

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF IIFL WEALTH FINANCE LIMITED

1. We have audited the accompanying Statement of Financial Results of **IIFL WEALTH FINANCE LIMITED** ("the Company"), for the year ended March 31 2019 ("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.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements 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; and



- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2019.
5. The Statement includes the results for the half year ended 31 March 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year of the current financial year which were subjected to limited review by us.

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



Kalpesh J. Mehta  
Partner  
(Membership No. 48791)

MUMBAI, 13 May 2019

IIFL WEALTH FINANCE LIMITED

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STATEMENT OF FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2019

(Amount in lakhs)

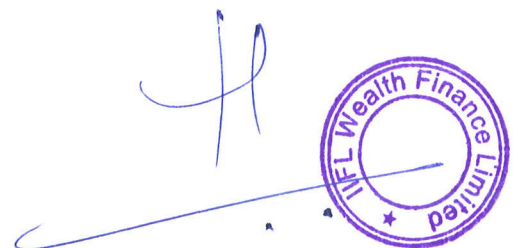
SR. No.	Particulars	Half Year ended	Half Year ended	Year ended	Year ended
		31st March 2019	31st March 2018	31st March 2019	31st March 2018
		Unaudited	Unaudited	Audited	Audited
<b>1</b>	<b>Revenue from operations</b>				
(a)	Interest income	30,851.69	35,284.49	65,563.79	66,177.09
(b)	Dividend & Distribution income on investments	146.90	1,833.14	189.57	2,799.14
(c)	Fees and commission income	59.96	649.05	428.51	1,558.13
(d)	Net gain on fair value changes	4,449.60	4,136.11	4,788.50	6,500.66
	<b>Total revenue from operations</b>	<b>35,508.15</b>	<b>41,902.79</b>	<b>70,970.37</b>	<b>77,035.02</b>
<b>2</b>	<b>Other income</b>	-	(0.01)	-	0.37
<b>3</b>	<b>Total income (1+2)</b>	<b>35,508.15</b>	<b>41,902.78</b>	<b>70,970.37</b>	<b>77,035.39</b>
	<b>Expenses</b>				
(a)	Finance costs	18,834.76	30,118.92	42,177.76	53,275.12
(b)	Impairment on financial instruments	(571.71)	945.83	(755.55)	1,357.75
(c)	Employee benefits expenses	284.17	986.67	639.07	1,818.39
(d)	Depreciation, amortization and impairment	12.71	10.20	25.32	19.44
(e)	Others expenses	960.36	859.07	1,570.05	1,355.05
<b>4</b>	<b>Total expenses</b>	<b>19,520.29</b>	<b>32,920.69</b>	<b>43,656.65</b>	<b>57,825.75</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>15,987.86</b>	<b>8,982.08</b>	<b>27,313.72</b>	<b>19,209.64</b>
<b>6</b>	<b>Tax expense:</b>				
(a)	Current tax	5,207.80	1,685.99	8,960.27	5,150.00
(b)	Deferred tax	136.40	424.23	202.60	(276.36)
<b>7</b>	<b>Profit for the year (5-6)</b>	<b>10,643.66</b>	<b>6,871.86</b>	<b>18,150.85</b>	<b>14,336.00</b>
<b>8</b>	<b>Other comprehensive income</b>				
(a)	(i) Items that will not be reclassified to profit or loss				
	- Remeasurements of Employee Benefits	(8.40)	(6.29)	(4.33)	(5.11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.94	2.12	1.51	1.78
	Subtotal (a)	(5.46)	(4.17)	(2.82)	(3.33)
(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)	(5.46)	(4.17)	(2.82)	(3.33)
<b>9</b>	<b>Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the year)</b>	<b>10,638.20</b>	<b>6,867.69</b>	<b>18,148.03</b>	<b>14,332.67</b>
<b>10</b>	<b>Earnings per equity share</b>				
	Basic (Rs.)	3.48	2.62	6.22	5.46
	Diluted (Rs.)	3.48	2.62	6.22	5.46



