

# 2019



**IIFL** WEALTH & ASSET  
MANAGEMENT

Annual Report 2019-20

# 2020

## Intersections

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*A picture is made up of many parts and when these parts intersect at the right point, it reveals the actual story. IIFL Wealth aims to find the right intersections: between the client's needs and what the market has to offer, in order to provide the most fulfilling wealth management solutions.*

*There are six major intersections at work that have driven IIFL Wealth to its success. We depict these intersections using the various wonders of the world that reflect IIFL Wealth's rock-solid foundation that has stood the test of time. We draw parallels between the engineering marvels of these wonders that were way ahead of their time and IIFL Wealth's offerings that are the marvels of the financial world.*

*IIFL Wealth finds the right intersections tailored for the best growth by identifying investment opportunities locally and globally. It finds the most fulfilling intersections between the client's needs today and their needs tomorrow.*



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Intersection Of

Stability And  
Growth



*Chichen Itza is renowned for its striking architecture that has stood its ground for centuries. At IIFL Wealth, we have identified the right intersections between the stable environment of an experienced company and the growth opportunities of a start-up.*



## Chairman's Message

Dear Shareholders,

It is with great pleasure that I welcome a larger family of shareholders who have chosen to forge a relationship with IIFL Wealth & Asset Management and support the company in its journey ahead. The Financial Year 2019-20 (FY2020) has been another landmark year for your company as it listed on the country's leading stock exchanges.

The world is currently facing a predicament of incomparable consequences with the novel Corona Virus bringing both human life and economic activity to a virtual standstill. Covid-19 has not only changed the landscape of the world but also precipitated a shift in the way governments, businesses, and society as a whole function.

The past year has been fairly turbulent for the Indian economy as it grappled with the prospect of a slowdown. In the wake of Covid-19 and the economic disruptions stemming from it, global economic growth is expected to fall to multi-decade lows.

In the backdrop of such uncertainty, your company remains fortified as one of the leading wealth and asset management companies in India and a key player in the alternative investments segment. The company's business operations continued seamlessly during the lockdown, as our well-prepared teams responded with agility to adapt to the current environment. We initiated work from home for our employees in a phased manner even before a complete lockdown was enforced. Further, we successfully implemented our Business Continuity Plan (BCP) with enhanced technology infrastructure ensuring seamless connectivity. Your company understands the importance of staying connected and proactively communicating with clients, especially during unprecedented times. Due to the robust operative frameworks that have been created over the last decade, your company was able to tide over any uncertainties without impacting connectivity with clients, employees, and shareholders.



As we navigate the current challenges and fortify ourselves for the future, we continue to focus on product innovation enabled by an open architecture framework with a multimanager platform, cutting-edge technology besides talent acquisition and retention. Client-centricity remains the key enabler and is at the centre of all our offerings. We are committed to continue on this path of innovation and value creation in the wealth management ecosystem.

The year 2020 will go down in history as the year when the world came to a standstill. For India, this year is more likely to be a small hurdle in its long-term growth trajectory. According to the World Bank and International Monetary Fund's (IMF) projections, India's GDP growth will likely rebound in FY2021. However, the post-Covid world and India will look starkly different from what it used to be, and we must be prepared to usher in a new normal. We remain cautiously optimistic about the country's

growth outlook and are well-positioned to benefit from an imminent recovery.

I would like to thank the management, employees, and all the stakeholders of your Company for their unwavering commitment and support during the year. I sincerely appreciate the contribution of my co-directors with their valuable expertise and support in the company's business.

The last year has taught us to be prepared for any eventuality. I am confident that your Company's people, platform, process, and business continuity plan will hold us in good stead as we navigate the uncertainties and prepare for a brighter future.

**NILESH VIKAMSEY**

**Chairman,  
IIFL Wealth Management**



## From The CEO's Desk

Dear Shareholders,

It gives me great pleasure to write to you as the CEO of a listed company. In less than 12 years we emerged from a start-up to a leading wealth and asset management company, which is now listed on the stock exchanges of India. FY20 was an unprecedented year with the Covid-19 pandemic putting the brakes on the Indian economy, which was already experiencing a slowdown. Our clients have been extremely cautious with focus back on return of capital rather than return on capital. As responsible wealth managers, we continue to work extremely closely with our clients to ensure an optimal return and capital preservation as the primary objective. The company proactively rolled out robust Business Continuity Plan mechanisms prior to the lockdown, which ensured the safety of our employees and uninterrupted service for our clients.

A clear picture is yet to emerge on what is in store for us in the years to come. We believe every picture consists of many

aspects and stories. When these aspects intersect, they reveal the actual picture. IIFL Wealth & Asset Management is at an interesting intersection between the agility of a start-up and stability of a 12-year-old company, with a focus to help clients manage their wealth with increased efficiency and predictability.

We focused on pioneering investment solutions for our clients by finding the right intersections between the clients' needs and what best can be offered; between the intersection of the known and the unknown. With each of these intersections, IIFL Wealth offers clients the right perspective for their investments. The team's efforts and an enabling environment in India shaped IIFL Wealth & Asset Management to emerge as one of the formidable leaders in wealth management. Our strategic priorities at the start of the year were to increase our annual recurring revenue (ARR) assets with a specific focus on IIFL-ONE and look at a reduction in cost even as we improve our overall



productivity. The company's ARR assets have increased by over 20% for the full year. Importantly, retentions have also held steady at ~80 bps on our ARR assets. Net flows remained strong at upwards of ₹12,000 crores for FY2020. Around 680 relevant new families were added in the year while our client retention remained above 98%.

In our Asset Management business, our differentiated suite includes mutual funds (MFs), portfolio management services (PMS), and alternative investment funds (AIFs) spanning across public and private equity, private fixed income, and real estate. IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India. We continue to see opportunities to enhance our product offering across asset classes.

During the year, IIFL Wealth & Asset Management saw stable operating metrics. The IIFL-ONE proposition continues to gain significant traction, as assets under IIFL-ONE doubled YoY to ₹17,720 crores. The annual average on loan book remains around ₹4000 crores reflecting regular disbursement and high opening balances. Our Asset Management Company had a stellar performance across all listed equity schemes, which led to a strong AUM growth trajectory. For our AMC, net sales for FY2020 stood at ₹5,736 crores

driven by our AIFs and PMS offerings. Being the largest trusteeship service in the country, with over 650 trust deeds executed, we continue to help clients with their estate planning keeping in mind the ever-changing regulatory, legal, and social environments.

Our revenues from operations for the year stood at ₹920 crores while our full-year ARR revenue increased 20% Y-o-Y to ₹535 crores. Due to a change in our business model, we had guided investors and stakeholders about a near-term drop in revenues and profits. Our operating PBT decreased 28% for the full year to ₹356 crores and PAT stood at ₹206 crores.

### **AN INTERSECTION BETWEEN ADVISORY RELATIONSHIP AND ALL-IN-FEE**

Our primary offering and focus area, IIFL-ONE, continues to gain a lot of traction and that has given us a lot of confidence in further enhancing the platform. IIFL-ONE has a focused fund management practice, a process-driven approach, and a very strong platform powered by experienced investment counselors and superior technology platforms. IIFL-ONE is integral to our differentiated value proposition. In fact, IIFL-ONE has been growing at a substantially faster pace than the overall business, thanks to the stellar performance of its funds

and acceptance of the model by our esteemed clients. Assets have grown by 103% and importantly net flows continue to remain strong. IIFL-ONE institutionalized a range of investment options for clients under a competitive and transparent fee structure and aggregated our product expertise, active advice, and discretionary services.

### **AN INTERSECTION BETWEEN TRADITIONAL AND ALTERNATIVES**

In our asset management business, focus over the last year has been on scaling up AUM across our existing strategies and products including AIFs, mutual funds, and PMS. Our focus on adding to our product platform maintains our lead in the alternate segment.

### **AN INTERSECTION BETWEEN INDUSTRY-FIRST APPROACH AND TECHNOLOGY**

Each intersection that IIFL Wealth finds, is tailored to the customers' needs for a holistic experience to help them benefit from increased efficiency and superior experience. Our growth story has been an intersection between trust, transparency, and technology-driven transformation.

Our internal analytics platform, IIFL Insights, provides deep dive analytics on client portfolios. Relationship managers get enhanced information on portfolio performance, portfolio risk

measurement, ratios, and Investment Policy Statement compliance. In India, underlying portfolio information is not unified, with data being collated across multiple sources. Insights provides up-to-date daily access to portfolio analytics to all our relationship managers, Investment Committees, service managers, and fund management teams. Altire, a company we acquired, allows our clients to access data at their fingertips and simulate future decisions.

Our app and websites also continue to provide additional relevant information in a simplified manner. The launch of our online platform for processing mutual fund transactions has benefited our clients as it provides an option to process paperless transactions at a click. IIFL Wealth & Asset Management is the first to adopt Salesforce Financial Services Cloud to provide a 360-degree view of a client's journey with us.

### **THE KEY TO GROWTH: FINDING THE RIGHT INTERSECTIONS**

The company has made significant progress in prudently managing costs while ensuring increased productivity. These measures have been taken using a combination of cost reduction initiatives, deployment of technology to improve productivity as well as taking judicious calls on outsourcing of select activities to derive scale benefits.



We are pleased to share that the acquisition of L&T Capital Markets (LTCM), a wholly-owned subsidiary of L&T Finance Holdings, was completed in April 2020. We welcome the clients and the dynamic team from LTCM into our company and are excited by the growth prospects this offers. This acquisition has added approximately ₹10,800 crores to our AUM of which approximately ₹6,000 crores are ARR assets.

### **OUR RESPONSE TO FIGHTING COVID-19**

We implemented a three-pronged strategy to handle the COVID-19 situation. Our Business Continuity Team put in place a robust plan to ensure uninterrupted services to our clients and seamless continuity of our business operations. The company has been operating at almost full capacity throughout this lockdown period without any notable slippages on any front. We ensured the safety of our employees and provided all the necessary infrastructure to efficiently work from remote locations including home.

As part of our social commitments, the company contributed ₹3.5 crores to various Covid relief funds including PM Cares Fund. We partnered with Give India for India Covid Relief Fund. Besides the company's contribution, our employees and clients also donated generously.

### **A STRONG FOUNDATION FOR THE NEXT PHASE OF GROWTH**

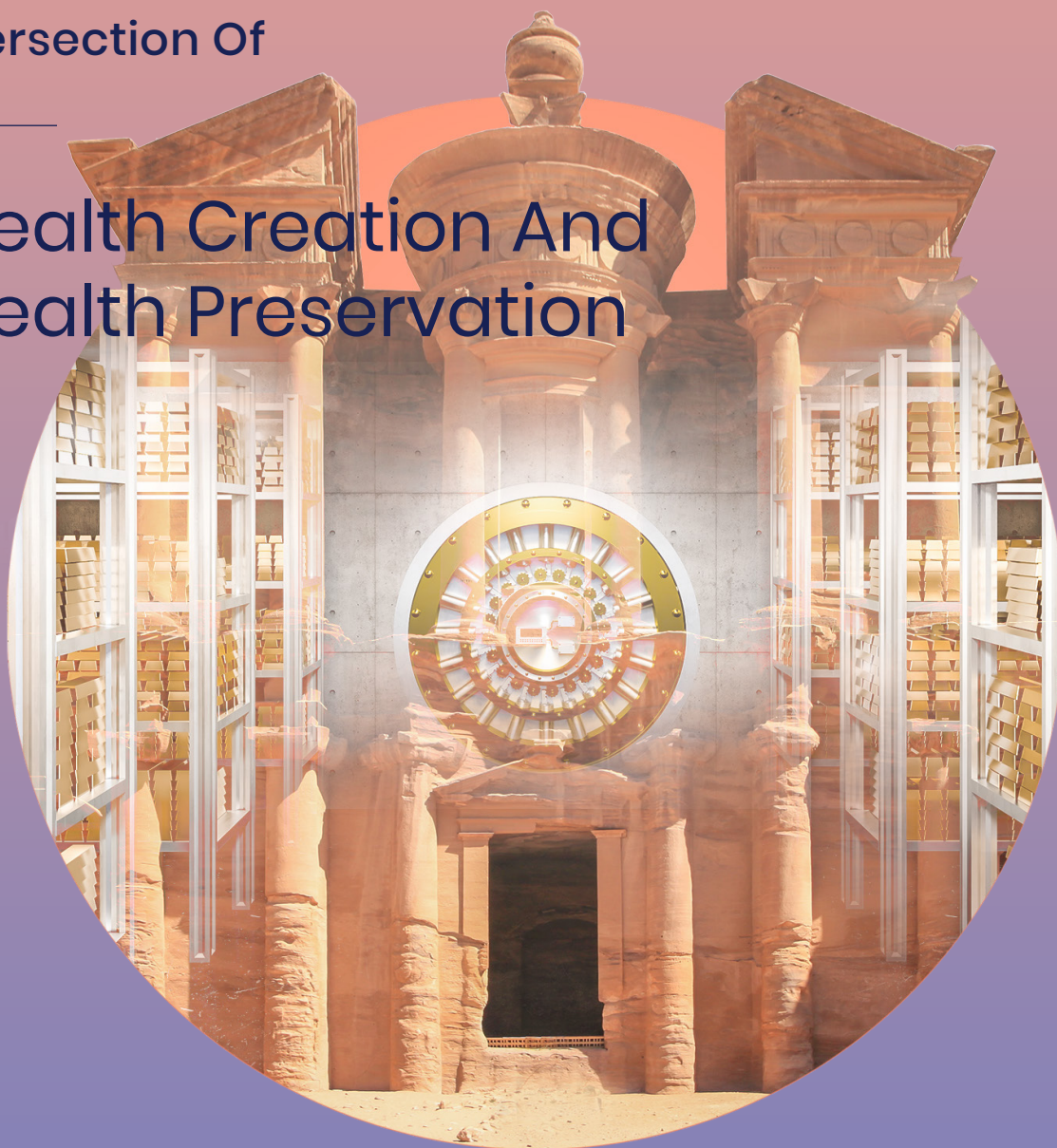
I would like to thank our investors for their continued confidence in us and welcome our new shareholders to the IIFL Wealth & Asset Management family. I thank each member of our team whose expertise has helped identify the path of intersections leading to growth. The company continues to work towards finding the right intersections between wealth creation and wealth preservation, between our expertise and client's level of involvement, between old age values and new-age technology, between clients' needs for today and their family's needs for tomorrow. As we stand at an interesting intersection between the old normal and a new normal, we are ready for the next phase of growth.

### **KARAN BHAGAT**

**Founder, Managing Director,  
Chief Executive Officer  
IIFL Wealth Management**

Intersection Of

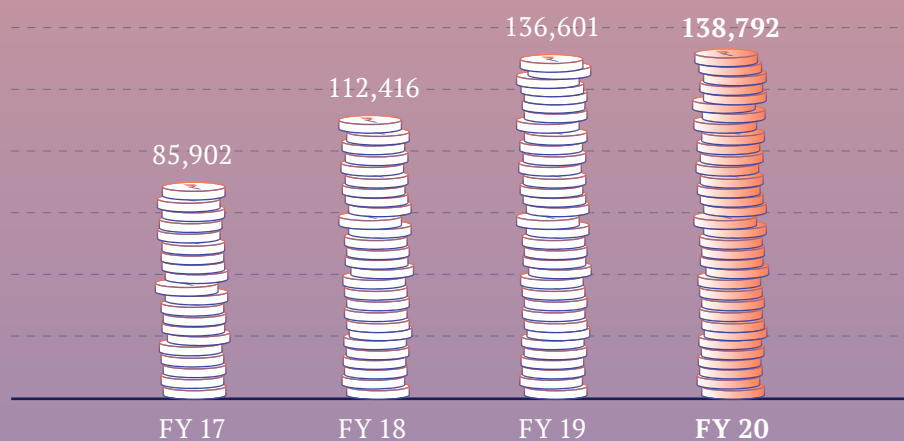
# Wealth Creation And Wealth Preservation



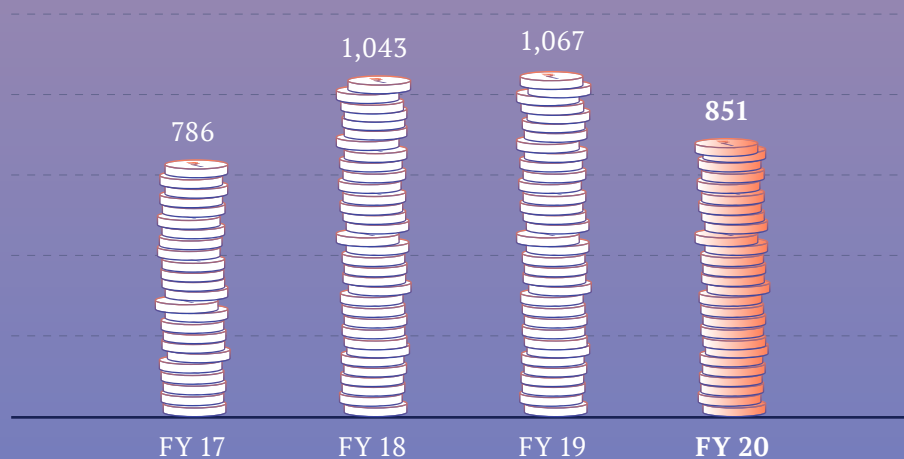
*The ancient city of Petra was the trading hub of the Middle-East that saw immense financial flux in its prime, preserving significant wealth in its treasuries. At IIFL Wealth, we find the ideal intersections between the need for wealth creation and wealth preservation.*

## Key Financial Highlights

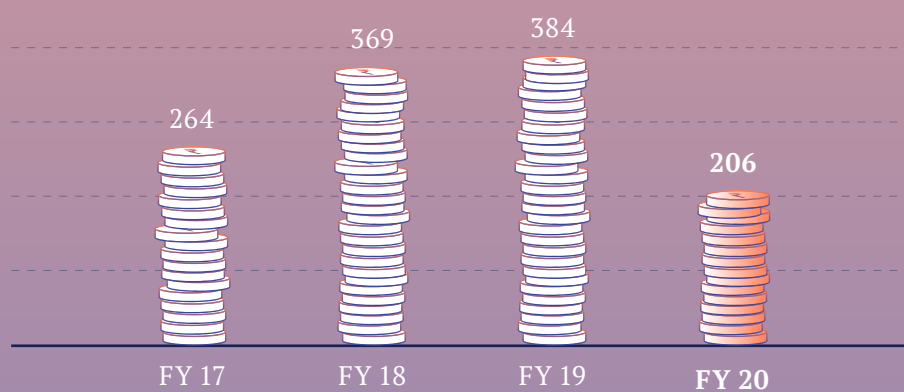
### ASSETS UNDER MANAGEMENT (₹ Cr.) Excluding Custody



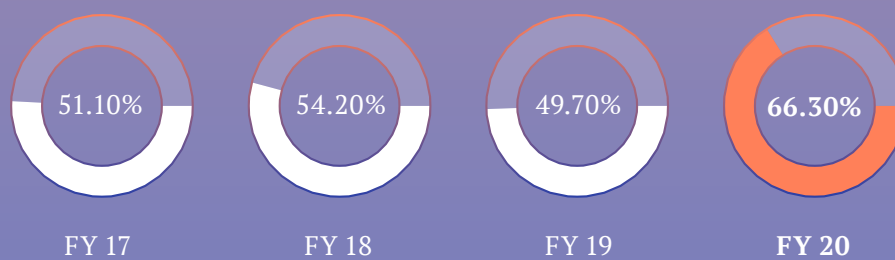
### NET REVENUES (₹ Cr.)



