797.25 | 29,062.44 | 89,861.69 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Derivative financial instruments | 331.09 | 2,185.01 | 2,516.10 |
| (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 | 145.78 | - | 145.78 |
| (c) | Debt securities | 15,362.07 | 28,083.49 | 43,445.56 |
| (d) | Borrowings (other than debt securities) | 11,360.13 | - | 11,360.13 |
| (e) | Subordinated liabilities | - | 5,701.34 | 5,701.34 |
| (f) | Other financial liabilities | 5,580.45 | 1,404.38 | 6,984.83 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | 826.55 | - | 826.55 |
| (b) | Provisions | 33.53 | - | 33.53 |
| (c) | Deferred tax liabilities (net) | - | 157.25 | 157.25 |
| (c) | Other non-financial liabilities | 8.53 | - | 8.53 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | - | 3,054.94 | 3,054.94 |
| (b) | Other equity | - | 15,627.15 | 15,627.15 |
| | Total Liabilities and Equity | 33,648.13 | 56,213.56 | 89,861.69 |

IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2020

Note 44. Subsequent Events

The Company had entered into Share Purchase Agreement with L&T Finance Holdings Limited on August 28, 2019 to acquire 100% holding in L&T Capital Markets Ltd. As on March 31, 2020 the transaction was yet to be consummated pending, inter-alia, regulatory approvals. Hence no impact has been given for such acquisition as at March 31, 2020. Pursuant to the provisions of the said Agreement, the Company placed certain investments amounting to `Rs. 460 million (Market Value Rs 473.78 million as on March 31, 2020) and funds of Rs 300.00 million in an escrow account with a bank acting as an escrow agent. The Company has completed the acquisition of 100% equity shares of L&T Capital Markets Limited (LTCM), for a total consideration of INR 2,300.00 million plus available cash/ cash equivalents etc. The transaction was consummated on April 24, 2020, after receiving requisite regulatory approvals.

Note 45. The spread of the COVID-19 pandemic across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The ultimate duration and extent of the pandemic cannot reasonably be assessed and consequently the full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are currently unknown. The Company so far has continued to engage with clients and employees through the business continuity measures put in place and its technology platform with limited disruption. Further, the Company has assessed that it expects to navigate currently prevailing uncertain economic conditions based on its business model, profile of assets and liabilities and availability of liquidity and capital at its disposal. However, the extent to which the COVID-19 pandemic will ultimately impact the Company's operations will depend on currently uncertain future developments. In terms of the policy approved by the Board of Directors of the Company pursuant to Reserve Bank of India (RBI) Circular dated March 27, 2020, the Company has granted moratorium to all eligible customers for a period up to 3 months with regards to the payment falling due between March 01, 2020 and May 31, 2020. The Company has assessed, based on its actions taken, that such moratorium has not triggered a significant increase in credit risk. Further, as per management assessment there is no significant deterioration in the value of the collateral, despite the significant downturn experienced in the stock market towards the end of March 2020. Based on an assessment of the circumstances, using both internal and external information, the security available and the ability to realize such security, the Company does not envisage the need for any additional Expected Credit Loss (ECL) provision on the loans on account of the pandemic. However, ECL provisions required may differ from those estimated currently if situation worsens. Such future impact will be recognised prospectively.

Note 46. Previous year figures are regrouped/reclassified/rearranged where ever considered necessary to confirm to current year's presentation

Note 47. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on June 11th, 2020

For and on behalf of Board of Directors



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



Yatin Shah
Whole Time Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020



Amit Bhandari
Company Secretary

Place : Mumbai



The following additional information is disclosed in terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended from time to time (the "RBI Master Directions"). The disclosures as required by the RBI Master Directions have been prepared as per Indian Accounting Standards ("Ind AS") as mentioned in RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 (the "RBI Circular"). The RBI Circular has mandated all NBFCs covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 to comply with Ind AS for the preparation of financial statements from financial year 2019-20 onwards. However, since this circular is to be applied prospectively from F.Y 19-20, the disclosures for previous year are not restated as per Ind AS. Disclosures for FY 2018-19 are as reported in financial statements for the year ended March 31, 2019 and hence not comparable.