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

(Amount in lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	3,625.81	3,794.01
(b)	Bank balance other than (a) above	-	12,665.99
(c)	Derivative financial instruments	9,609.46	497.50
(d)	Receivables		
	(I) Trade receivables	29.01	55.94
	(II) Other receivables	37,753.47	-
(e)	Loans	501,622.56	724,353.15
(f)	Investments	293,937.36	64,059.60
(g)	Other financial assets	3,316.74	475.10
<b>2</b>	<b>Non-Financial Assets</b>		
(a)	Current tax assets (net)	17.05	67.68
(b)	Deferred tax assets (net)	755.54	956.63
(c)	Property, plant and equipment	10.42	10.58
(d)	Other intangible assets	21.01	45.25
(e)	Other non-financial assets	170.98	120.28
	<b>Total Assets</b>	<b>850,869.41</b>	<b>807,101.71</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	25,160.93	8,142.46
(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	180.92	942.98
(c)	Debt securities	397,326.90	185,622.85
(d)	Borrowings (other than debt securities)	151,869.06	419,985.40
(e)	Subordinated liabilities	57,013.41	56,179.77
(f)	Other financial liabilities	26,900.50	13,996.52
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (net)	2,211.78	104.58
(b)	Provisions	41.60	48.78
(c)	Other non-financial liabilities	76.06	88.15
<b>3</b>	<b>EQUITY</b>		
(a)	Equity share capital	30,549.38	26,244.97
(b)	Other equity	159,538.87	95,745.25
	<b>Total Liabilities and Equity</b>	<b>850,869.41</b>	<b>807,101.71</b>



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 financial results for the half year and year ended 31st March 2019 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 13th May 2019 and have been subjected to audit by the Statutory Auditors of the Company on which the auditors have issued an unmodified opinion.

The comparative financial information of the Company for the half year ended March 31, 2018 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 Statement includes the results for half year ended 31st March 2019 and 31st March 2018 being the balancing figure between the audited figures in respect of full financial year and published year to date figures upto the half year of the respective financial years which were subjected to limited review by auditors.

6. 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.

7. 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.

8. Net Profit after tax reconciliation between Previous GAAP and Ind AS for year ended March 31, 2018 is as under:

(₹ in lakhs)


Sr No	Particulars	Year ended March 31, 2018
		(Audited)
	<b>Net Profit after tax as per Previous GAAP</b>	<b>15,601.98</b>
(a)	Change in fair value of investments	(1,387.58)
(b)	Actuarial gain/ loss recognised on employee benefit in other comprehensive income	5.12
(c)	Impairment on Financial Instruments	129.25
(d)	Effective Interest Rate for financial liabilities recognised at amortized cost	(199.03)
(e)	ESOP Compensation Cost	(19.49)
(f)	Deferred tax impact on above adjustments	205.75
	<b>Net Profit after tax as per Ind AS</b>	<b>14,336.00</b>
	Other Comprehensive Income (net of tax)	(3.33)
	<b>Total Comprehensive Income as per Ind AS</b>	<b>14,332.67</b>

9. Reconciliation of Net Worth between Previous GAAP and Ind AS for year ended March 31, 2018 is as under:

(₹ in lakhs)

Sr No	Particulars	Year ended March 31, 2018
		(Audited)
	<b>Networth as per Previous GAAP</b>	<b>122,884.99</b>
(a)	Change in fair value of investments	194.40
(b)	Impairment on Financial Instruments	(265.84)
(c)	Securities Premium transferred to Borrowings under Ind AS	(856.84)
(d)	ESOP Compensation Cost	(29.49)
(e)	Deferred tax impact on above adjustments	63.02
	<b>Networth as per Ind AS</b>	<b>121,990.22</b>

For IIFL Wealth Finance Limited

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



Date: May 13th, 2019

Place: Mumbai