### PROFITABILITY (₹ Cr.)

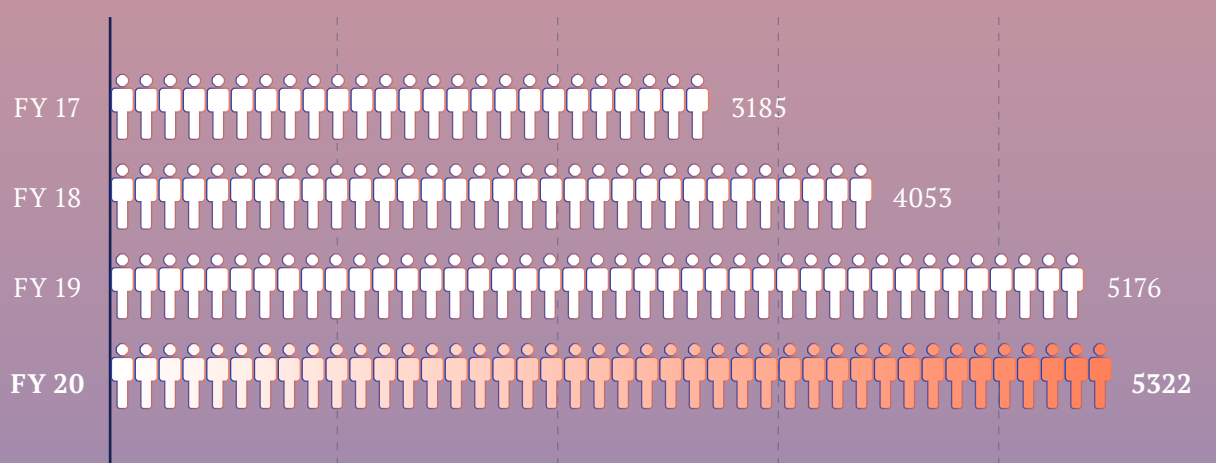


### COST TO INCOME RATIOS



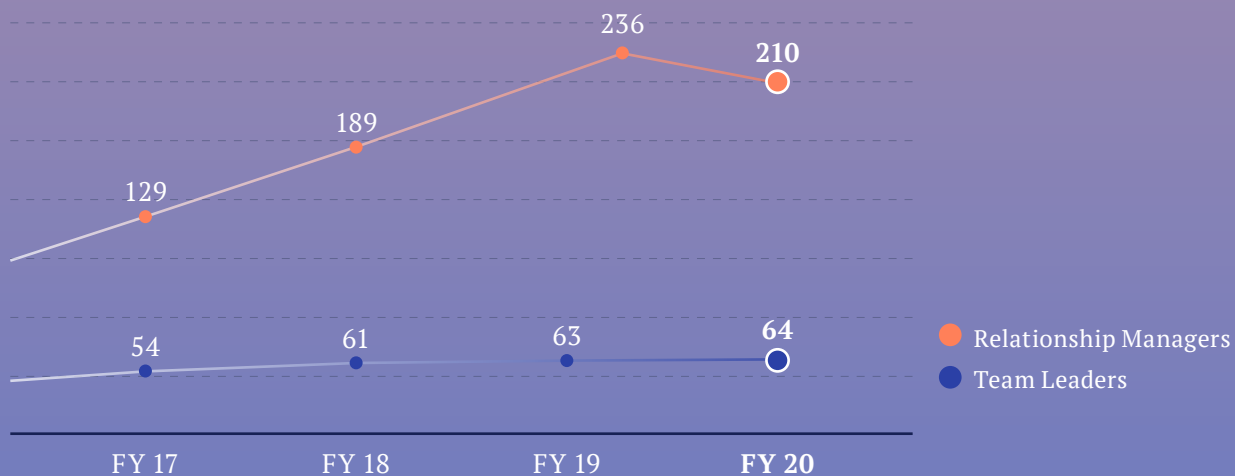
Cost to income ratios have been calculated basis Net Revenues

## COUNT OF RELEVANT FAMILIES

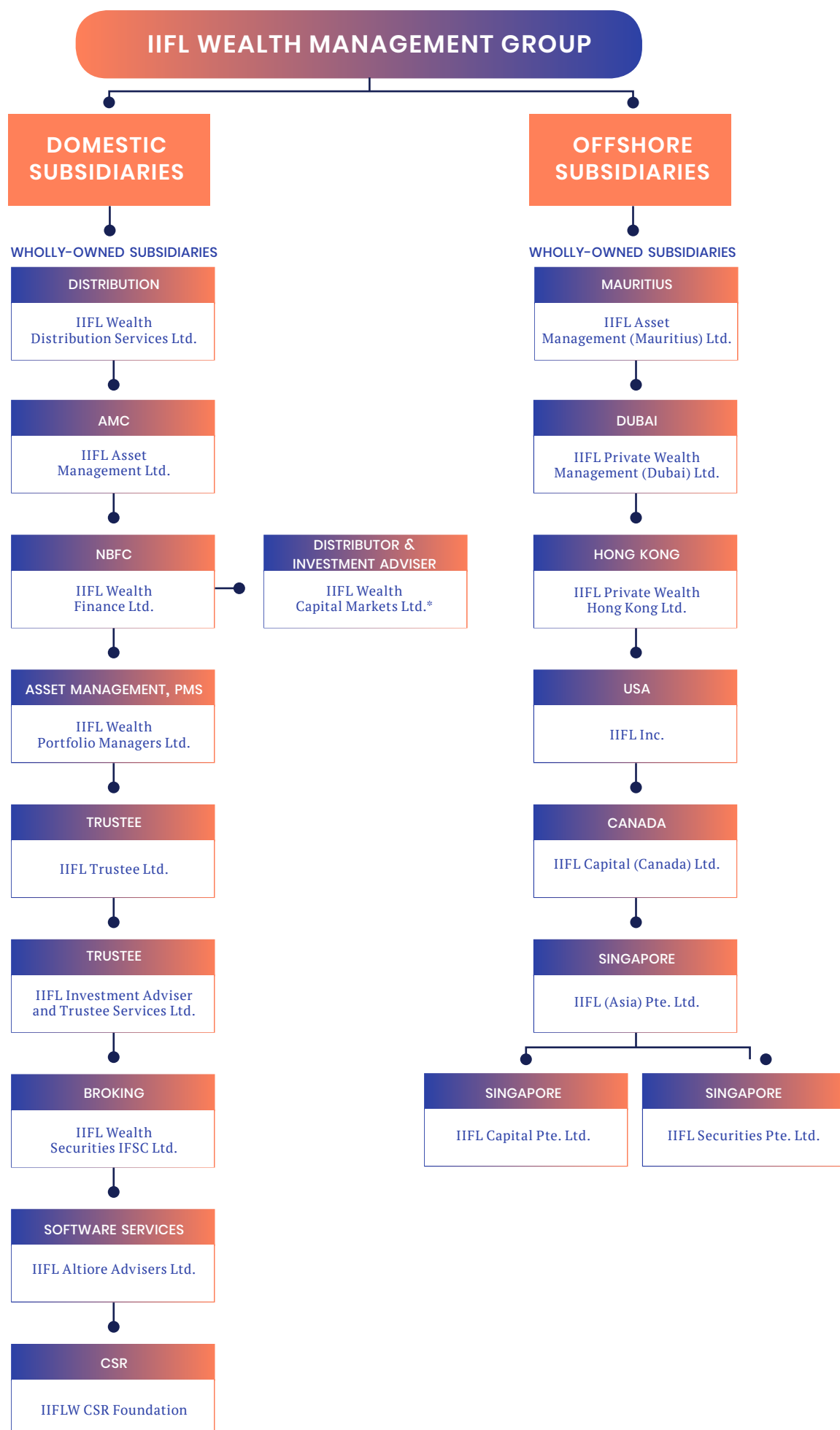


Relevant families is basis number of families with AUM in excess of (₹ 1Cr.)

## TEAM LEADERS &amp; RELATIONSHIP MANAGERS







\*IIFL Wealth Capital Markets Limited (erstwhile L&T Capital Markets Limited), became subsidiary of the Company on April 24, 2020

# VISION

To be India's leading wealth and asset management company, aligning interests of clients, shareholders and employees.



## Core Businesses

WEALTH AND ASSET MANAGEMENT INTERSECTS AT THE CORE OF OUR BUSINESS TO DEVISE HOLISTIC SOLUTIONS THAT ARE TAILORED TO THE NEEDS OF OUR CLIENTS.

The journey and success of IIFL Wealth & Asset Management could, in equal measure, be attributed to the commitment and tenacity of its team and conducive demographic and investment environment in the country.

The company continues to invest in people, product, technology and compliance areas of the business to give clients the best platform to preserve and grow wealth. IIFL Wealth has built itself on three core principles: simplicity, modesty and client-centricity. IIFL Wealth is the only pure wealth management company to get listed on the Indian stock exchanges. We identified the gaps in the industry and then zeroed in on filling those gaps.

IIFL Wealth pioneered the concept of charging an advisory fee instead of commissions bringing transparency to all their dealings and inspiring clients' trust. The strong value proposition held

the firm in good stead and was integral in cementing its position in the industry.

As India's growth story began to fructify and a new crop of wealthy began to emerge, IIFL Wealth's strategy began to reap rich dividends. As the number of wealthy Indians surges, the demand for wealth management services is set to multiply. To remain relevant to new-age audiences, we understand wealth managers need to reinvent themselves to meet modern customers' expectations. In the era of fast-paced technological advancements and personalised services, wealth managers need to offer innovative and cutting-edge solutions.

At IIFL Wealth & Asset Management, our ability to continually advance our services to match client expectations has been a fundamental success factor. We understand that trust and transparency are among the most critical factors while selecting a wealth manager.

Technology is another vital aspect in the digital era. Our business approach is an amalgamation of these three tenets.

The success of our client relationships has driven us to evolve our offerings into an end-to-end service suite. Today, IIFL Wealth & Asset Management offers solutions that enable clients to grow, preserve, transfer, donate, and structure their wealth. The outcome of our efforts can be gauged by our position as one of India's largest private wealth management firms – a feat that we have achieved in a span of just 12 years.

The two important areas of our business are:

### **WEALTH MANAGEMENT**

IIFL Wealth Management is one of the leading wealth management companies in India and is the investment and financial advisor to more than 5,300 influential families in the High Net Worth Individuals (HNI) and Ultra HNI segments in India and abroad. As the largest player in the wealth management space, we are able to provide clients with preferential access for sourcing and customizing investments with fund houses, institutional brokers and boutique managers. We are also able to ensure clients get the first mover advantage when it comes to unique themes. As pioneers and innovators in

the industry, we have brought many firsts to our clients.

### **ASSET MANAGEMENT**

IIFL Asset Management is an India-focused, global asset management firm. A disciplined and active management approach combined with research-led strategies allows us to tap into India's potential for delivering on our commitments and long-term growth. Our diversified suite of mutual funds, portfolio management schemes and alternative investment funds span across public and private equities as well as fixed income securities. Our distinctive products bring out the entrepreneurial edge, agility and speed of execution of a boutique asset management business, while providing gold standards of corporate governance of a large corporation with a long-term focus.



Intersection Of

## Process And Personalisation



*The lost city of Machu Picchu is famous for its exemplary structure that's built without any binding agents - a process way ahead of its time. At IIFL Wealth, we identify the perfect intersections between the processes at work and their personalization for your needs.*



## IIFL-ONE: The Intersection Of Process And Personalisation

ALMOST ALWAYS, GREAT NEW IDEAS DON'T EMERGE FROM WITHIN A SINGLE PERSON OR FUNCTION, BUT AT THE INTERSECTION OF FUNCTIONS OR PEOPLE THAT HAVE NEVER MET BEFORE.

– CLAYTON M. CHRISTENSEN

As one of the leading wealth management companies, IIFL Wealth & Asset Management is known for setting new industry trends. We recognised that a rudimentary operational model was unsuitable for new-age needs. At the same time, the industry was yet to transition to a fiduciary servicing mode. As leaders, we decided to lead from the front by introducing IIFL-ONE.

IIFL-ONE brings many intersections.

**a. Process vs Personalisation**, though different, come together and create uniqueness in our offerings.

**b. Short-Term vs Long-Term** with an eye on the long-term return optimization while balancing short-term outperformance.

**c. Core vs Satellite** is yet another intersection where scientific fitment of products based on Portfolio Guideline ensures product ideas do not drive

investment strategy in the core portfolio. While core portfolio provides stability and long-term appreciation, the satellite portfolio is innovative in nature and tactically managed keeping in mind the economic and market conditions.

IIFL-ONE's unique investment philosophy works with two objectives:

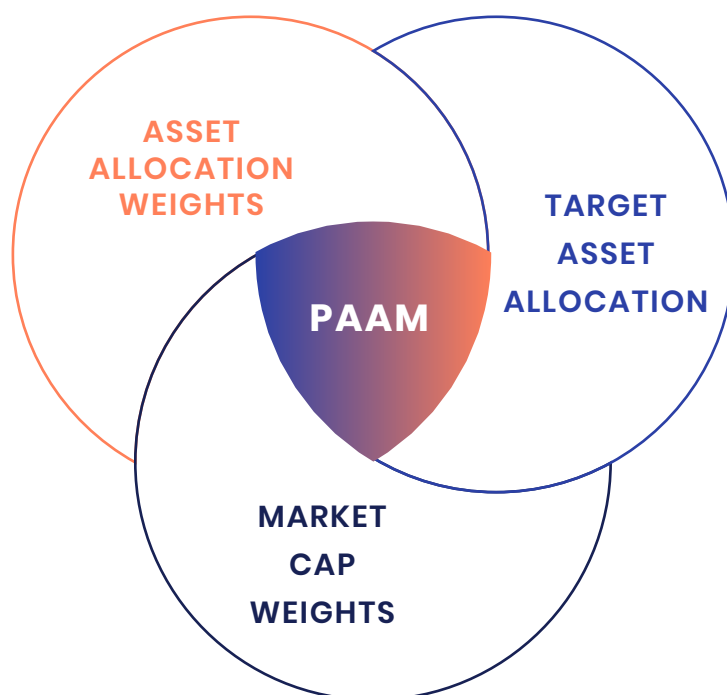
**a. Outperformance to the static asset allocation**

**b. Reducing volatility in the portfolio**

IIFL-ONE is a dynamic platform that institutionalises a range of investment options for clients under a competitive and transparent fee structure. A deep understanding of our clients helps us personalise the offering to perfectly suit the client's needs. It is an aggregation of our product expertise, active advice and discretionary services.

Through IIFL-ONE we have re-defined client engagement for wealth management in India. As a proposition, IIFL-ONE reduces conflict of interest by entering into a transparent commercial arrangement with clients and helps them avoid typical behavioural mistakes by adhering consistently to

time-tested investment processes. At the heart of the IIFL-One proposition is its fee-based structure that aligns our interest with clients. We don't get compensated by mutual fund managers or product vendors but instead we get compensated by our clients.



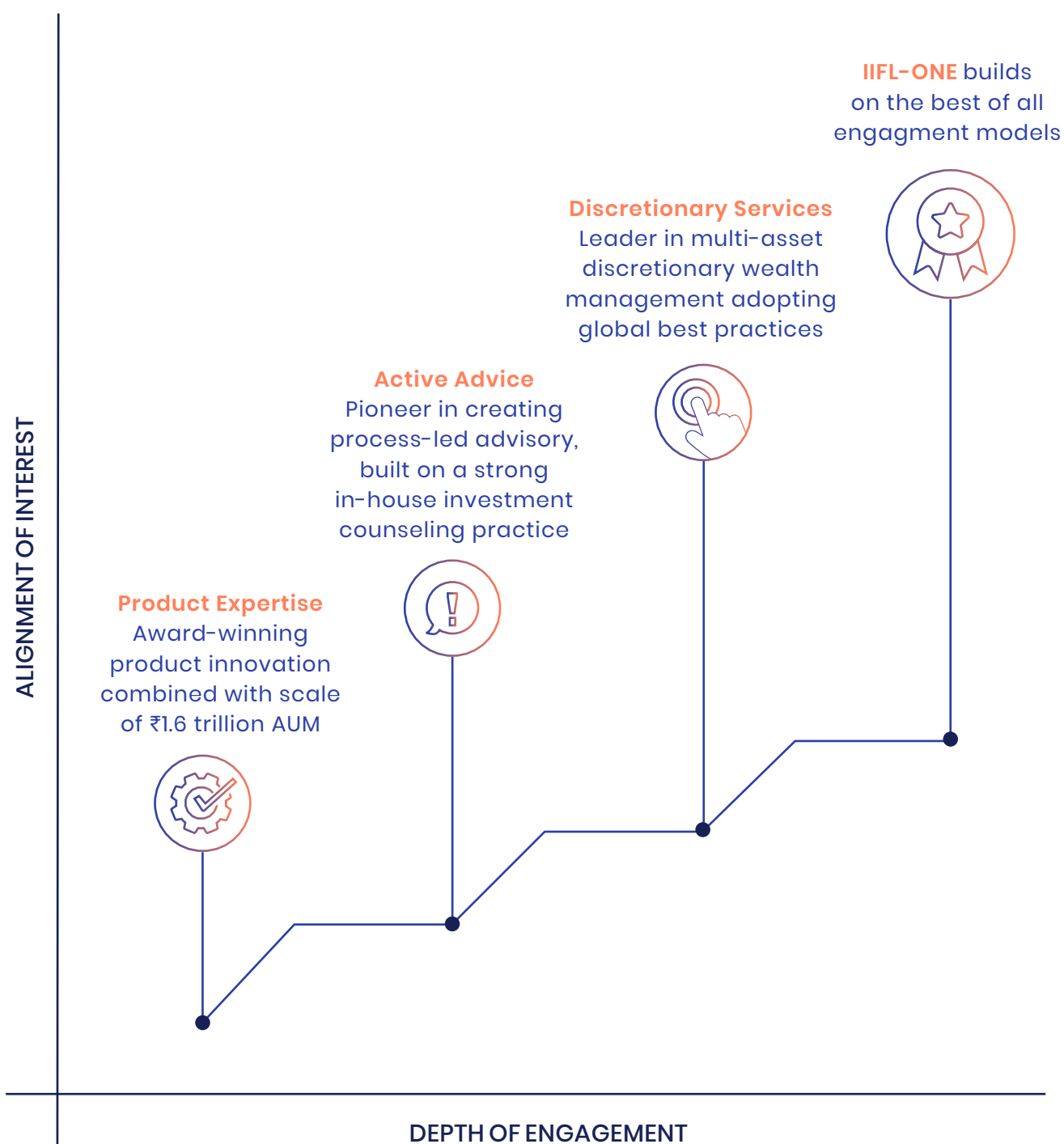
### IIFL-ONE PROPRIETARY ASSET ALLOCATION MODEL (PAAM)

- a. Determine the Long-Term Strategic Risk Profile:** In consultation with the investor, an appropriate asset allocation is chosen. This will reflect the investor's objectives, tenure and risk tolerance.
- b. Rebalance Asset Allocation:** Using the IIFL-ONE Tactical Asset Allocation Model, the debt and equity

weights are rebalanced to deliver outperformance and minimize volatility in falling markets.

- c. Rebalance Market Cap Weights:** Within equity portfolios, rebalancing is done to the large cap and mid cap segments depending on the relative valuations and trailing returns.

## EVOLUTION OF THE CLIENT ENGAGEMENT MODEL



## IIFL-ONE OFFERINGS ARE BASED ON 5 CORE PRINCIPLES

Persisting in one's wealth accumulation program requires disciplined application of processes. At IIFL-ONE, we have built a robust model that guides our asset allocation decisions. This model will help add alpha as against a passive asset allocation approach.

**1. Simple by Design:** At IIFL-ONE we believe portfolios should be simple. This ensures that rebalancing of these portfolios, as indicated by our proprietary models, is easily achievable. Successful portfolios ensure that complexity is minimised ensuring better tracking of instruments as well. Our model portfolios define a simple combination of direct stocks, ETFs, direct bonds and open-ended mutual funds.

**2. Focus on Asset Allocation:** Global studies have indicated that 94% of the returns of long term portfolios are a function of asset allocation.\*<sup>1</sup> Core asset allocation for any investor is identified from the tenure of the capital as well as the risk tolerance of the investor. At IIFL-ONE, we have built a robust model that guides our asset allocation decisions. This model will help add alpha as against a passive asset allocation approach.

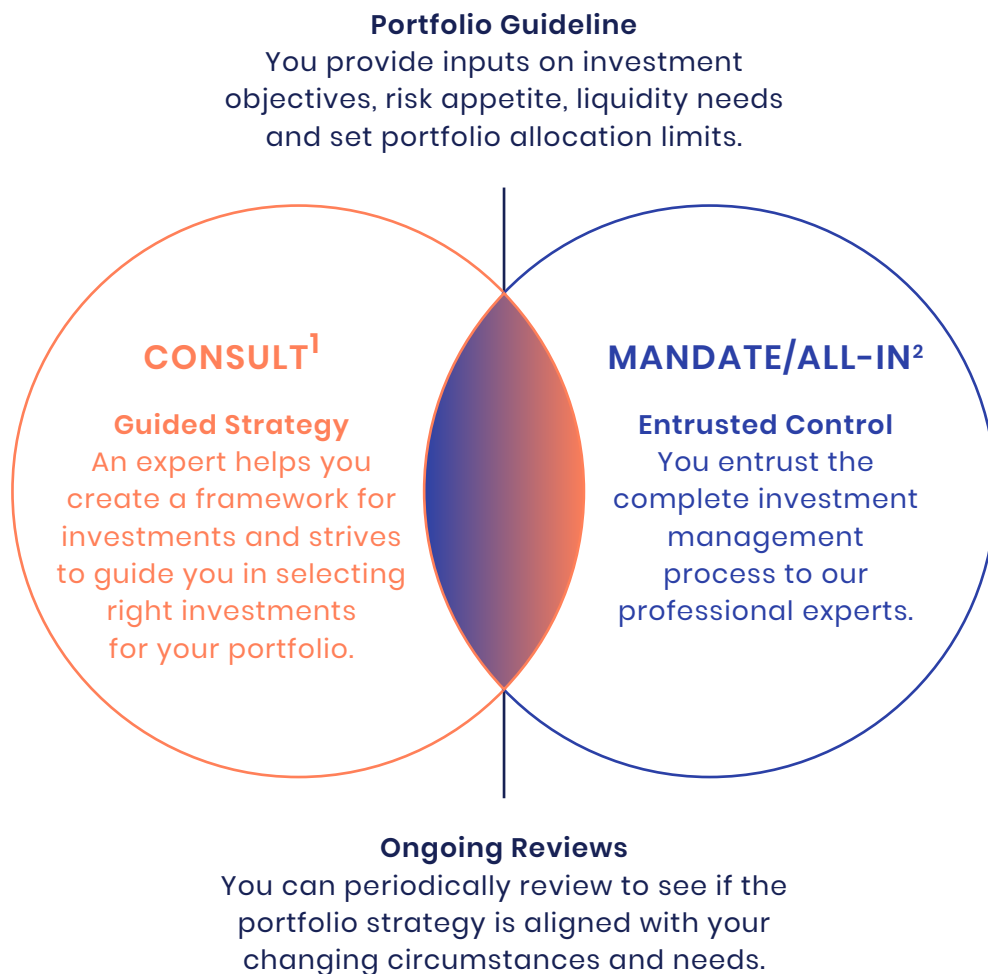
**3. Process-Driven:** A core tenet of IIFL-ONE is the focus on the process as opposed to subjectivity in decision making. Allocation is reset in a timely manner to maintain constant weights for each asset class. Market cap allocations are statistically computed to determine the optimal large & mid-cap allocations. Instrument & fund manager selection is a critical factor to ensuring appropriate product fitment. Various control factors are put in place to ensure portfolio governance in order to minimize risk.