During the year the Company acquired Distribution Business vide a business transfer arrangement with IIFL Wealth Management Limited (the Parent) with effect from January 1, 2020. In terms of the said agreement, IIFL Wealth Management Ltd. has transferred, inter-alia, Employees, Assets, Liabilities, Contracts, Intangible Assets, relating to distribution business for a lump sum consideration. This, being a common control business combination within the meaning of Ind AS 103, the financial results of previous reported periods hereunder have been restated to give effect to the acquisition w.e.f April 1, 2018.

However for the purpose of the below RBI related disclosures, the impact of previous period's restatement is not considered since this is an Ind AS 103 requirement only and does not impact disclosures below pertaining to RBI.

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

(₹ in Crore)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| CRAR (%) | 27.55 | 32.78 |
| CRAR - Tier I Capital (%) | 24.56 | 28.66 |
| CRAR - Tier II Capital (%) | 2.99 | 4.12 |
| Amount of subordinate debt raised as Tier- II capital | 420.13 | 420.13 |
| 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, 2020 | As at March 31, 2019 |
|-------------------|---|----------------------|----------------------|
| (1) | Value of Investments | | |
| | (i) Gross value of Investments | | |
| | (a) In India | 6,262.90* | 2,878.24 |
| | (b) Outside India | - | - |
| | (ii) Provision for depreciation/diminution | | |
| | (a) In India | - | 7.16 |
| | (b) Outside India | - | - |
| | (iii) Net value of Investments | | |
| | (a) In India | 6,262.90* | 2,871.08 |
| (b) Outside India | - | - | |
| (2) | Movement of provisions held towards depreciation on investments. | | |
| | (i) Opening Balance | 7.16 | 19.17 |
| | (ii) Add: Provision made during the year | - | 6.14 |
| | (iii) Less: Write-off / write-back of excess provisions during the year | (7.16) | 18.15 |
| | (iv) Closing balance | - | 7.16 |

* Includes Interest accrued

iii. Derivatives

a) Interest rate swap

(₹ in Crore)

| | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------|---|----------------------|----------------------|
| (i) | The notional principal of swap agreements | 2,600.00 | 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 | (114.36) | (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 Indian Accounting Standard 109 Financial Instruments 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 2020:

(₹ in Crore)

| Option Contract | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Total Premium Carried forward on Buy Option (Net of Provisions) | 46.94 | 88.33 |
| Total Premium Carried forward on Sell Option (Net of Provisions) | 87.14 | 9.05 |
| Net Receivable/(Payable) | (40.20) | 79.28 |

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

v. Asset Liability management maturity pattern- March 31, 2020:

(₹ 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 | 201.17 | 4.06 | 109.76 | 668.01 | 848.77 | 1,887.22 | - | - | 3,718.98 |
| Investments | 3,816.69 | - | - | 500.36 | 897.40 | 13.98 | - | 1,034.47 | 6,262.90 |
| Borrowings | 2,965.51 | 14.87 | - | 343.25 | 695.39 | 2,454.98 | 521.88 | 1,666.52 | 8,662.39 |
| 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. The maturity is determined basis the behavioral pattern.

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 | - | - | - | - | - | - | - | - | - |

vi. Exposure to Real Estate Sector:

(₹ in Crore)

| Sr. no. | Category | March 31, 2020 | March 31, 2019 |
|---|---|----------------|----------------|
| 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 | 165.01 | 272.22 |
| (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 | 224.90 | 132.07 |
| (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 * | | 389.91 | 404.29 |

* The above does not include aggregate accrued interest of ₹ 13.43 crore (P.Y ₹ 15.04 crore)

vii. Exposure to Capital Market:

