

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS
IIFL WEALTH FINANCE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **IIFL Wealth Finance Limited** (the "Company"), for half year ended September 30, 2018 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, 31 October 2018
PG/SBS/2018-19

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(Amount in ₹ lakhs)

	Particulars	Half year ended	
		Unaudited	Unaudited
		Sep 30, 2018	Sep 30, 2017
	Revenue from operations		
(i)	Interest Income	34,712.10	30,892.60
(ii)	Dividend Income	5.67	1.69
(iii)	Fees and commission Income	368.56	909.09
(iv)	Net gain on fair value changes	338.90	2,364.56
(v)	Distribution income from Investments	37.00	964.30
(I)	Total Revenue from operations	35,462.23	35,132.24
(II)	Other Income	-	0.38
(III)	Total Income (I+II)	35,462.23	35,132.62
	Expenses		
(i)	Finance Costs	23,329.30	23,151.45
(ii)	Impairment on financial instruments	(183.84)	411.91
(iii)	Employee Benefits Expenses	354.84	829.95
(iv)	Depreciation, amortization and impairment	12.61	9.23
(v)	Others expenses	623.44	502.52
(IV)	Total Expenses (IV)	24,136.35	24,905.06
(V)	Profit before tax (III- IV)	11,325.88	10,227.56
(VI)	Tax Expense:		
	(1) Current Tax	3,752.47	3,464.01
	(2) Deferred Tax	66.20	(700.59)
(VII)	Profit for the period (V-VI)	7,507.21	7,464.14
(VIII)	Other Comprehensive Income		
	(A) (i) Items that will not be reclassified to profit or loss	4.06	1.18
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.42)	(0.34)
	Subtotal (A)	2.64	0.84
	(B) (i) Items that will be reclassified to profit or loss	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
	Subtotal (B)	-	-
	Other Comprehensive Income (A + B)	2.64	0.84
(IX)	Total Comprehensive Income for the period (VII+VIII)	7,509.85	7,464.98
(X)	Earnings per equity share (Face Value of ₹ 10) (Not Annualised)		
	Basic (Rs.)	2.70	2.84
	Diluted (Rs.)	2.70	2.84

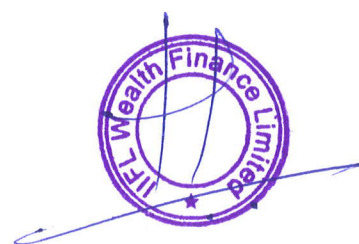


Notes

1. Statement of Assets and Liabilities as at September 30, 2018

(₹ in lakhs)

	Particulars	As at Sep 30, 2018
		Unaudited
	ASSETS	
	(1) Financial Assets	
(a)	Cash and cash equivalents	2,411.64
(b)	Bank Balance other than (a) above	12,671.87
(c)	Derivative financial instruments	105.42
(d)	Receivables	
	(I) Trade Receivables	14.53
	(II) Other Receivables	-
(e)	Loans	650,252.46
(f)	Investments	66,764.17
(g)	Other Financial assets	2,172.20
	(2) Non-financial Assets	
(a)	Current tax assets (Net)	683.89
(b)	Deferred tax Assets (Net)	889.01
(c)	Property, Plant and Equipment	10.50
(d)	Intangible assets under development	-
(e)	Other Intangible assets	33.65
(f)	Other non-financial assets	121.04
	Total Assets	736,130.38
	LIABILITIES AND EQUITY	
	LIABILITIES	
	(1) Financial Liabilities	
(a)	Derivative financial instruments	86.00
(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	301.71
	(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	236,048.38
(d)	Borrowings (Other than Debt Securities)	260,252.85
(e)	Subordinated Liabilities	42,013.41
(f)	Other financial liabilities	17,380.54
	(2) Non-Financial Liabilities	
(a)	Current tax liabilities (Net)	568.35
(b)	Provisions	29.08
	(3) EQUITY	
(a)	Equity Share capital	30,549.38
(b)	Other Equity	148,900.68
	Total Liabilities and Equity	736,130.38



IIFL WEALTH FINANCE LIMITED

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2. The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (Collectively referred to as "the previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non Banking Financial Company ("NBFC") whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October 2018, issued by the Ministry of Corporate Affairs, Government of India.

3. These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016.

4. The above unaudited financial results for the half year ended 30th September 2018 have been reviewed by the Audit Committee and recommended for approval and approved by the Board of Directors of the Company at its meeting held on 31st October 2018. The Statutory Auditors of the Company have carried out the limited review of the aforesaid results and have issued an unmodified report.

The comparative financial information of the Company for the half year ended September 30, 2017 included in these Ind AS financial results based on the financial results prepared in accordance with the Companies (Accounting Standards) Rules, 2006, have been restated to comply with Ind AS. Adjustments have been made to the previously issued said financial information in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

5. The Company's main business is Financing and Investing activities. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per the provisions of Indian Accounting Standard (Ind AS) 108 on Operating Segment.

6. 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.

7. Net Profit after tax reconciliation between Previous GAAP and Ind AS for six months ended September 2017 is as under:

(₹ in lakhs)

Sr No	Particulars	Half Year ended September 30, 2017
		(Unaudited)
	Net Profit after tax as per Previous GAAP	6,646.63
(a)	Change in fair value of investments	856.39
(b)	Actuarial gain/ loss recognised on employee benefit in other comprehensive income	(1.19)
(c)	Impairment on Financial Instruments	285.09
(d)	Effective Interest Rate for financial liabilities recognised at amortized cost	(199.03)
(e)	ESOP Compensation Cost	(10.33)
(f)	Deferred tax impact on above adjustments	(113.42)
	Net Profit after tax as per Ind AS	7,464.14
	Other Comprehensive Income (net of tax)	0.84
	Total Comprehensive Income as per Ind AS	7,464.98



Date: October 31st, 2018
Place: Mumbai

For IIFL Wealth Finance Limited

Himanshu Jain
Whole Time Director and CEO
(DIN: 02052409)