**4. Expert Team:** The fund management team comes with strong multi-asset experience of dealing with long term portfolios across multiple cycles. The team is supported by asset class experts who research every investment idea before it is added to the carefully curated model portfolios.

**5. Cost-Effective:** Controlling costs of the portfolios is an important facet of IIFL-ONE. The all-in-cost model gives the investor complete clarity on the total cost of the portfolio. This approach ensures stability in total costs besides creating savings for the client.

\*<sup>1</sup> Source: Gary P. Brinson, L. Randolph Hood and Gilbert L. Beebower, Determinants of Portfolio Performance, Financial Analysts





1. Refers to Non-Discretionary PMS

2. Refers to Discretionary PMS. Includes PMS portfolio management fees and recurring management fee of underlying products as may be applicable.

## PORTFOLIO MANAGEMENT OFFERINGS

**a. IIFL-ONE Consult:** IIFL-ONE Consult is a guided strategy. Under this, we use our expertise to create a customised investment framework for our clients. The portfolio guidelines are defined by specific client needs. We then work alongside investors to provide bespoke product recommendations to suit their needs, goals and risk inclinations.

**b. IIFL-ONE Mandate:** Under the IIFL-ONE Mandate model, clients define the portfolio guidelines and entrust the entire investment management process to our team of experts. We, in turn, define a customised investment strategy based on the guidelines. This is followed by building a portfolio that ensures a scientific product fitment.

Intersection Of

Local And Global



*Appreciated for its iconic architecture, the Taj Mahal is a reflection of India's local beauty and culture. At IIFL Wealth, our offerings are the perfect intersections between local and global investment opportunities.*

## IIFL Asset Management

### PLAYING A PIVOTAL ROLE IN GROWTH OF AIFs

IIFL ASSET MANAGEMENT (IIFL AMC) IS AN INDIA-FOCUSED, GLOBAL ASSET MANAGEMENT FIRM. OUR DISTINCTIVE PRODUCTS ENABLE INVESTORS ACROSS THE WORLD TO PARTICIPATE IN INDIA'S UNIQUE GROWTH STORY. IIFL AMC OFFERS CAPABILITIES IN ONSHORE AND OFFSHORE ASSET MANAGEMENT THROUGH ITS SUBSIDIARIES BASED IN SINGAPORE, INDIA AND MAURITIUS.

**₹ 21,940**  
crores

IIFL AMC's Assets Under  
Management as of March 31, 2020

Our endeavour is to create investment products that generate sustainable risk-adjusted returns and can demonstrate sustainable alpha. Our differentiated suite includes mutual funds (MFs), portfolio management services (PMS) and alternative investment funds (AIFs) spanning across public and private equity, fixed income and real estate. IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India. As of March 31, 2020, IIFL Asset Management's AUM (assets under

**₹ 6,000**  
crores

Net sales for the year across  
asset classes and geographies

management) stood at ₹21,940 crores, a 6% increase over the previous year. For the year, we achieved net sales of over ₹6,000 crores spread across asset classes and geographies.

Our priority focus areas in the year under review were on technology and products. Through further investments in technology, we have enhanced our risk analytics and investment analytics capability. The transition to work from home was achieved very seamlessly and we have enabled digital account

IN TERMS OF CLIENT COVERAGE, WE CONTINUE TO ENGAGE WITH SOME KEY OFFSHORE INSTITUTIONS. PARTNERSHIPS WITH LARGE INSTITUTIONAL CLIENTS IS A VERY CRITICAL ELEMENT OF OUR GROWTH PLAN. WE ARE IN A UNIQUE POSITION TO OFFER SUCH INSTITUTIONS CROSS-ASSET EXPOSURE TO THE INDIAN MARKET.

opening and transactions for investors. Our digital initiatives (such as monthly video statements to investors) have received great feedback from investors and distribution partners.

Over the years, IIFL AMC has been a front runner in products, be it the IIFL Special Opportunities Fund (a fund designed to invest in pre-IPO opportunities) or the IIFL Seed Ventures Fund (the only fund available to High Net Worth Individuals that offers investment into fund of funds and direct deals). We have further enhanced our product suite during the year under review. We launched three funds - IIFL Seed Ventures Fund – Series 2 (a Category II AIF focused on early stage private equity), India Housing Fund – Series 2 (a Category II AIF focused on providing last mile funding to real estate projects nearing completion) and High Conviction Fund – Series 1 (a Category III AIF investing in listed equities). Out of these three launched schemes, IIFL Seed Ventures Fund – Series 2 and High Conviction Fund –

Series 1 are still raising commitments from investors.

We continue to see opportunities to enhance our product offering across our four asset classes (listed equities, private equities, credit and real estate). We are closely evaluating adding a hedge fund strategy (multi asset, long-short) in the coming year. We aim to maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes.

In terms of client coverage, we continue to engage with some key offshore institutions. Partnerships with large institutional clients is a very critical element of our growth plan. We are in a unique position to offer such institutions cross-asset exposure to the Indian market. Widening the domestic distribution network is another important growth driver. We now have 133 distribution partners for our PMS and AIF products and have made significant additions over the past year





Anup Maheshwari, CIO & Joint-CEO, IIFL AMC

WE AIM TO KEEP INVESTING IN TECHNOLOGY AND RE-ENGINEER OUR PROCESSES TO ENSURE OUR ABILITY TO ACHIEVE SCALE ALONG WITH MAINTAINING HIGH STANDARDS OF SERVICE. WE ALSO EXPECT TO DEVELOP GREATER REACH AND HIGHER CLIENT PENETRATION THROUGH OUR DIGITAL INITIATIVES.

– for instance, we have doubled our PMS distribution reach.

For the coming year, our priority will be to enhance our operational capability to handle larger volumes of business. We aim to keep investing in technology and re-engineer our processes to ensure our ability to achieve scale along with maintaining high standards of service. We also expect to develop greater reach and higher client penetration through our digital initiatives.

IIFL AMC's structure with significant employee ownership empowers our people. Employees work like owners and act with a fiduciary responsibility to deliver results. We are very proud of the way our team has quickly adapted to working in a post-COVID environment notwithstanding some of the personal challenges they may face.

We look forward to an exciting year ahead that is rewarding for our investors, shareholders and employees.

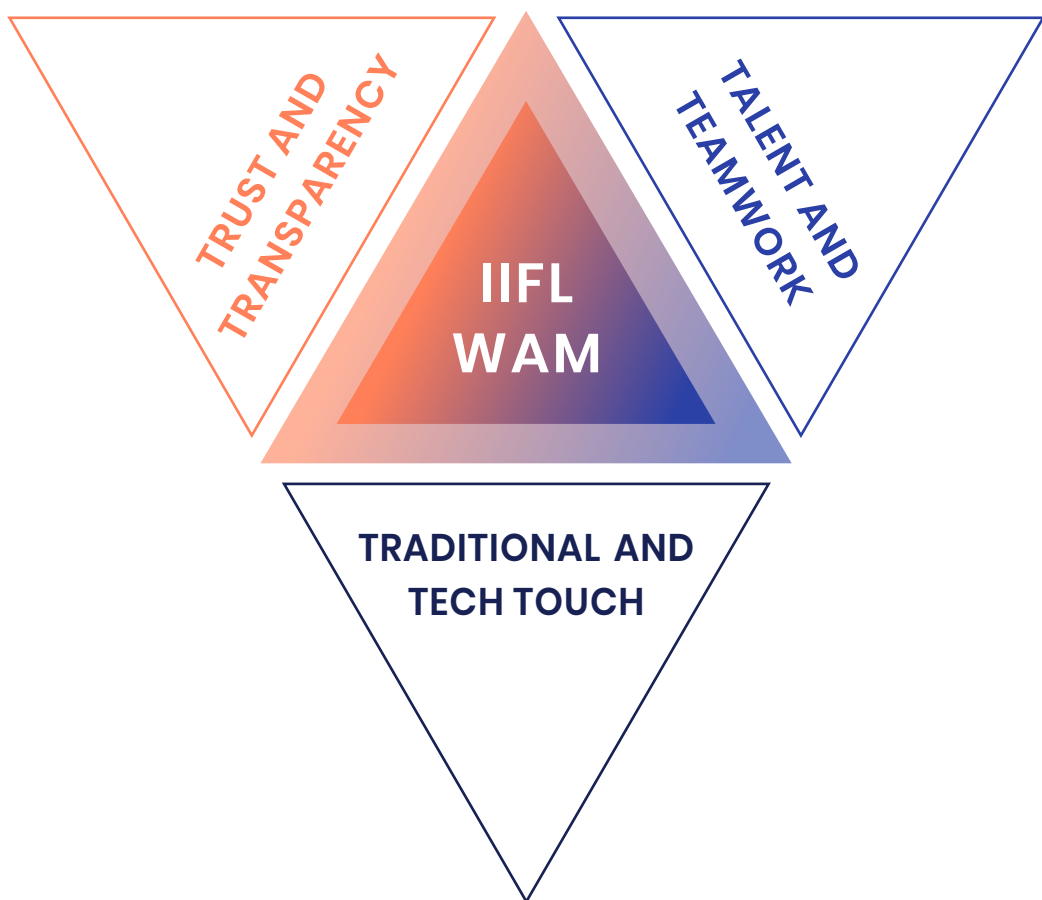
Intersection Of

## Tradition And Technology



*The Colosseum is a complex structure that boasts several notable engineering features, like its elliptical architecture that facilitates visibility from every seat. At IIFL Wealth, we create the perfect intersection between traditional ways of working and embracing technology.*

## Our Core Strengths And Values



## TRUST AND TRANSPARENCY

Trust and transparency underpin our organisational culture. Besides, we are committed to adhering to the highest levels of transparency. This commitment is illustrated in our innovative and transparent pricing structure in IIFL-ONE. By eliminating vendor commissions and transaction brokerages, we ensure that our focus is firmly on return optimisation for our clients' investments.

## TALENT AND TEAMWORK

At IIFL Wealth & Asset Management, we pride ourselves on our talent and teamwork. Specialist teams – across departments and geographies – join hands to ensure that our customers capitalise on opportunities by leveraging on our product expertise and active advice. A cohesive team culture is at the core of the company. Our belief in our people ensures significant employee ownership. This strategy empowers our people to work like owners and act with a fiduciary responsibility to deliver results.

## TRADITIONAL AND TECH TOUCH

The wealth management industry, is traditionally a very human-touch industry. It is slowly and steadily embracing digitalisation. The ability of consumers to access and process services are important parameters to measure an organisation's quality of services. Our Analytics package, IIFL Insights is integrated to the reporting tool of IIFL Wealth and provides deep dive analytics on client portfolios, allowing relationship managers to get enhanced information on portfolio performance, portfolio risk measurement, ratios and Investment Policy Statement compliance to name a few. Altioire, a company we acquired, integrates technology, data and advice into an online platform and allows users to effectively and efficiently manage their net-worth by providing data and insights across asset classes including held-away assets. With Salesforce Financial Services Cloud, we provide a 360-degree view of a client's journey with us. We also leveraged Artificial Intelligence to further improve our video statements.

## The 5 Ps Of Successful Wealth Management

THESE 5 PILLARS ARE INSTRUMENTAL TO OUR SUCCESS AS THEY WORK TOGETHER TO FIND THE PERFECT INTERSECTION BETWEEN THE CLIENT'S NEED AND WHAT THE MARKET HAS TO OFFER.



### PEOPLE

Wealth management is a people-centric business with high engagement levels. A quality team of experienced professionals across relationship management, service management, product and other support ensure the highest levels of service is provided to our clients. The team undergoes continuous learning through one-to-one mentorships, our dedicated LMS with more than 250 hours of learning modules, group engagements, and access to courses from leading global universities. Employee equity ownership and a strong internal culture has led to perhaps the lowest attrition in the industry for team leaders.



### PROPOSITION

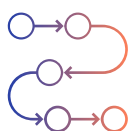
Our ability to offer full scale wealth management services gives us the edge. We have an open architecture with a multi-manager platform. The manufacturer selection process is rigorous and unbiased. Clients can segregate and manage their portfolios through various modes of engagement simultaneously. We provide avenues for diversification across asset classes. This provides the ability to generate steady-state returns above inflation with the least volatility and risk.





## PLATFORM

Our comprehensive suite of products and services is perhaps unmatched in the industry. We have one of the largest products and investment teams which provide innovation and high quality support. Our cutting edge technology ensures the best in class Client Portfolio Reporting, In-Depth Analysis and Data Aggregation. An integrated lending solutions offering along with a strong estate planning practice complete the platform. Niche corporate finance services help clients with capital structuring for these businesses.



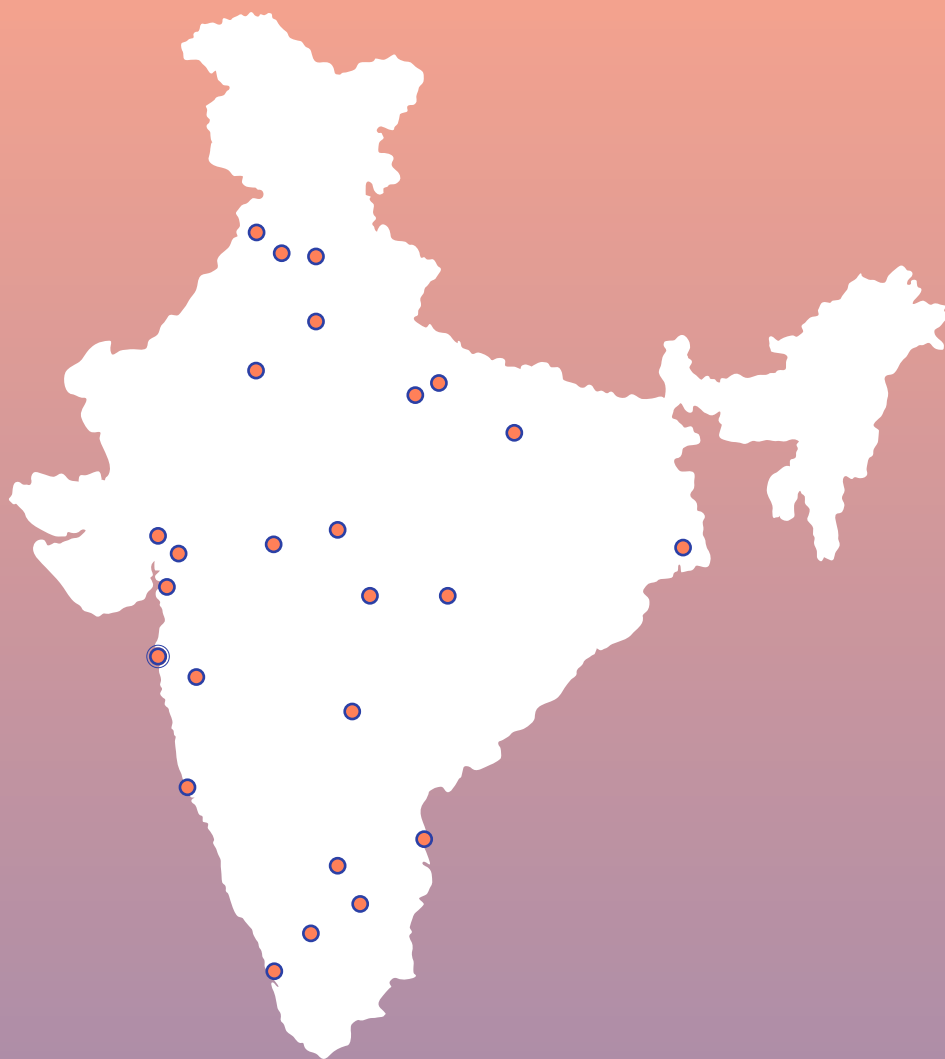
## PROCESS

We have stringent standardised control mechanisms, which include personalised review and an assessment by the fund management team. Our Portfolio Management Approach ensures client portfolios are managed in line with defined Investment Policy Statements, which are constantly monitored. Strong business intelligence, state-of-the-art technology and robust internal processes ensure seamless and efficient execution.



## PRICING

Transparency and alignment of interest is synonymous with our firm. With the launch of IIFL-One, we pioneered the fee-based portfolio management model in India. Our combined platform, which includes brokerage and allied services allow for All-In-Fee models, which ensures that our efforts are completely in alignment with our client's objectives. From a client's perspective, our scale enables attractive pricing of products.



## OUR DOMESTIC FOOTPRINT

- MUMBAI
- AHMEDABAD
- AMRITSAR
- BENGALURU
- BHOPAL
- CHANDIGARH
- CHENNAI
- COIMBATORE
- GOA
- HYDERABAD
- INDORE
- JAIPUR
- KANPUR
- KOCHI
- KOLKATA
- LUCKNOW
- LUDHIANA
- NAGPUR
- NEW DELHI
- PUNE
- RAIPUR
- SALEM
- SURAT
- VADODARA
- VARANASI

## OUR INTERNATIONAL FOOTPRINT

- SINGAPORE
- UK
- MAURITIUS
- USA
- DUBAI
- CANADA

## Key People:

### Owners Work And Workers Own

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#### **KARAN BHAGAT**

**Founder, MD & Chief Executive Officer**

Karan has more than two decades of experience in the financial services industry. He is responsible for providing direction and leadership towards the achievement of the organization's philosophy, mission, vision and its strategic goals and objectives. He has built a team of talented professionals, who work with and for, some of the most distinguished wealthy families in India and abroad.



#### **YATIN SHAH**

**Co-Founder & Executive Director**

Yatin has more than two decades of experience in the financial services industry, across equity research and private wealth management. He focuses on the wealth advisory practice besides client services, marketing and client experiences. He is responsible for introducing the IIFL Wealth & Asset Management proposition to new clients, as well as expanding the relationship with existing clients.



## ANIRUDHA TAPARIA

### Executive Director

Anirudha has more than two decades of experience in the financial services industry across consumer, commercial and private banking. He has been instrumental in building IIFL Wealth & Asset Management's business across the globe. He is responsible for the wealth advisory practice across business verticals and geographies. Anirudha brings to the table a rich commercial banking experience and strong client relationships.



## MANOJ SHENOY

### Executive Director

Manoj Shenoy has close to three decades of experience in the financial services industry. He possesses comprehensive understanding of diverse facets of financial services, including private banking, investment banking, stock broking, estate and succession planning. Prior to joining IIFL Wealth, Manoj was the CEO at L&T Financial Services - Wealth Management business.



## ANUP MAHESHWARI

### CIO & Joint CEO, IIFL Asset Management

Anup has close to two decades of experience in financial services and is responsible for the investment and strategy for IIFL AMC's business including mutual funds and Alternative Investment Funds (AIFs). He plays a key role in meeting the company's aggressive growth goals as well as product development and devising an innovative investment strategy.



## ANSHUMAN MAHESHWARY

### Chief Operating Officer

Anshuman has close to two decades of deep expertise in strategy and business planning, and is reinforcing the company's capabilities to drive performance. His ability to implement large-scale organization transformation and performance improvement is delivering tangible impact for clients and employees. Prior to IIFL Wealth, he was with A.T. Kearney since June 2001, and was last designated as Partner and Lead, Energy & Process Industries.

## SENIOR MANAGING PARTNERS



## A PRAMOD KUMAR

### Senior Managing Partner, CIO - IIFL-One

Pramod brings over three decades of experience in capital markets with specific focus on multi-asset class investment management and Advisory. He is the Chief Investment Officer for IIFL-One. Pramod joined IIFL Wealth through the acquisition of Wealth Advisors (India). Pramod co-founded Wealth Advisors (India) in 2004.



## GIRISH VENKATARAMAN

### Senior Managing Partner, Head - Trust Advisory

Girish has over two decades of experience in the financial services industry across Asset Management and Wealth Management. He spearheads the estate planning function for the group with specific focus on ultra-HNI clients.





### HIMANSHU JAIN

#### Senior Managing Partner, Head – Wealth Finance

Himanshu has more than two decades of work experience across capital markets, wealth management and lending business. He heads the Credit Solutions business and focuses on growing the existing Non-Banking Finance Company (NBFC) business backed by his domain experience and business development focus.



### PRASHASTA SETH

#### Senior Managing Partner, Head – Unlisted Equity

Prashasta has close to two decades of experience in the financial services industry. He has been with the company since 2008 and has been instrumental in setting up and growing the equity desk at IIFL Wealth & Asset Management.



### SANDEEP JETHWANI

#### Senior Managing Partner, Head – Advisory Group

Sandeep has more than 15 years of experience in direct client and team management with regional responsibilities including setting up of new branches. He is part of the founding team at IIFL Wealth & Asset Management. His team is responsible for the structuring and delivery of the IIFL-One offering and providing investment guidance to wealth management clients.



### SHAJI KUMAR DEVIKAR

**Senior Managing Partner, Head Markets  
– Bengaluru, Hyderabad And Middle East**

Shaji Kumar has more than two decades of experience spread across large private sector banks. He is responsible for expanding and growing the wealth business in the southern region of India and spearheads the international business in UAE.



### UMANG PAPNEJA

**Senior Managing Partner, Chief Investment Officer**

Umang has more than two decades of experience in investments and wealth management. He provides strategic guidance for investment decisions across asset classes including equities, real estate, fixed income, commodities and alternatives with a focus on continuous product innovation.