(₹ in Crore)

| Sr. no. | Category | March 31, 2020 | March 31, 2019 |
|---------|--|----------------|----------------|
| (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; | 10.47 | - |
| (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; | 654.14 | 790.79 |
| (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; | 2,345.90 | 2,774.20 |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible | - | - |

| Sr. no. | Category | March 31, 2020 | March 31, 2019 |
|---|--|-----------------|-----------------|
| | 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 |
| (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 * | | 3,010.51 | 3,615.35 |

* The above does not include aggregate accrued interest of ₹ 87.68 crore (P.Y ₹ 94.49 crore)

** The above does not include Investments in Alternate Investment fund of ₹ 741.18 crore (P.Y ₹ 471.37 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.

The company also holds AMFI ARN for distribution business.

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 | 1,500 | A1 + (A one Plus) |
| ICRA | NCD | 200 | AA |
| ICRA | PP-MLD | 5,100 | AA |
| ICRA | PP-MLD unsecured | 200 | AA |
| ICRA | Unsecured NCD | 650 | AA |
| CRISIL | IPO Financing | 6,000 | A1 + (A one Plus) |
| CRISIL | Commercial Papers | 4,500 | A1 + (A one Plus) |
| CARE | PP-MLD | 200 | AA |

xiv. Directors Remuneration

(₹ in Crore)

| Particulars | 2019-2020 | 2018-2019 |
|-----------------------------|-------------|-------------|
| Commission and sitting fees | 0.33 | 0.26 |
| Total | 0.33 | 0.26 |

xv. Details of Provisions and Contingencies :

(₹ in Crore)

| Particulars | 2019-2020 | 2018-2019 |
|--|--------------|--------------|
| Provision for depreciation on Investment * | - | - |
| Provision towards NPA | - | - |
| Provision made towards Income Tax** | 50.52 | 91.63 |
| Other Provision and Contingencies | - | - |
| Provision for standard assets/ ECL | (6.07) | (7.56) |
| Total | 44.45 | 84.07 |

*This is nil since the company has net unrealized gain.

** It includes both current tax and deferred tax.

xvi. Draw Down from Reserves :

The Company has not made any drawdown from existing reserves.

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

(₹ in Crore)

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Total advances to twenty largest borrowers * | 1,932.17 | 2,099.25 |
| Percentage of advances to twenty largest borrowers to total advances | 50.42% | 41.66% |

* Advances includes Interest accrued on loans

b) Concentration of Exposures:

(₹ in Crore)

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Total exposure to twenty largest borrowers / customers | 6,436.54 | 3,627.89 |
| Percentage of exposure to twenty largest borrowers / customers to total exposure | 63.76% | 45.47% |

c) Concentration of NPAs:

The Company does not have any NPAs as at 31st March 2020 (Previous Year Nil).

d) Details of Sector wise NPA:

The Company does not have any NPAs as at 31st March 2020 (Previous Year Nil).

xviii. Movement of NPAs:

The Company does not have any NPAs as at 31st March 2020 (Previous Year Nil).

xix. Disclosure of Complaints:

| Sr. No. | Particulars | 2019-2020 | 2018-2019 |
|---------|---|-----------|-----------|
| 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 | 3,831.81 | 16.72 |
| | (5,039.03) | (19.64) |
| Sub-Standard Assets | - | - |
| | (-) | (-) |
| Doubtful Assets | - | - |
| | (-) | (-) |
| Loss Assets | - | - |
| | (-) | (-) |
| Total | 3,831.81 | 16.72 |
| | (5,039.03) | (19.64) |

Note:

a. 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)Debtentures: | | |
| Secured | 5,733.05 | - |
| Unsecured (Other than falling within the meaning of public deposits) | 685.78 | - |
| (b)Deferred credits | - | - |
| (c) Loans from Banks | - | - |
| (d)Inter-corporate loans and borrowings | - | - |
| (e)Commercial Paper | 36.26 | - |
| (f) Public Deposits | - | - |
| (g)Other Loans(CBLO) | 2,849.92 | - |