### VINAY AHUJA

**Senior Managing Partner, Head Markets  
– Western And Southern India**

Vinay has more than two decades of experience in the financial services industry, across wealth and asset management. His primary responsibility is to carry out wealth management activities for HNI clients in the Western and Southern regions, while executing sales strategies nationwide.

## MANAGING PARTNERS



**ABHAY  
AMRITE**

Managing Partner



**ANIRBAN  
BANERJEE**

Managing Partner,  
Head - Human  
Resources



**JITEN  
SURTANI**

Managing Partner



**NIKUNJ  
KEDIA**

Managing Partner



**NIRAJ  
MURARKA**

Managing Partner,  
Head - Credit



**PAVAN  
MANGHNANI**

Managing Partner,  
Head - Corporate  
Strategy &  
Investor Relations



**PRAVIN  
SOMANI**

Managing Partner



**SUDHINDRANATH  
PAI KASTURI**

Managing Partner



**VAIBHAV  
PORWAL**

Managing Partner

## SENIOR PARTNERS



**ABHISHEK  
CHANDRA**

Senior Partner,  
Head - Technology



**ANU  
JAIN**

Senior Partner,  
Head - Equity  
Brokerage



**ASHISH  
AHUJA**

Senior Partner



**ASHUTOSH  
NAIK**

Senior Partner,  
Head -  
Compliance



**CHIRAG  
GANDHI**

Senior Partner



**GAURAV  
AWASTHI**

Senior Partner



**HEMANT  
LAKHOTIYA**

Senior Partner



**HIMADRI  
CHATTERJEE**

Senior Partner



**MANU  
AWASTHY**

Senior Partner



**MIHIR  
NANAVATI**

Senior Partner,  
Chief Financial  
Officer



**PARINAZ  
VAKIL**

Senior Partner



**RONAK  
SHETH**

Senior Partner,  
Marketing &  
Client Experiences



**SHASHI  
SINGH**

Senior Partner,  
Head – National  
Sales, IIFL AMC



**SHUJA  
SIDDIQUI**

Senior Partner



**SIDHARTHA  
SHAW**

Senior Partner



**SUMIT  
VOHRA**

Senior Partner



**SUNIL  
KINI**

Senior Partner



**VIJEETA  
SHARMA**

Senior Partner



Intersection Of

Your Needs Today And  
Your Needs Tomorrow



*The Pyramids Of Giza are robust structures built to preserve wealth for the future. At IIFL Wealth, we find the right intersections between your need for wealth management today and your family's needs tomorrow.*

**2008**



**IIFL Wealth was born.**  
Largest structured note  
issuance of its time

**2009**



**Global footprint established**  
as IIFL Inc set up international  
offices including Dubai,  
Singapore, Mauritius

**2010**



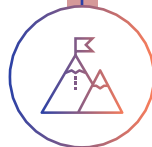
Crossed the **₹1,500 crores**  
AUM mark in record time

**2011**



**Acquired 'Finest Wealth  
Managers'** in Pune adding  
₹1,700 crores to AUM

**2012**



Reached  
**₹25,000 crores AUM**

**2013**



**Acquired an Asset  
Management and a Private  
Equity Firm;** launch of only  
success fee-based Alternative  
Investment Fund

**2014**



Took lead in the **Alternative  
Investment Fund space.** IIFL  
Wealth & Asset Management  
is now the No.1 Manager of  
Alternatives in India

2015



**General Atlantic picked up 21.61% stake** in IIFL Wealth & Asset Management. This investment endorsed the quality of team and business built over the years

2016



**Acquired an NBFC**, infusing ₹900 crorest as capital, and renamed it IIFL Wealth Finance Ltd.

2017



IIFL Asset Management's **Special Opportunities Fund**, the first-of-its-kind pre-IPO fund in India, raised over ₹7500 crores

2018



**Acquired** Chennai-based **Wealth Advisors India** and Bangalore-based **Altior Advisors**

2019



IIFL Wealth made a stake sale to five renowned marquee investors

2020



**IIFL Wealth's consolidated AUM including custody assets at ₹1,60,034 crores** as on 31st March 2020; 900+ employees, 109 awards in 12 years

Acquired L&T Capital Markets, a wholly owned subsidiary of L&T Finance Holdings

IIFL Wealth and Asset Management **gets listed on NSE and BSE**

## Distinguished Legacy



**MR. NIRMAL JAIN**

**Founder, IIFL Group**

Nirmal holds a PGDM from the Indian Institute of Management, Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career with Hindustan Unilever and founded IIFL Group in 1995. Over the last 25 years, he has led expansion of IIFL while remaining focused on financial services. With an impeccable track record of governance and growth, IIFL has attracted marquee investors and won accolades internationally.



**MR. R. VENKATARAMAN**

**Co-Promoter, IIFL Group**

Venkataraman holds a PGDM from Indian Institute of Management, Bangalore and a Bachelors in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined IIFL's Board in July 1999 and has been spearheading key initiatives of the group. He has a varied experience of close to three decades and has held senior managerial positions in ICICI Ltd and GE Capital Services India Limited in their private equity division.

## Corporate Social Responsibility: Intersection Of Investing And Nation Building

AT IIFL WEALTH AND ASSET MANAGEMENT, WE BELIEVE THAT TRUE WEALTH IS WHEN YOU CAN GIVE TO THOSE IN NEED. AS A RESPONSIBLE ORGANIZATION, WE ARE FIRMLY COMMITTED TO CREATE SUSTAINABLE GROWTH AND EMPOWER UNDERPRIVILEGED SECTIONS OF SOCIETY THROUGH OUR MULTIPLE CSR INITIATIVES.



### FIGHT AGAINST COVID-19

As India grapples with Covid-19, our efforts were aimed at strengthening support to our frontline heroes as well as helping the government slow the spread of Covid-19 by distributing medical equipment and making significant contributions towards relief funds.

IIFL Wealth contributed ₹3.5 crores to global and local relief funds including the PM Cares Fund. We partnered Give India in the India Covid Relief Fund and actively encouraged clients and employees to contribute to this fund as well as the PM Cares Fund. Our MD



Handover of 200 boxes (10,000 pairs) of nitrile gloves to Chhatrapati Shivaji Maharaj Hospital



Handover of 500 HME Filters to St. George Hospital



& CEO, Karan Bhagat, is part of Give India's Steering Committee.

We collaborated with local NGOs to aid Covid-19 dedicated hospitals. IIFL Wealth in association with United Way Mumbai handed over Personal Protective Equipment (PPE) which included 1290 PPE kits, 300 boxes containing 100 nitrile gloves each and 5000 3-ply masks to three hospitals in Mumbai including St. George's Hospital, Chhatrapati Shivaji Maharaj Hospital and Cooper Hospital.

In addition, medical equipment necessary for the treatment of Covid-19 was also provided to St. George's Hospital. This equipment included 900 endotracheal tubes, 1000 HME filters, 10 thermoscans, 869 sanitizers and closed ventilation suction units. This support proved to be timely for St. George's hospital, as it had just begun the process of being converted into a dedicated infectious disease hospital to cater to Covid-19 patients.

Through our alliance with Swasti, we distributed basic preventive kits to 1000 families, 1000 rapid antibody testing kits and related medical equipment.

In appreciation of the untiring efforts of the Mumbai Police, IIFL Wealth and Asset Management contributed

protective gear for police personnel. Food supplies were provided to migrant workers stranded in Mumbai.



### **GIRL CHILD ILLITERACY ERADICATION PROGRAM**

In Rajasthan, a significant number of girls continue to remain out of school and are thus, illiterate. IIFL Wealth and Asset Management helped set-up community schools in villages, which are multi-grade, multi-level schools. Girls can attend these schools as per their convenience to get themselves educated.



### **PROMOTION OF EDUCATION FOR UNDERPRIVILEGED**

Education is the key to amplify opportunities for each child and we dedicatedly aspire to work in this area. We reached out to underprivileged children through educational programs which ensured that every child attains at least basic functional literacy and mathematical operations.



### **FINANCIAL LITERACY FOR WOMEN**

IIFL Wealth and Asset Management has taken steps towards empowerment of women through financial literacy in rural regions of India, especially in East and North-East states of India.



### **MEDICAL CAMPS FOR THE LESSER PRIVILEGED**

Medical camps were conducted during the year in Maharashtra, Karnataka, Tamil Nadu and Delhi. The support included health check-ups and creating awareness about early cancer detection, diet education for diabetics, CPR, First Aid and yoga.



### **DEVELOPMENT OF NATIONAL LEVEL SPORTS & TALENT**

While India faces no dearth of talent in sports, its performance in sports remains poor. Grass root level sports tournaments were organized which not only identifies but also nurtures junior/amateur talent and provides the necessary platform for budding sports enthusiasts as well as ranked players.



### **FREE EYE CHECK-UP CAMPS**

We helped set up free eye check-up camps in Chennai, Pune and Mumbai, where patients were tested and accordingly offered relevant treatment, that is, provision of spectacles and suggestions for cataract surgery.



### **CONSERVATION OF ENVIRONMENT**

IIFL Wealth and Asset Management conducted activities to make a 'greener' village by engaging with the young to plant and conserve trees. The intervention was strengthened through active participation by the communities, as local bodies joined the drive to sustain the momentum. Initiatives for tree plantation, upcycling of goods and effective garbage disposal were also undertaken in other urban cities. We also partnered with Bhamla Foundation to encourage reduction in the use of plastics. The issue was highlighted through events on World Environment Day.

## Client Events And Experiences

### OUR INTELLECTUAL PROPERTY EVENTS

#### AN EVENING WITH PREM WATSA

In a frank and engaging conversation with Karan Bhagat and Nirmal Jain, legendary investor Prem Watsa shared his thoughts on why India was a favourite investment destination. As a self-made entrepreneur, his experiences on growing businesses across market cycles over 40 years helped provide valuable insights and perspectives for those in key decision roles.



Legendary investor Prem Watsa with Nirmal Jain



IIFL Wealth team with Prem Watsa

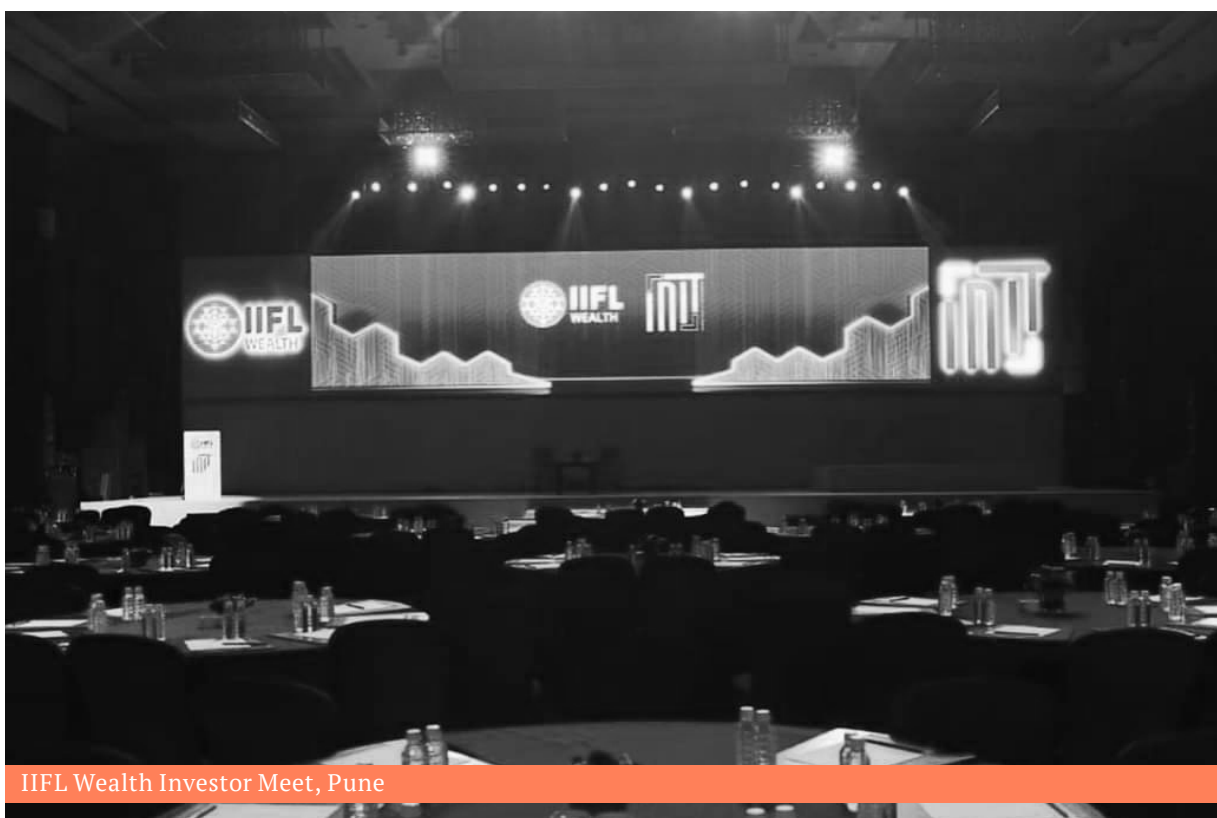


## INVEST IN TOMORROW

IIFL Wealth & Asset Management's flagship investor meet in Pune was a platform for our clients to experience a healthy mix of energy and knowledge from inspirational entrepreneurs, experts and investors. With an objective to focus on the rising opportunities in Global India, InIT, which stands for Invest in Tomorrow, brought forward varied topics on the direction of the Indian economy, reforms, policy changes, government initiatives and their collective business impact. From learning best practices to enhancing investment skills, InIT synthesized the assets of today and invested in a promising tomorrow.



Yatin Shah speaking at Investor Meet in Pune



IIFL Wealth Investor Meet, Pune



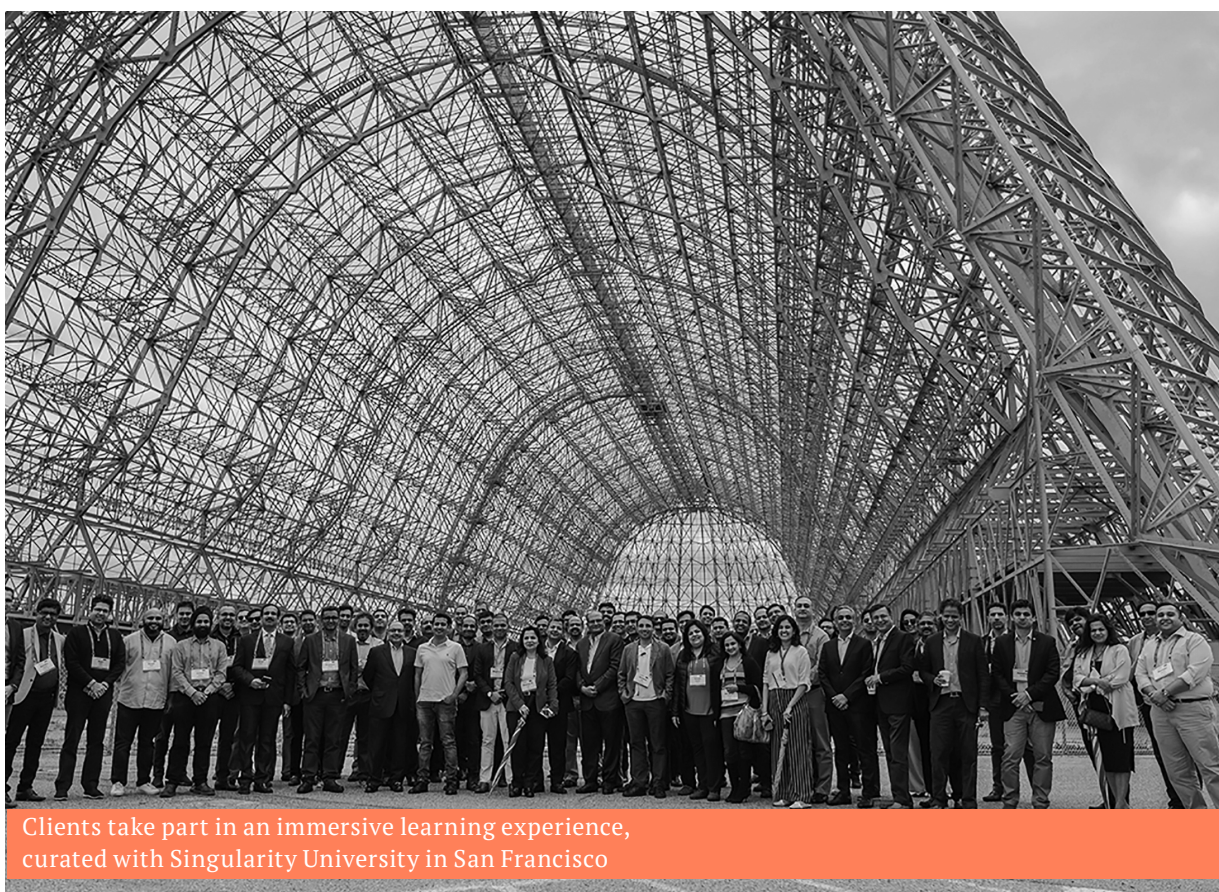


## CLASS APART

As part of our Knowledge series – Class Apart, IIFL Wealth curated a five-day immersive learning experience with Singularity University (SU) for our ‘student at heart’ UHNI clients. It was held from 6th to 10th May 2019 in San Francisco with three days of intensive classroom sessions with Kyle Hermans, CEO, Be Courageous; Naveen Jain, Entrepreneur and Philanthropist; Nathana O’Brien Sharma, General Counsel, Labelbox and 11 other eminent speakers at SU. One day was dedicated to company visits in Silicon Valley and a day of leisure at Napa Valley.



Classroom Session at Singularity University



Clients take part in an immersive learning experience, curated with Singularity University in San Francisco





Participants at Young Leaders Program (YLP)



Participants at Young Leaders Program

**YOUNG  
LEADERS**  
PROGRAM 2019

### **YOUNG LEADERS PROGRAM**

IIFL Wealth & Asset Management conducts the Young Leaders Program, which is aimed at preparing the next generation of leaders. Conducted annually, this three-week program provides participants with a unique opportunity to develop practical and professional skills while gaining an excellent insight into various businesses. Leading industrialists, corporate heads and fund managers engage with the participants and share real life experiences.

## SPORTING EXPERIENCES

Our clients travel with like-minded industry peers for global sporting events like Wimbledon, World Cup Cricket and World Cup Football. We arranged special curated on-ground experiences for our clients during the ICC World Cup matches at Old Trafford, Manchester, which included a special session with cricketer Virendra Sehwag. Besides the sporting encounters, the clients experience unique privileges at the venue and networking meets with leading sportspersons.



Patriotic moments at Old Trafford



Cheering for India during the ICC World Cup match at Old Trafford

## Alliances And Partnerships

### OFF THE CUFF

Off The Cuff or OTC, is a series of candid talk shows organized in collaboration with ThePrint and was launched in January 2016. The event is hosted as an on-ground event anchored by eminent journalist Shekhar Gupta in conversation with a distinguished guest in the presence of a notable, invited audience. After the initial dialogue

between the guest and the moderator, OTC is open to the audience to question and engage with the guest. The idea is to break through the clutter and noise of existing debates on television and other platforms, and bring out an engaging, constructive discussion; while also keeping live audiences involved throughout.



IIFLW at Off The Cuff with Shekhar Gupta

## IIFL WEALTH HURUN INDIA RICH LIST

IIFL Wealth in collaboration with Hurun Report India released the IIFL Wealth Hurun India Rich List 2019 in September. The list is the most comprehensive ranking of Indian individuals by way of net worth. The purpose of this list is to try and tell the story of modern India through the stories of India's most successful entrepreneurs. With a stable mandate for the government and ambitious GDP goals, the story has just begun. The list comprises 953 individuals ranked by their net worth, empirically qualifying as the most comprehensive rich list aimed at tracking private wealth in India.



Yatin Shah at the launch



Karan Bhagat and Yatin Shah at the launch of IIFL Wealth Hurun India Rich List 2019



## TiECon MUMBAI

IIFL Wealth partnered with TiECon Mumbai, the largest annual entrepreneurial leadership conclave in Mumbai. TiECon has been an integral part of TiE's efforts to bring the industry leaders and start-ups together for thought leadership, inspiration, experiences and stories, mentoring and potential path-breaking innovative disruptions. Our MD & CEO, Karan Bhagat, took part in a panel discussion on "Spotting Future Unicorns", where he shared insights on how to invest early in a company that could potentially be a unicorn.



Karan Bhagat in a panel discussion on "Spotting Future Unicorns"





## **YOUNG PRESIDENTS' ORGANISATION**

IIFL Wealth partnered with The Young Presidents' Organisation (YPO), a global leadership community of more than 29,000 chief executives in 130 countries who are driven by the belief that the world needs better leaders. YPO members become better leaders and better people through peer learning and exceptional experiences in an inclusive community of open sharing and trust. IIFL Wealth is proud to partner with YPO at their local chapter events in Delhi and Punjab where peer leaders are committed to lifelong learning and an exchange of ideas.

## **10th INDIA INVESTMENT CONFERENCE**

The 10th India Investment Conference is a unique forum for delegates to improve their understanding of key issues that will shape investment decision making in the coming years. This flagship conference hosted by CFA Society India, in collaboration with IIFL Wealth, is where industry experts and market professionals converge to sharpen investment instincts, in preparation for a new normal in the fast-evolving investment industry.



## **ENTREPRENEURS' ORGANIZATION**

IIFL Wealth partnered with The Entrepreneurs' Organization (EO), a global, peer-to-peer network of more than 14,000+ influential business owners to host immersive events. Founded in 1987, EO is the catalyst that enables leading entrepreneurs to learn and grow, leading to greater success in business and beyond. We are pleased to be associated with several local chapters including Nagpur, Bangalore, Uttar Pradesh, Punjab and Raipur in the last financial year. These chapters provide EO members with a local resource to learn and grow, including access to executive-education events, networking opportunities and mentorship programs.

## IIFL WAM: NOW A LISTED COMPANY

**NSE (SYMBOL: IIFL WAM)**

**BSE (SCRIP CODE: 542772)**

IIFL Wealth & Asset Management made a stellar debut on the NSE and BSE on September 19, 2019. Following the listing, The Economic Times wrote - ...With this, the company became the first standalone wealth management company to list in India. The listing ceremony took place at the National Stock Exchange in Mumbai.

The event was indeed a milestone event for us as an organization, that started with humble roots 12 years ago and now we look forward to our next phase of growth with the same vigour and excitement. The scrip, (NSE CODE – IIFLWAM) was locked at 5 percent upper circuit at ₹1,270.50 on the NSE while it froze at ₹1,260 on the BSE, up 5 percent.



IIFL WAM becomes the first standalone wealth management company to be listed In India

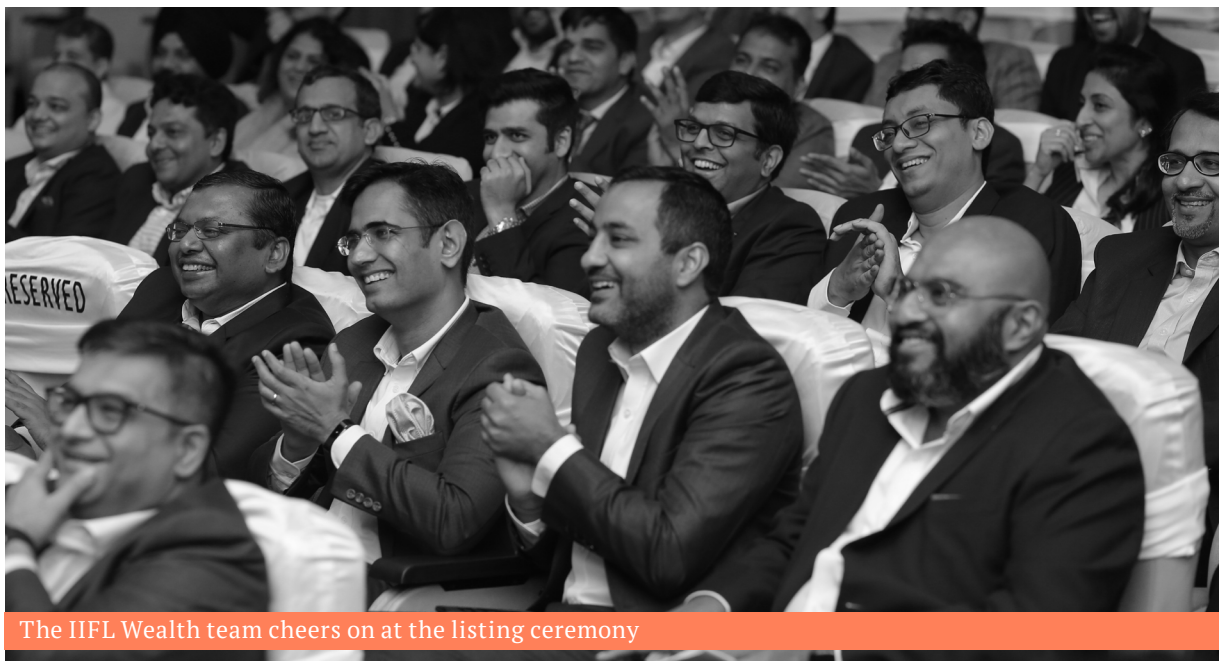
**Mr. Karan Bhagat, Founder, MD & CEO, IIFL Wealth and Asset Management Ltd**, said, “Our unique approach in wealth management, which is very process-driven has resulted in 98+ pc retention of clients and assets. In addition, our attrition of employees, especially at the senior banker level is amongst the lowest in the industry at less than 2pc. These we believe has resulted in a culture, which is unique and has allowed us to build a platform where all three– clients, employees and shareholders– are fully aligned. We will ensure that through market cycles, and through different environments, we are able to further innovate unique solutions.”



**Mr. Yatin Shah, Co-founder and Executive Director, IIFL Wealth and Asset Management**, said, “After 11 years, we continue to have the same energy and excitement to meet and work with clients. We look forward to our next phase of growth. Even in the current market scenario, our robust balance sheet and conservative allocation of resources enables us to expand our market share. Organically, we groom the best talent and continue to attract senior relationship managers. Selectively, we continue to look at inorganic opportunities.”

“It gives me immense satisfaction, to be closely associated with the growth story of the first, home-grown wealth management firm to be listed. As I look back over the past decade, the constant support of our clients across all geographies has been the key driver for our commendable growth. We are expanding our investment into our products, research and technology side of the platform to ensure our clients are serviced in the best possible manner,” added **Mr. Anirudha Taparia, Executive Director, IIFL Wealth and Asset Management**.





The IIFL Wealth team cheers on at the listing ceremony



Ringling in the good times

## In The News



### KARAN BHAGAT ON ET NOW

ET Now, September 19, 2019

The two biggest drivers for our business remain clients, as well as our relationship managers. Combined with the platform like ours, we should be able to leverage and make the business extremely successful, says Karan Bhagat, MD & CEO, IIFL Wealth & Asset Management.



### THE CHANGING DYNAMICS FOR THE WEALTH MANAGEMENT BUSINESS

Bloomberg Quint, September 19, 2019

Karan Bhagat on the changing dynamics for the wealth management business.



### WE WILL ENSURE THAT WE ARE ABLE TO FURTHER INNOVATE UNIQUE SOLUTIONS

CNBCTV18, September 19, 2019

Karan Bhagat speaks to CNBCTV18 after the company is listed on the NSE.





Outlook  
**MONEY**

## START EARLY TO REAP LONG-TERM BENEFITS

Outlook Money, May 8, 2019

Yatin Shah, Executive Director, IIFL Wealth advises to not leave retirement planning for the winter of your life. Start today to ensure that it is always summer.

BUSINESS

## WHERE ARE THE RICH INVESTING?

Outlook Business, November 26, 2019

At an exclusive roundtable of India's leading private wealth advisors, Yatin Shah emphasizes that it's time to cherry pick and build an investment structure.



**Forbes**

## REIMAGINING WEALTH MANAGEMENT FOR THE 2020s

Forbes, December 5, 2019

The wealth manager of the future will have to focus on holistic wealth preservation, such that their clients are rich in time too, says Anirudha Taparia, Executive Director, IIFL Wealth.

**mint**

## OPINION | FOUR INVESTING PHILOSOPHIES THAT ULTRA HNIs FOLLOW

Mint, Nov 26, 2019

Anirudha Taparia writes that the UHNIs tend to have two main portfolio objectives—capital protection and alpha generation.



CNBC  
TV18

## EXPECT MIDCAPS TO CATCH UP WITH LARGE CAPS IN 2020

CNBCTV18, December 27, 2019

CIO & Joint CEO of IIFL AMC, Anup Maheshwari says lenders with the strong retail franchise on asset & liability side will continue to do well; see some green shoots of economic recovery.



## Entrepreneur

### THE TECH PLAYER

Entrepreneur, November 7, 2019

Prashasta Seth, Senior Managing Partner, IIFL AMC shares his views on IIFL Seed Ventures Fund.



ASIAN PRIVATE BANKER 

### IIFL WAM's PAPNEJA ON ADVISORY SHIFT, ALTs DEMAND, ETFs TAKE-UP

Asian Private Banker, July 29, 2019

Umang Papneja, Senior Managing Partner and CIO of IIFL Wealth, discusses HNIs' shift into financial assets, demand for alternatives and ETFs, and how clients are engaging with the firm.



## DNA

### NEW-GEN WEALTHY INVESTORS PREFER EQUITIES

DNA, April 16, 2019

Millennial heirs and first-gen tech entrepreneurs are driving complete shifts in the way wealth is being managed, states Vinay Ahuja, Senior Managing Partner, IIFL Wealth.



 FINANCIAL EXPRESS  
Read to Lead

### WANT TO BECOME RICH? HERE'S HOW AND WHERE THE SUPER RICH INVEST

Financial Express, April 5, 2019

Shaji Kumar Devakar, Senior Managing Partner, IIFL Wealth writes that HNIs are looking beyond asset allocation and plain vanilla products in an attempt to safeguard their wealth and generate above-average returns on their investments.

ASIAN PRIVATE BANKER 

## HALF OF IIFL-ONE CLIENTS CHOOSE DISCRETIONARY MODEL

Asian Private Banker, May 8, 2019

From the wealth manager's perspective, Sandeep Jethwani, Senior Managing Partner and Head of Advisory, IIFL Wealth has seen a rise in the productivity of wealth advisors under the discretionary model, given that the portfolio analysis and construction is done by a "centralised team".

ASIAN PRIVATE BANKER 

## IIFL WM SEES RM HEADCOUNT RISE OVER 40% YOY

Asian Private Banker, April 26, 2019

You attract existing competition by showing them a better platform and growth path, and ownership within the firm, asserts Anirban Banerjee, Managing Partner and Head - Human Resources at IIFL Wealth.



**ET CIO.com**  
From The Economic Times

## THE NEXT BIG THING FOR WEALTH MANAGEMENT

ET CIO from Economic Times, July 3, 2019

Abhishek Chandra, Senior Partner and Head of Technology, IIFL Wealth shares insights on the changes expected in the CIO role in the future and the next big thing in the wealth management industry.



**mint**

## ARE SMALL-CAP FUNDS THE BIG TACTICAL OPPORTUNITY OF 2020?

Mint, Jan 7, 2020

Improving access to credit and the revival of the economy can help small-cap companies, states Gaurav Awasthi, Senior Partner, IIFL Wealth.

## Presence On Social Media



**LINKEDIN**  
32.9K followers



**TWITTER**  
20.7K followers



**FACEBOOK**  
13.9K followers



**INSTAGRAM**  
763 followers



IIFL Wealth at the 7th Alternative Investments Summit 2020



IIFL Wealth's Pramod Kumar featured in Forbes



Our Covid-19 Response



IIFL AMC featured in ET Mutual Funds



CEO's Column in the Indian Express



IIFL Wealth at IFSC in GIFT city



## Awards And Accolades

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We have won 20 awards during the year and 109 awards since inception. At the **2020 Euromoney Private Banking and Wealth Management Survey**, **IIFL Wealth** won all 16 awards including **Best Private Banking Services Overall - India**. Thank you to our peers, clients, investors and team for helping us become the best wealth and asset management company in India.



IIFL Wealth at Euromoney Private Banking 2020 Awards



- Best Private Banking Services Overall
- Best Mega High Net Worth Clients (USD 250mn+)
- Best Ultra High Net Worth Clients (USD 30mn - USD 250mn)
- Best High Net Worth Clients (USD 5mn - USD 30mn)
- Best Super Affluent Clients (USD 1mn - USD 5mn)
- Best Family Office Services
- Best Investment Management
- Best Next Generation
- Best Serving Business Owners
- Best Research and Asset Allocation Advice
- Best Capital Markets and Advisory
- Best International Clients
- Best Philanthropic Advice
- Best ESG / Impact Investing
- Best Data Management and Security
- Best Innovative or Emerging Technology Adoption



**PRIVATE BANKER**  
**INTERNATIONAL**  
 AWARDS 2019

- Outstanding Wealth Management Technology Initiative-Front End

**aiwmi**  
 Association of International  
 Wealth Management of India  
 AWARDS 2019

- Special Jury Award for Outstanding Contribution to Wealth Management
- Best Wealth Management App



- Best Private Bank, India



The background of the page is a composite image. The upper portion features the Colosseum in Rome, with its iconic tiered arches. The lower portion shows a steep, rocky mountain peak, likely Sugarloaf Mountain in Rio de Janeiro, with a cityscape visible at its base. Overlaid on these images are two large, white geometric patterns: a Sierpinski triangle in the upper left and a larger, more complex geometric pattern in the lower right. A thin white horizontal line is positioned above the title, and a thin white vertical line is on the left side of the page.

# Directors' Report

# Directors' Report

To the Members of  
**IIFL WEALTH MANAGEMENT LIMITED**

Your Directors have pleasure in presenting the **Thirteenth Annual Report** of IIFL Wealth Management Limited ("**the Company**") together with the Audited Financial Statements for the year ended March 31, 2020.

## 1. FINANCIAL RESULTS – THE HIGHLIGHTS OF THE FINANCIAL RESULTS

### STANDALONE FINANCIAL RESULTS\*

(₹ In millions)

Particulars	2019-20	2018-2019
Gross Total Income	5,684.07	5,932.10
Less: Expenditure	3,741.22	3,959.75
Profit/(Loss) Before Taxation	1,942.85	1,972.35
Less: Taxation – Current	51.04	593.04
– Deferred	(42.95)	(138.52)
<b>Net Profit / (Loss) After Tax</b>	<b>1,934.76</b>	<b>1,517.83</b>
Other Comprehensive Income	(5.68)	(1.97)
<b>Total comprehensive income for the year (Comprising profit and other comprehensive income)</b>	<b>1,929.08</b>	<b>1,515.86</b>

\* The results includes results from discontinued operations. For details Refer Note 33 of the Standalone Financial Statements.

### CONSOLIDATED FINANCIAL RESULTS

(₹ In millions)

Particulars	2019-20	2018-2019
Gross Total Income	15,274.76	15,794.09
Less: Expenditure	12,410.55	10,414.78
Profit/(Loss) Before Taxation	2,864.21	5,379.31
Less: Taxation – Current	693.56	1,643.72
– Deferred	159.01	(9.88)
<b>Net Profit / (Loss) After Tax</b>	<b>2,011.64</b>	<b>3,745.47</b>
Other Comprehensive Income	52.82	98.10
<b>Total comprehensive income for the year (Comprising profit and other comprehensive income)</b>	<b>2,064.46</b>	<b>3,843.57</b>



## 2. COMPOSITE SCHEME OF ARRANGEMENT

IIFL Finance Limited (erstwhile IIFL Holdings Limited) and its subsidiaries re-organised their corporate structure, through a composite scheme of arrangement, resulting in three separate entities; each listed on stock exchanges in India, One for each branch of the business earlier being undertaken by IIFL Finance Limited (Erstwhile IIFL Holdings Limited) 1. Loans and Mortgages; 2. Wealth and Asset Management; and 3. Capital Markets.

As informed earlier, the Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Company, IIFL Finance Limited, India Infoline Finance Limited, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Distribution Services Limited and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme was then filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), pursuant to which the Hon'ble NCLT directed the Company to hold a meeting of its equity shareholders on December 12, 2018. The equity shareholders of the Company at the NCLT convened meeting on December 12, 2018 approved the Composite Scheme of Arrangement with requisite majority. The Hon'ble NCLT vide its order passed on March 07, 2019 sanctioned the Composite Scheme of Arrangement and the Company received the order on March 15, 2019.

As a result of the scheme the Wealth Business undertaking was demerged as a separate listed entity. As a consideration to the shareholders of IIFL Finance Limited, One (1) fully paid up share of ₹2/- each was issued to the shareholders of IIFL Finance Limited, for every Seven (7) shares of the Company held by them, as on June 6, 2019. Further, the fractional entitlement, if any, was paid to the shareholders, by selling the fractional shares in market, as per the SEBI guidelines. Accordingly, 4,56,04,924 equity shares of ₹2/- each of the Company were issued and allotted in aggregate to the Shareholders of the Company.

The appointed date for the scheme was November 22, 2018. The Scheme came into effect from May 13, 2019.

Pursuant to the scheme the Company had filed the Listing Application with Stock Exchange(s) and the In-principle approval for listing of equity shares of the Company was received on August 19, 2019 (NSE) and August 21, 2019 (BSE). Accordingly, the shares of the Company were listed on Stock Exchange(s) on September 19, 2019.

The Scheme can be accessed on Company's website [www.iiflwealth.com](http://www.iiflwealth.com)

## 3. REVIEW OF BUSINESS AND OPERATIONS

Total Assets under management are ₹1,60,034 Crs as on March '20. The wealth management business has client assets of ₹1,52,664 Crs, while the Asset Management business has ₹21,940 Crs of assets under management as on March '20 of which ₹15,996 Crs are AIF Assets, ₹4,643 Crs are PMS Assets and ₹1,300 Crs are Mutual Fund assets.

Gross Revenues from operations declined 3.4% to ₹1,527 Crs. Net Revenue from Operations declined 10.1% YoY to ₹920 Crs primarily due to the shift made in our revenue model in FY20 wherein we moved all distribution commissions earned from Third Party manufacturers to Annuity / Trail mode.

Our focus on increasing Annual Recurring Revenue (ARR) generating Assets during the year resulted in an increase in ARR assets by 7.4% to ₹62,595 Crs and the Recurring revenues increasing by 20% YoY to ₹535 Crs for the year. Further the IIFL-One Offering has been well received by clients with Assets Under Management increasing by 103% YoY to ₹17,720 Crs and revenues increasing 140% YoY to ₹35 Crs Overall Net flows during the year were ₹12,434 Crs under the tough economic conditions experienced during the year.

Fixed employee costs have reduced by 2.3% YoY to ₹300 Crs, Administration costs have also decreased by 6.8% YoY to ₹180 Crs. Operating Profits before Tax have reduced 27.9% YoY to ₹356 Crs and Profit after Tax has declined 46.2% to ₹206 Crs for the year.

Consolidated Net worth stood at ₹2,992 Crs Vs ₹2,910 Crs in FY19 and average Net worth Ex-Goodwill and intangibles stood at ₹2,675 Crs Vs ₹2,242 Crs in FY19. Return on Equity (ROE) Ex-Goodwill & Intangibles has declined to 8% from 17% YoY primarily driven by the reduction in PAT YoY.

## 4. MACROECONOMIC OVERVIEW

While India was one of the fastest growing major economies in the world growing at 6.1% in FY19, hiding behind this number was a story of a progressive decline - with GDP growth slowing down to 3.1% by Q4 of FY20 and 4.2% for the year.

However, the recessionary trends witnessed in FY20 have significantly worsened in the first quarter of FY21, with the Covid-19 pandemic outbreak. To stall the transmission of the virus, India declared a centrally-imposed national lockdown towards the end of March 2020, which continues in some parts of the

country. The lockdown has had a severe impact on the economy and also created a massive humanitarian crisis among temporary, migrant labourers who were suddenly left without a source of livelihood in the cities, and hence, had to return to their homes in the countryside.

Both the Reserve Bank of India (RBI) and the Government have taken concerted efforts to reduce the impact of the Covid-19 crisis. The RBI reduced key rates including Repo rate to 4%, Reverse Repo to 3.35% and CRR to 3%. It also unveiled an unprecedented Moratorium policy on loans given by banks and NBFCs applicable to the period April to August 2020. Further, the government arranged for a fiscal stimulus that includes loan guarantees for NBFCs, provision of cheap credit to NBFCs, and Micro, small and medium enterprises (MSME), and increased the thresholds for classifying companies as MSME.

The RBI's monetary measures, along with benign inflationary expectations should keep interest rates low in the short term. However, India's credit rating downgrade, higher retail food inflation and larger government borrowing to pay for the fiscal stimulus, may act as countervailing factors. The government's fiscal deficit is estimated to increase from 4.6% in FY20 to 7% in FY21.

The external sector offers a silver lining. While FY 20 was a good year, with current account deficit narrowing, FY21 is expected to be even better largely driven by the sharp correction in oil prices and decline in imports of discretionary items. Foreign exchange reserves have recently crossed the US\$500 billion mark, which gives India a healthy war chest to ride through the economic storm.

This stimulus and some of the pent-up consumption expected after the lockdown is lifted should help revive the economy to some extent. However, the timing and speed of any recovery remains difficult to forecast. IMF forecasts India's 2020 GDP growth rate to be -4.5% before rebounding to 6% in 2021.

The long-term growth drivers, however remain intact and growth is most likely to normalize by FY22. Growth would also be supported by the likely shift of some global manufacturing from China to India as disruption in supply chain due to Covid-19 has highlighted the risk of overdependence on a single country. This should benefit India as factors like concessionary corporate tax rate of 15% for new manufacturing units, skilled population, relatively low wages, abundant natural resources, improving ease of doing business and a large domestic market, will work in its favour.

## FUTURE BUSINESS OUTLOOK

The global economy has entered a period of significant uncertainty: assets have re-priced, interest rates have dropped, and market volatility has increased. Given the very nature of the pandemic crisis - an external shock pushing the global real economy into severe recession - it would be prudent to think long term and refrain from short-sighted actions.

India's economic fundamentals remain strong we are optimistic about opportunities to create wealth, which, together with the financialization of savings will in turn continue to drive demand for wealth management services. Further we expect wealth growth to resume by FY22.

However, the immediate aftermath of this crisis has led to AUM declines and a temporary halt in wealth creation and net new flows resulting in underlying revenue drivers facing significant challenges. The overall business direction therefore remains unaltered, which include sharpening our client value proposition and accelerating our investments in people and technology.