Previous year

(₹ in Crore)

| Particulars | Amount outstanding | Amount overdue |
|--|--------------------|----------------|
| (a)Debtentures: | | |
| Secured | 4,371.39 | - |
| Unsecured (Other than falling within the meaning of public deposits) | 641.89 | - |
| (b)Deferred credits | - | - |
| (c)Term loans | 150.00 | - |
| (d)Inter-corporate loans and borrowings | 1.20 | - |
| (e)Commercial Paper | 382.68 | - |
| (f) Public Deposits | - | - |
| (g)Other Loans(Overdraft) | 984.81 | - |

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 | - | - |
| 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 | 2019-2020 | 2018-2019 |
|---------------------|-----------|-----------|
| Assets Side: | | |
| (a) Secured | 3,495.88 | 4,775.54 |
| (b) Unsecured | 335.93 | 263.49 |

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 | 2019-2020 * | 2018-2019 |
|------------------------------|-------------|-----------|
| Current Investments : | | |
| 1 Quoted : | | |
| (i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | 409.66 | 48.29 |
| (iii) Units of mutual funds | 1,100.62 | 72.16 |
| (iv) Government Securities | 3,170.22 | 1,018.85 |
| (v) Others | - | 58.51 |
| 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 | 483.98 | 133.46 |
| Long Term Investments : | | |
| 1 Quoted : | | |
| (i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | 750.58 | 752.69 |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others (please specify) | - | - |
| 2 Unquoted: | | |
| (i) Shares: | | |
| (a) Equity | 10.47 | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | 3.52 | 84.20 |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Units of Alternate Investment Funds | 257.20 | 334.29 |

* The above investments are excluding Interest accrued

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 | 3,495.88 | 335.93 | 3,831.81 |
| Total | 3,495.88 | 335.93 | 3,831.81 |

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 | 4,775.54 | 263.49 | 5,039.03 |
| Total | 4,775.54 | 263.49 | 5,039.03 |

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 | 6,262.90 | 6,262.90 |
| Total | 6,262.90 | 6,262.90 |

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 | 2,901.97 | 2,871.08 |
| Total | 2,901.97 | 2,871.08 |

8. Other information:

(₹ in Crore)

| Particulars | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| (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. Disclosures on comparison between provision under Income Recognition, Asset classification and Provisioning (IRACP) and impairment allowance as per Ind AS 109, in terms of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

(₹ in Crore)

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| Performing Assets | | | | | | |
| Standard | Stage 1 | 3,646.91 | 16.72 | 3,630.19 | 14.59 | 2.13 |
| | Stage 2 | - | - | - | - | - |
| Subtotal | | | | | | |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | - | - | - | - | - |
| | | | | | | |
| Loss | Stage 3 | - | - | - | - | - |
| | | | | | | |
| Subtotal for NPA | | - | - | - | - | - |
| | | | | | | |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 3,646.91 | 16.72 | 3,630.19 | 14.59 | 2.13 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| | Total | 3,646.91 | 16.72 | 3,630.19 | 14.59 | 2.13 |

Note 6. Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 ("RBI Circular")
(₹ in Crore)

| Period | Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of RBI Circular | Respective amount where asset classification benefits is extended | Provisions made in terms of paragraph 5 of RBI Circular* | Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular |
|---------------|--|---|--|--|
| F.Y 2019-2020 | 136.53 | - | - | - |

Note- No provision in terms of paragraph 5 of the RBI circular dated 17th April 2020 was considered necessary, in accordance with Addendum to the Guidance Note on Audit of Banks, 2020 dated 27th March 2020 on COVID 19 - Regulatory Package issued by the Institute of Chartered Accountants of India (ICAI), since the loan accounts outstanding as at 31st March 2020 to whom moratorium was extended were in SMA-0 category as at 31st March 2020. Also refer note 45.

Note 7. 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
Whole time
Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer
Date : June 11th, 2020



Amit Bhandari
Company Secretary

Place : Mumbai