Therefore, we are preparing for a challenging outlook in the near term while simultaneously focusing and preparing our business to capture long term growth potential by:

- Enhancing our delivery platform and operating model to effectively combine the expertise provided by the physical presence of an RM, with the efficiency, convenience and scalability of a digital platform to take the client experience to the next level
- Continuous focus on cost and productivity optimizations to generate positive operating leverage and improve cost to income ratios and optimization of capital deployed to enhance ROE
- Consolidate our market share and drive growth via differentiated product offerings and evaluate inorganic opportunities to enhance the growth trajectory

## 5. DIVIDEND

During the period under review, your Company has declared interim dividends of ₹10/- per share having face value of ₹2 each, on October 21, 2019 and January 22, 2020, involving a total outlay of ₹173.96 Crs (excluding Dividend Distribution Tax).

The dividend payout for the year under review is in accordance with the Company's policy to pay sustainable dividend linked to long-term growth objectives of the Company, to be met by internal cash accruals.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has adopted a Dividend Distribution Policy which is annexed as **Annexure IV** and is available on the Company's website at [www.iiflwealth.com](http://www.iiflwealth.com)

## 6. SHARE CAPITAL

During the period under review, your Company has allotted 26,59,718 equity shares in aggregate, pursuant to scheme of arrangement and exercise of stock options by eligible employees under the IIFL Wealth Employee Stock Option Schemes.

Accordingly, the total paid-up share capital of the Company as on March 31, 2020 was increased to ₹17,43,62,084 divided into 8,71,81,042 equity shares of ₹2/- each.

During FY 2019-20 the Authorised Share Capital of the Company was increased from ₹20,00,00,000 (Rupees Twenty Crores) to ₹26,53,00,000 (Twenty-Six Crores Fifty-Three Lakh) divided into 13,26,50,000 (Thirteen Crores Twenty-Six Lakh Fifty Thousand) shares of ₹2/- each.

## 7. TRANSFER TO RESERVES

During the period under review, the Company has not transferred any amount to General Reserve.

## 8. DEPOSITS

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

## 9. DETAILS OF SUBSIDIARIES

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

As per the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with applicable Rules, Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Indian Accounting Standards ("Ind AS"), the Board of Directors had at their meeting held on June 11, 2020 approved the Consolidated Financial Statements of the Company and its subsidiaries. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board

of Directors and Report of the Auditors of each of the subsidiary companies are not attached to the accounts of the Company for the financial year 2019-20. The Company will make these documents/ details available upon request by any Member of the Company. These documents/details will also be available for inspection by any Member of the Company at its registered office and at the registered offices of the concerned subsidiaries during business hours on working days and through electronic means. Members can request the same by sending an email to [secretarial@iiflw.com](mailto:secretarial@iiflw.com) till the Annual General Meeting. The Annual Reports of all the subsidiaries are available on the website of the Company [www.iiflwealth.com](http://www.iiflwealth.com). The Company's financial statements including the accounts of its subsidiaries which form part of this Annual Report are prepared in accordance with the Companies Act, 2013 and Ind AS 110.

During the year under review, the Company incorporated, a wholly owned subsidiary namely IIFLW CSR Foundation, registered under section 8 of the Companies Act, 2013, to execute the CSR activities of the IIFL Wealth group.

The Company's Wholly Owned Subsidiary, IIFL Wealth Finance Limited has acquired IIFL Wealth Capital Markets Limited (Formerly known as L&T Capital Markets Limited), engaged in the Wealth Management business, on April 24, 2020.

As at date of report, your Company has following subsidiaries:

### DOMESTIC SUBSIDIARIES

- i. IIFL Wealth Finance Limited,
- ii. IIFL Wealth Distribution Services Limited (formerly known as IIFL Distribution Services Limited),
- iii. IIFL Asset Management Limited,
- iv. IIFL Investment Adviser and Trustee Services Limited,
- v. IIFL Wealth Portfolio Managers Limited (formerly known as IIFL Portfolio Managers Limited),
- vi. IIFL Trustee Limited,
- vii. IIFL Wealth Securities IFSC Limited,
- viii. IIFL Altior Advisors Limited (formerly known as IIFL Altior Advisors Private Limited),
- ix. IIFL Wealth Capital Markets Limited (Formerly known as L&T Capital Markets Limited)
- x. IIFLW CSR Foundation

**INTERNATIONAL SUBSIDIARIES**

- i. IIFL Asset Management (Mauritius) Limited,
- ii. IIFL Private Wealth Management (Dubai) Limited,
- iii. IIFL (Asia) Pte. Limited,
- iv. IIFL Private Wealth Hong Kong Limited,
- v. IIFL Inc.,
- vi. IIFL Capital (Canada) Limited,
- vii. IIFL Capital Pte. Limited,
- viii. IIFL Securities Pte. Limited

IIFL Wealth Finance Limited and IIFL Asset Management Limited are the Material Subsidiaries of the Company during the period under review.

The Company does not have any Associate/Joint Venture company.

The Annual Report which consists of the financial statements of your Company on standalone basis as well as consolidated financial statements of the group for the year ended March 31, 2020, is being sent to all the members of your Company.

The policy on determining the material subsidiary is available on the website of the Company.

**10. CORPORATE GOVERNANCE**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation, 2015"), a separate section 'Corporate Governance Report' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

**11. ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2020 once prepared shall be disclosed on your Company's website [www.iiflwealth.com](http://www.iiflwealth.com).

An extract of the Annual Return as on March 31, 2020 in Form MGT-9 is annexed as **Annexure - IV** to this Report.

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. DIRECTORS**

The Board of your Company consists of Mr. Karan Bhagat, Managing Director of the Company, Mr. Nilesh Vikamsey (Chairman of the Board), Ms. Geeta Mathur,

Dr. S. Narayan and Mr. Pankaj Vaish are Independent Directors, Mr. Nirmal Jain, Mr. R. Venkataraman, Mr. Gopalakrishnan Soundarajan and Mr. Yatin Shah are Non-Executive Directors and Mr. Sandeep Naik and Mr. Shantanu Rastogi are Nominee Directors (nominated by General Atlantic Singapore Fund Pte Ltd) of the Company.

Mr. Nilesh Vikamsey, Dr. S. Narayan, Mr. Pankaj Vaish and Ms. Geeta Mathur have submitted their declaration of independence under section 149(6) of the Companies Act, 2013.

**DIRECTORS RETIRING BY ROTATION**

Mr. Karan Bhagat and Mr. Yatin Shah retires by rotation at the Thirteenth Annual General Meeting (AGM) of the Company and are eligible for re-appointment.

**APPOINTMENT / RE-APPOINTMENT**

The Board of Directors of the Company, at its meeting held on January 22, 2020, based on the recommendation of the Nomination and Remuneration Committee (NRC) have appointed Mr. Pankaj Vaish (DIN: 00367424), as an Independent Director for a term of 5 (five) years from January 22, 2020 to January 21, 2025 and Mr. Gopalakrishnan Soundarajan (DIN: 05242795), as a Non- Executive Director, liable to retire by rotation .

Further, the Board at its meeting held on January 22, 2020, based on the recommendation of the NRC and further based on the performance evaluation, have recommended the re-appointment of Ms. Geeta Mathur (DIN: 02139552), as an Independent Director for second term of 5 (five) years from March 3, 2020 to March 2, 2025.

The aforesaid appointments are subject to the approval of the shareholders of the Company and are part of the notice of the Annual General Meeting.

**INDEPENDENT DIRECTORS' DATA BASE & PROFICIENCY TEST**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs name of every Independent Director should be registered in the database of Independent Directors maintained by Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

The opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of Independent Directors is complied with.

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

The Board of Directors have met Nine (9) times during the period under review to discuss and approve various matters



including financials, appointment of auditor, declaration of interim dividend, review of audit reports and other board businesses. For further details kindly refer the Corporate Governance Report.

## ii. Committees of the Board

In accordance with the Companies Act, 2013, the Board has constituted following Committees as per the applicable provision of the Companies Act, 2013 and the 'SEBI LODR Regulation, 2015'.

- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee.
- (iii) Corporate Social Responsibility Committee.
- (iv) Stakeholders' Relationship Committee.
- (v) Risk Management Committee.
- (i) Audit Committee

The Audit Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur, Mr. Pankaj Vaish and Mr. Shantanu Rastogi. Ms. Geeta Mathur is the Chairperson of the Committee. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013, the SEBI (LODR) Regulations, and the internal policies. The Committee met 5 (five) times during the year under review and discussed on financials, audit issues and appointment of auditors. During the period under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

The details including the meetings, role, terms of reference, etc. of the Audit Committee are provided in the Corporate Governance Report.

### (ii) Nomination and Remuneration Committee

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

The details including the frequency of meetings, role, terms of reference, etc. of the Nomination and Remuneration

Committee are provided in the Corporate Governance Report.

### (iii) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Nilesh Vikamsey, Mr. Nirmal Jain, Mr. Karan Bhagat and Mr. Sandeep Naik, Mr. Karan Bhagat is the Chairman of the Committee.

The Company has also incorporated IIFLW CSR foundation, under section 8 of the Companies Act, 2013 to execute IIFL Wealth group CSR activities.

The details including the meetings, role, terms of reference, etc. of the CSR Committee are provided in the Corporate Governance Report.

### (iv) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee comprises of Mr. Venkataraman Rajamani, Ms. Geeta Mathur and Mr. Yatin Shah.

The details including the frequency of meetings, role, terms of reference, etc. of the Stakeholders' Relationship Committee are provided in the Corporate Governance Report.

### (v) Risk Management Committee

Risk Management Committee comprises of Mr. Venkataraman Rajamani, Ms. Geeta Mathur, Mr. Karan Bhagat, Mr. Shantanu Rastogi and Mr. Nilesh Vikamsey.

The objective of the Risk Management Committee is to oversee the Risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risk.

The details including the role, objectives/ terms of reference of the Risk Management Committee are provided in the Corporate Governance Report.

### iii. Separate meeting of Independent Directors

In compliance with provisions of the Companies Act, 2013, a separate meeting of Independent Directors was held on March 30, 2020 inter alia, to discuss the following:

- Review the performance of non-independent directors and the Board as a whole;



- Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the Company management and the Board/ Committees of the Board from time to time.

#### iv. Annual Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015 and SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee ("NRC").

The Board noted the key improvement areas emerging from the exercise in 2019-20 and action plans to address these are in progress.

The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions given earlier.

#### v. Declaration by Independent Directors

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independent laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no change in the circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact the ability of Independent Directors to discharge their duties with an objective of independent judgment and without any external influence.

#### b. Key Managerial Personnel

The following officials of the Company continue to be the "Key Managerial Personnel" pursuant to the provisions of Section 203 of the Companies Act, 2013 and the applicable provisions of the SEBI LODR Regulations, 2015:

- Mr. Karan Bhagat, Managing Director,
- \*Mr. Yatin Shah, Whole Time Director (upto June 11, 2020)
- Mr. Mihir Nanavati, Chief Financial Officer and
- Mr. Ashutosh Naik, Company Secretary and Compliance Officer.

### 13. BOARD EFFECTIVENESS

#### Familiarisation Program for the Independent Directors

In compliance with the requirements of SEBI LODR Regulation, 2015, the Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates and business model etc.

On a quarterly basis, presentations are made at the meeting of Board and Committees, on business, operations and performance updates of the Company and the group, important developments in the subsidiaries, relevant statutory and regulatory changes applicable to the Company, update on important legal matters pertaining to the Company and its subsidiaries.

Details of the Familiarisation Programme are provided in the Corporate Governance Report and are also available on the website of the Company.

### 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

All CSR efforts have been directed towards developing and deploying 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.

In alignment with this objective, in FY19-20, 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.

In FY20, of the limit of ₹9,16,97,422, the company has spent ₹6,02,76,854 and has an unspent amount of ₹3,14,20,568. IIFL Wealth Group will be able to effectively deploy the unspent CSR corpus over the next financial year.

Going forward, your Company seeks to launch Multi-city, multi-themed projects pan-India. The key Geographies targeted include Delhi, Bangalore, Chennai, Kolkata, Pune, Ahmedabad and Kochi. The themes your company proposes to work on include Education, Environment, Technology Incubators, Healthcare, Sports and Community Awareness. The projects will be a healthy mix of national and regional projects

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

## 15. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure – III" to this report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid

Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and through electronic means, up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at [secretarial@iifl.com](mailto:secretarial@iifl.com), whereupon a copy would be sent.

## 16. EMPLOYEE STOCK OPTION/ PURCHASE SCHEME

The stock options granted to the employees of the Company and its subsidiaries currently operates under the following Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

- IIFL Wealth Employee Stock Option Scheme – 2012
- IIFL Wealth Employee Stock Option Scheme – 2015
- IIFL Wealth Employee Stock Option Scheme – 2019
- IIFL Wealth Employee Stock Option Scheme- Demerger Scheme

Sr. no.	Heading	Particulars												
A	Number of options granted during the year	24,66,821												
B	Exercise Price (per share)	700 @ ₹16 250 @ ₹19 14,24,113 @ ₹282 2,62,629 @ ₹339 2,85,595 @ ₹417 3,572 @ ₹25.79 50,000 @ ₹26.47 2,073 @ ₹31.05 3,572 @ ₹61.4 22,290 @ ₹82.02												
C	Options Vested during the year	16,23,920												
D	Options Exercised during the year	20,54,794												
E	Total no. of shares arising as result of exercise of Options	20,54,794												
F	Options lapsed (Re-allocable)	2,26,205												
E	Variation in terms of Options	Nil												
G	Money realised by exercise of Options (In ₹)	61,32,67,697.13												
H	Total number of options in force	36,77,453												
I	Employee wise details of options granted to:													
	- Key Managerial Personnel	<table><tr><th>Name</th><th>Options</th></tr><tr><td>Mihir Nanavati, Chief Financial Officer</td><td>2,125</td></tr><tr><td>Ashutosh Naik, Company Secretary</td><td>1,625</td></tr></table>	Name	Options	Mihir Nanavati, Chief Financial Officer	2,125	Ashutosh Naik, Company Secretary	1,625						
Name	Options													
Mihir Nanavati, Chief Financial Officer	2,125													
Ashutosh Naik, Company Secretary	1,625													
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	<table><tr><th>Name</th><th>Options</th></tr><tr><td><b>ESOP 2019 Scheme</b></td><td></td></tr><tr><td>Anshuman Maheshwary</td><td>3,50,000</td></tr><tr><td>Anup Maheshwari</td><td>7,30,570</td></tr><tr><td>Mayur Patel</td><td>1,82,715</td></tr><tr><td>Mehul Jani</td><td>1,82,715</td></tr></table>	Name	Options	<b>ESOP 2019 Scheme</b>		Anshuman Maheshwary	3,50,000	Anup Maheshwari	7,30,570	Mayur Patel	1,82,715	Mehul Jani	1,82,715
Name	Options													
<b>ESOP 2019 Scheme</b>														
Anshuman Maheshwary	3,50,000													
Anup Maheshwari	7,30,570													
Mayur Patel	1,82,715													
Mehul Jani	1,82,715													
	- identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant	Nil												

A certificate from the Auditors of the Company that the Scheme have been implemented in accordance with the SBEB Regulations would be placed at the ensuing Annual General Meeting ("AGM") for inspection by Members through electronic means.

The disclosure requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP Schemes, in respect of the year ended March 31, 2020, are disclosed on the Company's website - [www.iiflwealth.com](http://www.iiflwealth.com)

## 17. RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY

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

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

## 18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND THE COMPANY'S FUTURE OPERATIONS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

## 19. STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells. LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 were appointed as the Statutory Auditors of the Company at the AGM of the shareholders held on July 27, 2015, for a term of five years i.e. till the conclusion of ensuing 13th AGM (to be held in calendar year 2020). As M/s. Deloitte Haskins & Sells LLP has already served as Statutory Auditors of the Company for one term of five consecutive years, hence pursuant to section 139 of the

Companies Act, 2013, they can be re-appointed for a second term of five years.

Appropriate resolution seeking Members' approval for the re-appointment of M/s. Deloitte Haskins & Sells. LLP as the Statutory Auditors of the Company is appearing in the Notice convening the ensuing AGM of the Company.

Pursuant to Section 139, 142 and other applicable provision of the Act, the resolution for appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 as recommended by the Audit Committee and the Board, as Statutory Auditor of the Company to hold office for a second term of 5 years i.e. from the conclusion of 13th AGM till the conclusion of 18th AGM (to be held during calendar year 2025), will be placed for the approval of Members of the Company at the ensuing AGM.

M/s. Deloitte Haskins & Sells LLP has provided a written consent and confirmed that they are eligible to act as Statutory Auditor of the Company.

## 20. AUDITORS' REPORT

The Reports of the Statutory Auditors on Standalone and Consolidated Financial Statements of the Company forms part of this Annual Report.

There are no qualifications, reservations or observations by the Statutory Auditors in their report for the financial year ended March 31, 2020.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors have not reported any incident of fraud committed in the Company by its officers or employees to the Audit Committee under Section 143 (12) of the Companies Act, 2013, in the year under review.

## 21. SECRETARIAL AUDIT

During the year under review, the Secretarial Audit was conducted by M/s. Mehta & Mehta, Practicing Company Secretaries. The report of the Secretarial Audit is annexed herewith as **Annexure - V**. There are no qualifications contained, in the said Report.

## 22. FEMA COMPLIANCE

With reference to Circular No. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 ("FDI Policy") relating to Foreign Direct Investment Policy, the Company complied with FDI Policy and various circulars issued by Reserve Bank of India from time to time.

## 23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of loans, guarantees or investments made are provided in the standalone financial statement.

## 24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The policy provides for identification of Related Party Transactions (RPTs), necessary approvals by the Audit Committee/Board/ Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and provisions of SEBI LODR Regulation, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company, except the transaction stated in the Form AOC-2 annexed as **Annexure – VI** pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 to be reported under Section 188(1) of the Companies Act, 2013. However, all the related party transactions were on arms' length basis.

During the year under review the Company has obtained the shareholders' approval on Material Related Party Transaction through Postal ballot.

No contract/ arrangement has been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. The transactions with related party are disclosed by way of notes to accounts in the standalone financial results of the Company for the financial year ended March 31, 2020.

The Company's policy on dealing with the Related Party Transactions is available on the Company's website: [www.iiflwealth.com](http://www.iiflwealth.com).

## 25. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended below:

### CONSERVATION OF ENERGY

The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption.

However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power,
- 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,
- Minimizing air-conditioning usage,
- Shutting off all the lights when not in use, and
- Education and awareness programs for employees.

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

### TECHNOLOGY ABSORPTION AND INNOVATION

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

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

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



**RESEARCH AND DEVELOPMENT (R & D)**

The Company is engaged in distribution of various financial products and advising clients on wealth management through mutual fund and alternative investment fund platform, which entails internal research of investment products, sectors and markets.

**FOREIGN EXCHANGE EARNING AND OUTGO**

- a) The foreign exchange earnings: ₹11.88 Million
- b) The foreign exchange expenditure: ₹178.99 Million

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

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

Your Directors further state that your Company has formulated and adopted a 'Policy for Prevention / Prohibition / Redressal of Sexual Harassment of Women at the Workplace', and that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**27. 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;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**28. COMPLIANCE WITH THE SECRETARIAL STANDARDS**

The Board of Directors affirms that the Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**29. BUSINESS RESPONSIBILITY REPORT**

A Business Responsibility Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by your Company on the environmental, social and governance front, forms an integral part of this report.

**30. REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

**31. RISK MANAGEMENT REPORT**

In terms of the provisions of Section 134 of the Companies Act, 2013, a Risk management report is set out in the Management Discussion and Analysis Report.

**ACKNOWLEDGEMENTS**

Your Directors would like to place on record their gratitude for the valuable guidance and support received from regulatory agencies. Your Directors acknowledge the support of the members and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism.

**For and on behalf of the Board of Directors**

-Sd-

**Karan Bhagat**  
Managing Director  
DIN: 03247753

-Sd-

**Mr. Yatin Shah**  
Director  
DIN: 03231090

Date: June 11, 2020

Place: Mumbai



# Annexures to the Directors' Report

## **ANNEXURE – I**

### **NOMINATION AND REMUNERATION POLICY**

#### **I. OBJECTIVE**

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

#### **II. DEFINITIONS**

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
3. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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

#### **III. ROLE OF COMMITTEE**

- To guide the Board in relation to appointment and removal of Directors, and Senior Management.
- To recommend to the Board on policy on Remuneration payable to the Directors, and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- Recommend to the board, all remuneration, in whatever form, payable to senior Management
- Administration and superintendence of the ESOP Scheme(s)

#### **IV. APPOINTMENT AND REMOVAL OF DIRECTOR AND SENIOR MANAGEMENT**

##### **1. APPOINTMENT CRITERIA AND QUALIFICATIONS**

- a) A person being appointed as director or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

- b) Independent director:

##### **(i) Qualifications of Independent Director**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

##### **(ii) Positive attributes of Independent Directors**

An Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### **2. REMOVAL**

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

##### **3. RETIREMENT**

The Director and Senior Management Personnel shall retire as per the applicable

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

## V. REMUNERATION

### A. DIRECTORS

#### a. Executive Directors (Managing Director, Manager or Whole Time Director):

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
  - the relationship of remuneration and performance benchmark;
  - balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals;
  - responsibility required to be shouldered, the industry benchmarks and the current trends;
  - the Company's performance vis-à-vis the annual budget achievement and individual performance.

#### b. Non-Executive Director:

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the

amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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

### B. SENIOR MANAGERIAL PERSONNEL

The remuneration to the and Senior Management Personnel will be based on following guidelines:

- a. Maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company;
- b. compensation should be reasonable and sufficient to attract retain and motivate and senior management;
- c. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the company;
- d. Remuneration shall also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

### C. RESEARCH ANALYSTS

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee

- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and
  - b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

## VI. EVALUATION

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

## VII. OTHER DETAILS

### Membership

The Committee shall consist of minimum 3 non-executive directors, majority of them

being independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

### Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. An Annual Meeting will be held to review the performance of Directors / Senior Management and approve re-appointment of Director(s)

### Secretary

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

## **ANNEXURE – II**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 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]

#### **1. OUTLINE OF CSR POLICY**

The CSR Policy and projects of IIFL Wealth Management 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:

- a. Growth
- b. Integrity
- c. Fairness
- d. Transparency
- e. Service Orientation

By applying these values to the CSR projects, IIFL Wealth Management Limited undertakes initiatives that create sustainable growth and empowers underprivileged sections of society.

The focus areas prioritized by IIFL Wealth Management Limited in its CSR strategy are given below:

- Development of National Level Sports – Haryana & Maharashtra
- Medical aid for the lesser privileged – Maharashtra, Delhi, Tamil Nadu & Karnataka
- Conservation of Environment – Maharashtra
- Promotion of Education for underprivileged – Uttarakhand, Chhattisgarh, Jharkhand
- Elevation of Female Child Literacy – Rajasthan
- Support to the Differently-abled - Tamil Nadu, Maharashtra
- Covid-19 Relief initiatives

#### **2. COMPOSITION OF THE CSR COMMITTEE**

IIFL Wealth Management Limited has constituted a CSR Committee of the Board that fulfills all requirements of Section 135 of the Companies Act 2013 (hereinafter referred to as Section 135). The members constituting the Committee have been listed below:

- Mr. Nirmal Jain
- Mr. Nilesh Vikamsey
- Mr. Karan Bhagat
- Mr. Sandeep Naik

#### **3. PRESCRIBED CSR SPEND OF IIFL WEALTH MANAGEMENT LTD.**

##### **a) Average net profit of the company for last three financial years**

The average net profit of the company of the last three financial years was calculated to be ₹1,83,73,50,883/-

##### **b) Prescribed CSR Expenditure**

The recommended CSR expenditure for IIFL Wealth Management Limited as per Section 135 for the financial year 2019-20 was ₹3,67,47,017/-

##### **c) Amount Spent**

During the financial year 2019-20, IIFL Wealth Management Ltd. managed to spend about ₹2,70,31,535/- of its prescribed CSR Expenditure on various social development activities across India.

##### **d) Amount unspent**

An amount of ₹97,15,483/- 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.

#### 4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

During FY 2019-20, IIFL Wealth Management Ltd. spent a total of ₹2,70,31,535/- on CSR projects. A breakdown of the manner in which this expenditure was made has been depicted in the table given below.

Sr. No.	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure up to Reporting Period	Amount Spent: Direct or through Implementing Agency
1	Development of National Level Sports	Promotion of Sports	Dist. – Mumbai, State – Maharashtra Dist. – Gurgaon, State – Haryana	1,27,65,680/-	Direct - 1,27,65,680/-	1,27,65,680/-	1,27,65,680/- Through India Infoline Foundation
2	Medical Aid for lesser privileged	Medical	Dist. – Mumbai & Pune, State – Maharashtra Dist. – Central Delhi, State – Delhi Dist. – Chennai, State – Tamil Nadu Dist. – Bengaluru, State – Karnataka	63,25,285/-	Direct - 63,25,285/-	63,25,285/-	63,25,285/- Through India Infoline Foundation
3	Conservation of Environment - Tree Plantation & Awareness Drives	Environment	Dist. – Mumbai, State – Maharashtra	21,00,000/-	Direct - 21,00,000/-	21,00,000/-	21,00,000/- Through India Infoline Foundation
4	Promotion of Education for underprivileged	Education	Dist. - Dehradun, State – Uttarakhand Dist. - Bilaspur, State – Chhattisgarh Dist.- Ranchi, State – Jharkhand Dist. – Faridabad, State - Haryana.	44,75,000/-	Direct - 44,75,000/-	44,75,000/-	44,75,000/- Through India Infoline Foundation
5	Promotion of Education to school dropout children (Female)	Education	Dist. – Pratapgarh & Ajmer, State - Rajasthan	2,65,000/-	Direct - 2,65,000/-	2,65,000/-	2,65,000/- Through India Infoline Foundation
6	Support to the Differently Abled	Differently Abled	Dist. – Chennai, State - Tamil Nadu, Dist. – Pune & Mumbai, State – Maharashtra.	7,50,000/-	Direct - 7,50,000/-	7,50,000/-	7,50,000/- Through India Infoline Foundation

##### Brief description of key projects

##### 1) Development of National-level Sports & Sportsman:

India has always lacked behind in sports despite having no dearth of talent and people. What is needed is adequate exposure, proper coaching and support to the players. India Infoline Foundation organizes grass root level yet International class sports tournaments to not only identify but nurture talent and provide necessary platform for the budding sports enthusiast to excel and move up the charts. Sportsman are supported to perform at National & International events viz. visually challenged Aryan Joshi is an upcoming budding talent in the chess arena, is supported by IIFL.

##### 2) Medical camps for the lesser privileged:

Medical camps addressing multiple facets to better health were conducted across the year, in various states as Maharashtra, Karnataka, Tamil Nadu & Delhi. The support includes provision of medical treatments to the lesser privileged sector of the society & conducting health checkup camps, creating awareness through touching topics as – Early Cancer Detection, Diet education for diabetic, CPR, First Aid, Yoga, etc.

##### 3) Conservation of Environment:

Activities to transform the village into 'Green' by engaging the adolescent population to plant and conserve trees. The intervention was strengthened



through active participation by the communities, as the sarpanch, ward-panch and local bodies joined the drive to sustain the activity in coming time. Initiatives for tree plantation, upcycling of goods & effective garbage disposal were undertaken in the TIER 1 (urban) cities.

**4) Promotion of Education for underprivileged:**

The initiative aims to fulfil the constitutional 'Right of children to Free and compulsory Education Act, 2009'. The focus is over reaching out to the children from the lower strata of the society with educational program, ensuring that every child attains at least basic functional literacy and mathematical operations. Education is the key to widen the opportunities for every child and we dedicatedly aspire to do so.

**5) Promotion of Education to school dropout children (Females):**

It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. India Infoline Foundation has vowed to change this in next few years through starting community schools which are multi grade multi-level schools started in the villages as per the convenience of the girls to enable them to get educated. With 1164 such schools called "*Sakhion ki Baadi*" across 10 districts, India Infoline foundation has already brought back over 34,452 girls into the fold of education.

**6) Support to the Differently Abled – Impaired Vision:**

Interventions were done primarily at Chennai, Pune and Mumbai, by setting up free eye check-up camps. The patients were screened and then, accordingly offered further treatment viz. provision of spectacles, cataract operations, etc.

**5. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE**

Through this report, IIFL Wealth Management Limited seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the company and the CSR

Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalized segments of society. The company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the company has also established a monitoring mechanism to track the progress of its CSR projects.

**6. REASONS FOR NOT SPENDING THE AMOUNT DURING THE FINANCIAL YEAR**

With the demerger and subsequent listing of IIFL Wealth Management Ltd, 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.

**For and on behalf of the Board of Directors**

-Sd-

**Karan Bhagat**  
Chairman,  
CSR Committee &  
Director  
DIN: 03247753

Date: June 11, 2020

Place: Mumbai

-Sd-

**Mr. Yatin Shah**  
Director  
DIN: 03231090

**ANNEXURE – III****DISCLOSURES PURSUANT TO RULE 5 OF COMPANIES****(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****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
1.	Mr. Nilesh Vikamsey	Independent Director and Chairman	NA
2.	Mr. Nirmal Jain	Non-Executive Director	NA
3.	Mr. Venkataraman Rajamani	Non-Executive Director	NA
4.	Mr. Karan Bhagat	Managing Director	32
5.	Mr. Yatin Shah*	Non Executive Director	18
6.	Mr. Shantanu Rastogi	Non-Executive Director	NA
7.	Mr. Sandeep Naik	Non-Executive Director	NA
8.	Ms. Geeta Mathur	Independent Director	NA
9.	Mr. Pankaj Vaish	Independent Director	NA
10.	Dr. S. Narayan	Independent Director	NA
11.	Mr. Gopalakrishnan Soundarajan	Non-Executive Director	NA

\* Remuneration upto December 31, 2019.

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

Nil

**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 (-31)%

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

111 employees

**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 0.4% and managerial personnel (-6) % excluding ESOPs.

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

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

**For and on behalf of the Board of Directors**

-Sd-

-Sd-

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Mr. Yatin Shah**  
Director  
DIN: 03231090

Date: June 11, 2020

Place: Mumbai

**ANNEXURE – IV****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:	U74140MH2008PLC177884
ii) Registration Date	17/01/2008
iii) Name of the Company	IIFL Wealth Management Limited
iv) Category / Sub-Category of the Company	Non- Government Public Company Limited by shares
v) Address of the Registered office and contact details	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Tel No.: 022-4876 5600 Fax No.: 022- 4875 5606
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. 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
Distribution fees, Commission and related Income	6619	61.13%

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

**III. Particulars of holding, subsidiary and associate companies:**

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
1	IIFL Asset Management Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U74900MH2010PLC201113	Subsidiary Company	100	2(87)
2	IIFL Trustee Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U74990MH2009PLC193063	Subsidiary Company	100	2(87)
3	IIFL Investment Adviser and Trustee Services Limited	IIFL Centre, Kamala Mills, Senapati Bapat Marg, Lower Parel (W) Mumbai Mumbai-400013 IN	U74990MH2010PLC211334	Subsidiary Company	100	2(87)
4	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel Mumbai-400013 IN	U45201MH1995PLC228043	Subsidiary Company	100	2(87)
5	IIFL Wealth Portfolio Managers Limited (Formerly know IIFL Portfolio Managers Limited)	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai- 400013	U74120MH2011PLC219930	Subsidiary Company	100	2(87)
6	IIFL Wealth Finance Limited	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U65990MH1994PLC080646	Subsidiary Company	100	2(87)

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
7	IIFL Wealth Securities IFSC Limited	412, Building No. 13-B, Block No.-13, Zone-1, Road 1C, GIFT SEZ, GIFT City, Gandhinagar-382355	U65999GJ2018PLC102974	Subsidiary Company	100	2(87)
8	IIFL Altire Advisors Limited (Formerly known as IIFL Altire Advisors Private Limited)	Plot No.11B, Survey No.40/9, Devasandra, Industrial Area, 2nd Stage, K.R. Puram Bangalore 560048	U74999KA2016PTC097306	Subsidiary Company	100	2(87)
9	IIFLW CSR Foundation	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U80102MH2020NPL336251	Subsidiary Company	100	2(87)
10	IIFL Private Wealth Management (Dubai) Limited	Unit 808, Level 8, Liberty House, Dubai International Financial Centre, Dubai, 115 064, United Arab Emirates	Not Applicable	Subsidiary Company	100	2(87)
11	IIFL Inc	1120 Avenue of the Americas, Suite 1502, New York, NY 10036, United States of America	Not Applicable	Subsidiary Company	100	2(87)
12	IIFL Private Wealth Hong Kong Ltd	Room 902, 9/F, Wilson House, 19-27 Wyndham Street, Central, Hong Kong	Not Applicable	Subsidiary Company	100	2(87)
13	IIFL Asset Management (Mauritius) Limited	5th Floor, Barkly Wharf Le Caudan Waterfront Port Louis, Mauritius	Not Applicable	Subsidiary Company	100	2(87)
14	IIFL (Asia) Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
15	IIFL Capital Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
16	IIFL Securities Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068 809	Not Applicable	Subsidiary Company	100	2(87)
17	IIFL Capital (Canada) Limited	Regus First Canadian Place, 100 King St W Suite 5600, Toronto, ON M5X 1E3, Canada	Not Applicable	Subsidiary Company	100	2(87)
18	IIFL Wealth Capital Markets Limited ((Formerly known as L&T Capital Markets Limited)	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai- 400013	U67190MH2013PLC240261	Subsidiary Company	100	2(87)
	Became subsidiary on April 24, 2020					

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

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (31 <sup>st</sup> March 2020)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	93,02,401*	0	93,02,401*	11.01*	1,10,24,886	0	1,10,24,886	12.65	1.64
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.	4,50,00,000	0	4,50,00,000	53.24	0	0	0	0	-53.24
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other**	0	0	0	0.00	89,65,675**	0	89,65,675**	10.28**	10.28**
<b>Sub-total (A)(1):-</b>	<b>5,43,02,401</b>	<b>0</b>	<b>5,43,02,401</b>	<b>64.25</b>	<b>1,99,90,561</b>	<b>0</b>	<b>1,99,90,561</b>	<b>22.93</b>	<b>-41.32</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (01 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (31 <sup>st</sup> March 2020)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	5,43,02,401	0	5,43,02,401	64.25	1,99,90,561	0	1,99,90,561	22.93	-41.32
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	8,41,349	0	8,41,349	0.97	0.97
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	3,00,000	0	3,00,000	0.35	3,00,000	0	3,00,000	0.35	0
g) FIs	0	0	0	0	0	0	0	0	0
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	1,75,15,040	0	1,75,15,040	20.09	20.09
<b>Sub-total (B)(1):-</b>	3,00,000	0	3,00,000	0.35	1,86,56,389	0	1,86,56,389	21.40	21.05
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	2,22,42,550	0	2,22,42,550	26.31	0	0	0	0	-26.31
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	14,21,918	Nil	14,21,918	1.68	31,70,039	7,217	31,77,256	3.64	1.96
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	62,54,455	Nil	62,54,455	7.39	65,37,018	0	65,37,018	7.5	0.11
c) Others (specify)	0	0	0	0.00	3,87,40,762	32,302	3,87,73,064	44.47	44.47
<b>Sub-total (B)(2):-</b>	2,99,18,923	Nil	2,99,18,923	35.39	4,84,47,819	39,519	4,84,87,338	55.62	20.23
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	3,02,18,923	Nil	3,02,18,923	35.75	6,71,50,962	39,519	6,71,90,481	77.07	41.32
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	8,45,21,324	0	8,45,21,324	100.00	8,71,41,523	39,519	8,71,81,042	100	3.05

\*Note: Mr. Karan Bhagat and Mr. Yatin Shah were re-classified as the promoters of the Company w.e.f June 19, 2018.

\*\* Includes person Acting in concert for an on behalf of Promoters

### Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01 <sup>st</sup> April 2019)			Shareholding at the end of the year (31 <sup>st</sup> 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 Finance Limited	45,00,0000	56.42	0	0	0	0	(56.42)
Karan Bhagat*	59,91,875	7.09	0	1,36,300	0.16	0	6.93
Yatin Shah*	33,10,526	3.92	0	33,10,526	3.80	0	0
Nirmal Bhanwarlal Jain	0	0.00	0	62,28,856	7.14	0	7.14
IIFL Investment Adviser And Trustee Services Limited (Trustee to Kush Family Private Trust)	0	0.00	0	15,00,000	1.72	0	1.72
IIFL Investment Adviser And Trustee Services Limited (Trustee to Kyra Family Private Trust)	0	0.0	0	15,00,000	1.72	0	1.72
Mansukhlal Jain	0	0.00	0	14,28,571	1.64	0	1.64
Madhu N Jain	0	0.00	0	13,74,999	1.58	0	1.58
Venkataraman Rajamani	0	0.00	0	13,49,204	1.55	0	1.55
Aditi Avinash Athavankar	0	0.00	0	12,85,714	1.47	0	1.47
Shilpa Bhagat	0	0.00	0	11,25,821	1.29	0	1.29

Shareholder's Name	Shareholding at the beginning of the year (01 <sup>st</sup> April 2019)			Shareholding at the end of the year (31 <sup>st</sup> 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	
Ardent Impex Pvt Ltd	0	0.00	0	4,85,714	0.56	0	0.56
Orpheus Trading Pvt Ltd	0	0.00	0	2,35,714	0.27	0	0.27
Aditi Athavankar	0	0.00	0	28,571	0.03	0	0.03
Ami Yatin Shah	0	0.00	0	571	0.00	0	0.00
<b>Total</b>	<b>5,43,02,401</b>	<b>64.25</b>	<b>0</b>	<b>1,99,90,561</b>	<b>22.93</b>	<b>0</b>	<b>41.32</b>

\* Mr. Karan Bhagat and Mr. Yatin Shah were re-classified as the promoters of the Company w.e.f June 19, 2018.

\*\* Includes person Acting in concert for an on behalf of Promoters

## ii) Change in Promoters' Shareholding

	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
<b>Nirmal Jain</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	66,28,856 equity shares were allotted on June 6, 2019	7.61	66,28,856	7.61
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(4,00,000) equity shares were sold on 28 Feb 2020	0.46	62,28,856	7.15
At the End of the year			62,28,856	7.15
<b>Yatin Shah</b>				
At the beginning of the year	33,10,526	3.92	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	3,571 equity shares were allotted on June 6, 2019	0.01	33,14,097	3.80
	(3,571) equity shares sold on 19 Feb 2020		33,10,526	3.80
At the end of the year			33,10,526	3.80
<b>IIFL Investment Adviser And Trustee Services Limited (Trustee to Kush Family Private Trust)</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	15,00,000 equity shares were acquired through inter-se transfer on May 16, 2019	1.72	15,00,000	1.72
At the end of the year			15,00,000	1.72
<b>IIFL Investment Adviser And Trustee Services Limited (Trustee to Kyra Family Private Trust)</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	15,00,000 equity shares were acquired through inter-se transfer on May 16, 2019	1.72	15,00,000	1.72
At the end of the year			15,00,000	1.72

	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
<b>Mansukhlal Jain</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	14,28,571	1.72	14,28,571	1.64
	equity shares were allotted on June 6, 2019			
At the end of the year			14,28,571	1.64
<b>Madhu N Jain</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	17,24,999	1.98	17,24,999	1.98
	equity shares were allotted on June 6, 2019			
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(3,50,000)	0.40	13,74,999	1.58
	equity shares were sold on 28 Feb 2020			
At the end of the year			13,74,999	1.58
<b>Venkataraman Rajamani</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	15,69,204	1.80	15,69,204	1.80
	equity shares were allotted on June 6, 2019			
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(2,20,000)	0.25	13,49,204	1.55
	equity shares were sold on 28 Feb 2020			
At the end of the year			13,49,204	1.55
<b>Aditi Avinash Athavankar (trustee to Kalki Family Private Trust)</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	12,85,714	1.48	12,85,714	1.48
	equity shares were allotted on June 6, 2019			
At the end of the year			12,85,714	1.48
<b>Shilpa Bhagat</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	11,25,821	1.29	11,25,821	1.29
	equity shares were acquired through inter-se transfer on May 16, 2019			
At the end of the year			11,25,821	1.29
<b>Ardent Impex Pvt Ltd</b>				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	3,85,714	0.44	3,85,714	0.44
	equity shares were allotted on June 6, 2019			
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	1,00,000	0.11	4,85,714	0.56
	equity shares were purchased on March 5, 2020			
At the end of the year			4,85,714	0.56
<b>Karan Bhagat</b>				
At the beginning of the year	59,91,875	7.09		
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(41,25,821)	4.88	18,66,054	2.21
	equity shares were inter-se transferred on May 16, 2019			

	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
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(2,64,054) equity shares were sold on May 17, 2019	0.31	16,02,000	1.9
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(9,02,000) equity shares were sold on May 20, 2019	1.07	7,00,000	0.83
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(4,13,700) equity shares were sold on May 30, 2019	0.49	2,86,300	0.34
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	20,269 equity shares were allotted on June 6, 2019	0.02	3,06,569	0.35
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(20,269) equity shares were sold on Feb 19, 2020	0.02	2,86,300	0.34
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	(1,50,000) equity shares were sold on March 6, 2020	0.17	1,363,00	0.16
At the end of the year			1,36,300	0.16
Aditi Athavankar				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	28,571 equity shares were allotted on June 6, 2019	0.03	28,571	0.03
At the end of the year			28,571	0.03
Ami Yatin Shah				
At the beginning of the year	0	0	0	0
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	571 equity shares were allotted on June 6, 2019	0.00	571	0.00
At the end of the year			571	0.00
Orpheus Trading Private Limited				
At the beginning of the year	1,85,714 equity shares were allotted on June 6, 2019	0.21	1,85,714	0.21
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	50,000 equity shares were purchased on March 5, 2020		2,35,714	0.27
At the end of the year			2,35,714	0.27

Note: Allotment of equity shares on June 6, 2019 was done pursuant to Composite Scheme of Arrangement.



### iii. Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	General Atlantic Singapore Fund Pte. Ltd				
	At the beginning of the year	1,86,19,550	21.35	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	1,86,19,550	21.35	1,86,19,550	21.35
2.	FIH Mauritius Investments Ltd				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotted 1,20,91,635 equity shares on June 6, 2019	13.87	1,20,91,635	13.87
	At the End of the year (or on the date of separation, if separated during the year)	1,20,91,635	13.87	1,20,91,635	13.87
3.	Smallcap World Fund, INC				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotted 52,000 equity shares on June 6, 2019	0.06	52,000	0.06
		Purchase of 26,44,367 on September 27, 2019		26,96,367	3.09
		Purchase of 28,860 on September 30, 2019		27,25,227	3.13
		Purchase of 12,66,228 on October 4, 2019		39,91,455	4.58
		Purchase of 3,32,999 on November 8, 2019		43,24,454	4.96
	At the End of the year (or on the date of separation, if separated during the year)			43,24,454	4.96
4.	HWIC Asia Fund Class A Shares				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotted 40,51,790 equity shares on June 6, 2019	4.65	40,51,790	4.65
	At the End of the year (or on the date of separation, if separated during the year)			40,51,790	4.65
5.	WF Asian Reconnaissance Fund Limited				
	At the beginning of the year	10,92,000	1.56	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	16,23,390 equity Shares allotted on June 6, 2019		27,15,390	3.11
		Purchase of 26,000 shares on March 27, 2020		27,41,390	3.14
		Purchase of 3,91,000 shares on March 31, 2020		31,32,390	3.59
	At the End of the year (or on the date of separation, if separated during the year)			31,32,390	3.59

Sr. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Rimco (Mauritius) Limited				
	At the beginning of the year	10,92,000	1.56	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	9,02,000 equity Shares allotted on June 6, 2019		19,94,000	2.28
	At the End of the year (or on the date of separation, if separated during the year)			19,94,000	2.28
7.	Bank Muscat India Fund				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotment of 17,99,746 shares on June 6, 2019.	2.06	17,99,746	2.06
	At the End of the year (or on the date of separation, if separated during the year)			17,99,746	2.06
8.	Amit Nitin Shah				
	At the beginning of the year	15,68,421	1.80	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)			15,68,421	1.80
9.	Amansa Holdings Private Limited				
	At the beginning of the year	10,92,000	1.24	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)			10,92,000	1.24
10.	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Allotment of 35,4,874 shares on June 6, 2019.	0.41	3,54,874	0.41
		Sell of Equity shares (1,06,920) on 20 Sep 2019		2,47,954	0.28
		Sell of Equity shares (7,376) on 20 Sep 2019		2,40,578	0.28
		Sell of Equity shares (3,044) on 30 Sep 2019		2,37,534	0.27
		Sell of Equity shares (2,01,548) on 31 Jan 2020		35,986	0.04
		Purchase of Equity shares 61,483 on 07 Feb 2020		97,469	0.11
		Purchase of Equity Shares 90,613 on 28 Feb 2020		1,88,082	0.22
		Purchase of Equity shares 6,00,005 on 06 Mar 2020		7,88,087	0.90
		Purchase of Equity shares 12,135 on 20 Mar 2020		8,00,222	0.92
		Purchase of Equity shares 12,000 on 27 Mar 2020		8,12,222	0.93
		Purchase of Equity shares 1,000 on 31 Mar 2020		8,13,222	0.93
	At the End of the year (or on the date of separation, if separated during the year)			8,13,222	0.93

## iv) 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 company				No. of shares	% of total shares of the company
A. DIRECTORS:							
1. Karan Bhagat, Managing Director	59,91,875	7.09					
	(41,25,821) equity shares inter-se transferred on May 16, 2019	4.88	May 16, 2019	Decrease in shareholding	Shares sold	18,66,054	2.21
	(2,64,054) equity shares were sold on May 17, 2019	0.31	May 17, 2019	Decrease in shareholding	Shares sold	16,02,000	1.9
	(9,02,000) equity shares were sold on May 20, 2019	1.07	May 20, 2019	Decrease in shareholding	Shares sold	7,00,000	0.83
	(4,13,700) equity shares were sold on May 30, 2019	0.49	May 30, 2019	Decrease in shareholding	Shares sold	2,86,300	0.34
	20,269 equity shares were allotted on June 6, 2019	0.02	June 6, 2019	Increase in shareholding	Shares allotted	3,06,569	0.35
	(20,269) equity shares were sold on February 19, 2020	0.02	February 19, 2020	Decrease in shareholding	Shares sold	2,86,300	0.34
	(1,50,000) equity shares were sold on March 6, 2020	0.17	March 6, 2020	Decrease in shareholding	Shares sold	1,36,300	0.16
2. Yatin Shah, Executive Director	33,10,526	3.92	-	-	-	-	-
	3,571		June 6, 2019	Increase in shareholding	Shares Allotted	33,14,097	3.80
	(3,571)		February 19, 2020	Decrease in shareholding	Shares Sold	33,10,526	3.80
Nirmal Bhanwarlal Jain	0	0	Nil	Nil	Nil	0	0
	66,28,856	7.60	June 6, 2019	Increase in shareholding	Shares Allotted	66,28,856	7.61
	(4,00,000)		Feb 28, 2020	Decrease in shareholding	Shares sold	62,28,856	7.15
Venkataraman Rajamani	0	0	Nil	Nil	Nil	0	0
	15,69,204	1.80	June 6, 2019	Increase in shareholding	Shares Allotted	15,69,204	1.80
	(2,20,000)		Feb 28, 2020	Decrease in shareholding	Shares sold	13,49,204	1.55
Nilesh Vikamsey	0	0	Nil	Nil	Nil	0	0
	23,571	0.02	June 6, 2019	Increase in shareholding	Shares Allotted	23,571	0.02
B. Key Managerial Personnel (KMPs)							
1. Mr. Ashutosh Naik	8,000	0.01	-	-	-	8,000	0.01
	1,000	0.00	---	Increase in shareholding	ESOP Allotment	9,000	0.01
	9,000	0.009				9,000	0.01

**NOTE:** \* The changes in the % of the shareholding of the above shareholders was due to allotment of equity shares under ESOS to the employees.

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

(₹ in Million)

Particulars	Secured Loans	Unsecured	Deposits	Total Indebtedness
	excluding deposits	Loans		
Indebtedness at the beginning of the financial year				
i) Principal Amount	485.91	3,654.15	-	4,140.06
ii) Interest due but not paid	-	2.86	-	2.86
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	485.91	3,657.02	-	4,142.93
Change in Indebtedness during the financial year				
• Addition	-	63,137.15	48,000	1,11,137.15
• Reduction	(485.91)	(66,791.31)	(48,000)	(1,15,277.22)
Net Change	(485.91)	(3,654.16)	-	(4,140.07)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	16.68	-	16.68
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	16.68	-	16.68

**V. 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 (₹)
	Karan Bhagat	*Yatin Shah	
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	4,75,58,803	2,66,85,366	7,42,44,169
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2. Stock Option	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission - as % of profit - others, specify	Nil	Nil	Nil
5. Others, please specify (PF)	25,00,000.02	14,81,250.02	
TOTAL (A)	5,00,58,803.02	2,81,66,616.02	7,82,25,419.04
Ceiling as per the Act	₹20,26,05,623.70 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies, 2013)		

\*Remuneration for part of the year, i.e. upto December 31, 2019

**B. Remuneration to other Directors:**

Particulars of Remuneration	Name of Directors									Total Amount (Rs.)
	Mr. Nirmal Jain	Mr. Venkataraman Rajamani	Mr. Nilesh Vikamsey	Ms. Geeta Mathur	Dr. Subbaraman Narayan	Mr. Sandeep Naik	Mr. Shantanu Rastogi	Mr. Pankaj Vaish	Mr. Gopalakrishnan Soundarajan	
i. Independent Directors										
Fees for attending Board/ Committee Meetings	Nil	Nil	4,35,000	5,25,000	75,000	Nil	Nil	45,000	Nil	
Commission	Nil	Nil	10,00,000	10,00,000	5,00,000	Nil	Nil	1,91,260	Nil	Nil
others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	Nil	Nil	14,35,000	15,25,000	5,75,000	Nil	Nil	2,36,260	Nil	Nil
ii. Other Non- Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (b) = (1+2)	Nil	Nil	14,35,000	15,25,000	5,75,000	Nil	Nil	2,36,260	Nil	Nil

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WT**

Particulars of Remuneration	Key Managerial Personnel		Total
Name of Key Management Personnel	Mr. Mihir Nanavati (Chief Financial Officer)	Mr. Ashutosh Naik (Company Secretary)	Total
Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,35,99,465	67,63,174	2,03,62,639
b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961			
Stock Option (in quantity) *	52,125	29,147	81,272
Sweat Equity	Nil	Nil	Nil
Commission	Nil	Nil	Nil
- as % of profit			
Others, please specify [Company's contribution towards PF and pension fund]	7,02,900	0	7,02,900
<b>Total</b>	<b>1,43,02,365</b>	<b>67,63,174</b>	<b>2,10,65,539</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors**

-Sd-

**Karan Bhagat**  
Managing Director  
DIN: 03247753

-Sd-

**Mr. Yatin Shah**  
Director  
DIN: 03231090

Date: June 11, 2020  
Place: Mumbai



## ANNEXURE – V

### Form MR-3

### SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

**IIFL Wealth Management Limited**  
**IIFL Centre, Kamala City,**  
**Senapati Bapat Marg, Lower Parel,**  
**Mumbai - 400013**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended on March 31, 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 maintained by the Company for the year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment ~~Overseas Direct Investment and External Commercial Borrowings~~;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**applicable to the company effective from September 19, 2019**);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**During the year under review not applicable to the company**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**applicable to the company effective from September 19, 2019**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**During the year under review not applicable to the company**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**During the year under review not applicable to the company**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**During the year under review not applicable to the company**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**During the year under review not applicable to the company**);
- (vi) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 (**applicable to the Company from April 01, 2019 to December 31, 2019**);
- (viii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1993;
- (ix) The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(applicable to the company effective from September 19, 2019);**

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc.

**We further report that:**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

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

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

1. The Board Directors of the Company at the meeting dated May 14, 2019 approved the following:-
  - Investment up to ₹32,00,00,000 (Rupees Thirty-Two Crores Only) in IIFL Wealth Distribution Services Limited (earlier known as IIFL Distribution Services Limited)
  - Investment up to ₹1,25,00,000 (Rupees One Crore & Twenty Five Lakhs Only) in the Equity shares of IIFL Altior Advisors Limited (Formerly known as IIFL Altior Advisors Private Limited)
  - Investment up to ₹25,00,000 (Rupees Twenty Five Lakhs only) in the Equity shares of IIFL Wealth Securities IFSC Limited

2. The members of the Company at their Extra-Ordinary General meeting held on May 24, 2019 approved the adoption of restated and amended Articles of Association of the Company.
3. Pursuant to the Scheme of Arrangement between the Company, IIFL Holdings Limited, India Infoline Media & Research Services Limited and IIFL Securities Limited, India Infoline finance Limited, IIFL Distribution Services Limited and their respective shareholders and the order dated March 07, 2019 passed by the National Company Law Tribunal the Company has allotted 4,56,04,924 Equity Shares at a price of ₹2/- each to equity shareholders of IIFL Holdings Limited holding shares as on May 31, 2019 ('Record date').
4. Pursuant to the order dated March 07, 2019 passed by the National Company Law Tribunal in the scheme of arrangement between the Company, IIFL Holdings Limited, India Infoline Media & Research Services Limited and IIFL Securities Limited, India Infoline finance Limited, IIFL Distribution Services Limited and their respective shareholders the Equity shares of the Company got listed on BSE Limited and National Stock Exchange of (India) Limited effective from September 19, 2019.
5. The members of the Company at their Annual General Meeting held on September 30, 2019 approved the following resolutions:
  - Approval for IIFL ESOP 2019;
  - Approval of Implementation of IIFL Wealth- ESOP 2019, inter alia, through IIFL Wealth Employee Welfare Benefit Trust;
  - Granting stock options to the employees of the Subsidiary Company(ies);
  - Granting stock options equal to or not exceeding 1% of the issued share capital of the Company
6. The Nomination & Remuneration Committee at their meeting held on November 15, 2019 approved the grant of 23,38,909 ESOPs to the identified employees under IIFLW ESOP – 2019.
7. During the year under review the Nomination and Remuneration Committee allotted the following equity shares under applicable ESOP Schemes of the Company:

Sr No.	Date of Allotment	Number of shares allotted
1.	September 24, 2019	17,11,381
2.	November 15, 2019	77,986
3.	December 09, 2019	61,049
4.	December 19, 2019	1,29,164
5.	January 15, 2020	17,170
6.	February 18, 2020	37,797
7.	March 18, 2020	10,828
8.	March 28, 2020	9,419

8. The scheme of arrangement between the Company and IIFL Wealth Advisors (India) Limited was approved by the National Company Law Tribunal on October 24, 2019 and the same was filed with the Registrar of Companies, Mumbai on December 27, 2019.
9. The members of the Company vide Postal Ballot dated December 27, 2019 approved the following resolutions:
  - Alteration of Object Clause of the memorandum of association of the Company to include the following new clause 5:  
*“5. To act as merchant banker, underwriter, sub-underwriter, adviser, structuring consultant for capital issues or corporate structuring and to make project evaluation, feasibility studies, project reports, forecasts and surveys, to enable the Company in giving expert advice on means of improving organizational structure of its clients whether by further issue of capital, restructuring, amalgamations, mergers, demergers or any other corporate action and to act as lead manager, co-manager and underwriter to issue of securities and to undertake project financing and promoter funding.”*
  - Transfer of distribution business of the Company to its wholly owned subsidiary, IIFL Wealth Finance Limited pursuant to Section 180(1)(a) of the Act.
  - Holding Office or Place of Profit by Mr. Varun Bhagat (Brother of Karan Bhagat, Managing Director of the Company) pursuant to Section 188(1)(f) of the Act.
10. Pursuant to the approval granted by the members vide Postal Ballot dated December 27, 2019 the distribution business of the Company to its wholly owned subsidiary; IIFL Wealth Finance Limited was transferred effective from January 01, 2020.
11. With effect from January 01, 2020 the Portfolio Management Business of the Company was transferred to IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) a wholly owned subsidiary of the Company.
12. During the year under review the Company declared Interim Dividends as under:

Sr. No.	Date of Board meeting where dividend declared	Rate at Dividend
1.	October 21, 2019	₹10/- per share
2.	January 22, 2020	₹10/- per share

*Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.*

*The details of reports filed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulation) with exchange(s) is below;*

Sr. No.	Type of Report	Regulation Clause	Date of Filing
1.	Half yearly Compliance Certificate stating that the Physical and Electronic share transfer facility is maintained by RTA - to be filed within one month of end of each half of the financial year (i.e. by October 31, 2019)	7(3)	October 10, 2019
2.	Quarterly Statement of Investor Grievances, be filed within twenty-one days from the end of each quarter. (i.e. by October 21, 2019 and January 21, 2020)	13	October 9, 2019 & January 7, 2020
3.	Quarterly Corporate Governance Report to be filed within fifteen days from end of the quarter. (i.e. by October 15, 2019 and 15th January, 2020)	27	October 9, 2019 & January 16, 2020
4.	Quarterly Shareholding Pattern, to be filed within twenty-one days from the end of each quarter (i.e. by October 21, 2019 and January 21, 2020)	31	October 9, 2019 & January 21, 2020
5.	Quarterly Share Capital Reconciliation Audit report under SEBI (Depositories and Participants) Regulations, 2018, to be filed within Thirty days from the end of each quarter (i.e. by October 30, 2019 and January 30, 2020)	76	October 18, 2019 & January 29, 2020

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

**Ashwini Inamdar  
Partner**

**FCS No : 9409  
CP No. : 11226  
UDIN : F009 409 B000333590**

**Place : Mumbai  
Date : June 11, 2020**

*Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.*

## ANNEXURE – A

To,

**IIFL Wealth Management Limited**  
**IIFL Centre, Kamala City,**  
**Senapati Bapat Marg, Lower Parel,**  
**Mumbai - 400013**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the SEBI regulations referred to in points vi to ix, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Ashwini Inamdar**  
**Partner**  
**FCS No : 9409**  
**CP No. : 11226**  
**UDIN : F009 409 B000333590**

**Place : Mumbai**  
**Date : June 11, 2020**

**ANNEXURE - VI****FORM NO. AOC. 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis

S/n.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	<b>Name of Related Party:</b> Mr. Varun Bhagat <b>Nature of Relationship:</b> Holding of office or place of profit by Mr. Varun Bhagat, brother of Mr. Karan Bhagat, Managing Director
(b)	Nature of contracts/arrangements/transactions	Employment (Appointed as a Senior Vice President of IIFL Wealth Management Limited)
(c)	Duration of the contracts/arrangements/transactions	From January 1, 2020, till he is in employment of the Company.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Mr. Varun Bhagat will draw a remuneration of ₹31,71,060 per annum. The other terms of his employment will be similar to those applicable to all other employees of the Company holding similar positions / functions. He is eligible for appraisals, increase in remuneration, bonus, incentives and allowances, as per normal appraisal processes of the Company.
(e)	Date(s) of approval by the Board, if any:	November 20, 2019
f)	Amount paid as advances, if any:	N.A.

**For and on behalf of the Board of Directors**

**-Sd-**

**Karan Bhagat**  
**Managing Director**  
**DIN: 03247753**

**-Sd-**

**Yatin Shah**  
**Director**  
**DIN: 03231090**



## Management Discussion & Analysis

### GLOBAL MACRO ENVIRONMENT

The Financial Year 2019-20 (FY20) has been an eventful year for the global economy. Trade tensions between US and China, geopolitical worries in the Middle East and uncertainty around the United Kingdom's exit from the European Union, stand out among many other key developments.

However, nothing could have prepared us for what was coming next. In mere weeks starting from February 2020, the onset of the Covid-19 pandemic turned the world upside down, touching every facet of society from national economies and global trade to our daily lives. Most asset classes around the world fell sharply in March 2020 and witnessed substantial increase in volatility. Oil prices fell to unprecedented levels due to severe demand destruction and disagreements between OPEC and Russia on production cuts.

To contain the outbreak, many economies implemented substantially long partial or complete shutdowns, which are continuing, causing severe disruptions in the global and local economies. To counter balance the situation, unprecedented government action

and massive fiscal and monetary stimulus have been announced around the world to stem emergencies and prevent negative fallouts from these imposed lockdowns. This has resulted in abundant supply of liquidity, supporting asset prices and keeping interest rates low. However, the longer-term impact of these measures on society and individuals remains hard to predict.

In view of the above developments, International Monetary Fund (IMF) revised down its global GDP growth forecast for Calendar Year (CY) 2020 to -4.9% from +3.3%. It expects the growth rate to bounce back to 5.4% in CY2021 owing to a low base and forecasted normalisation of economic activity. However, there remains extreme uncertainty around the timing and speed of this global recovery forecast. The economic fallout and any subsequent recovery depend on multiple factors, such as the intensity and efficacy of containment efforts, the possibility of another wave of pandemic, the time frame required for an effective vaccine, the extent of supply and demand disruptions, shifts in spending patterns, consumer behavioural changes, confidence effects, and volatile commodity prices.

### QUARTERLY WORLD GDP (2019: Q1 = 100)

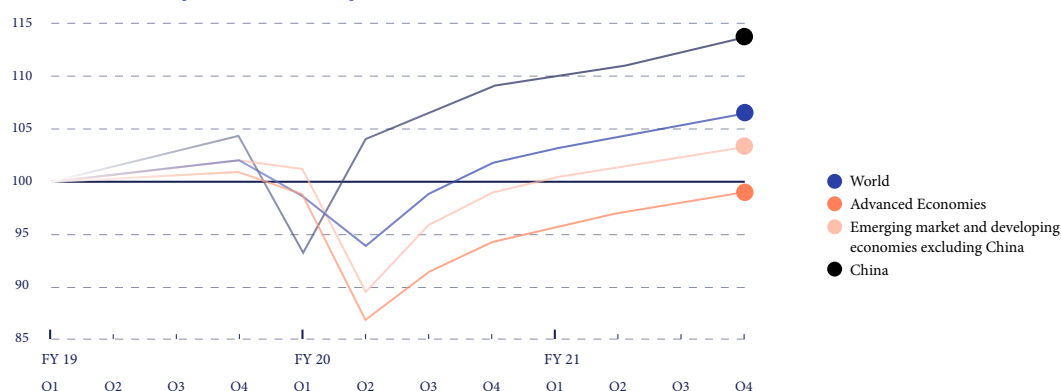


Fig 1: For the first time, all regions are projected to experience negative growth in 2020. Source: IMF staff estimates

## RATE CUTS SINCE FEB 2020 (%)

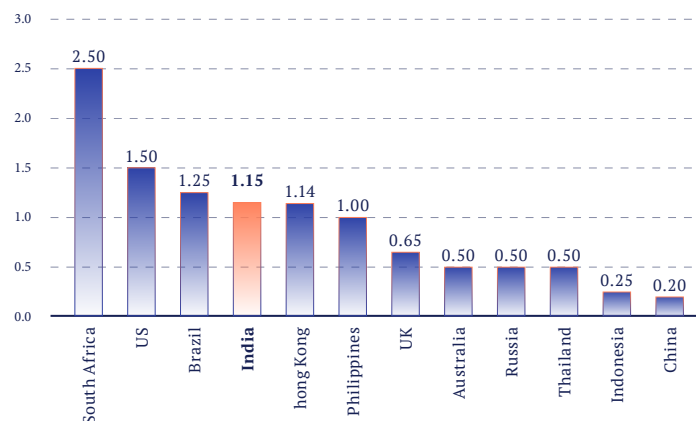


Fig.2: The US Federal Reserve reduced the target Fed funds rate by 150 bps (in addition to 75 bps rate cut in 9MFY20) and brought the rate to near zero in March 2020. US Fed and European Central Bank (ECB) also restarted their Quantitative Easing (QE) programme to support liquidity. Source: JM Financials

## INDIA MACRO ENVIRONMENT

While India was one of the fastest growing major economies in the world growing at 6.1% in FY 19, hiding behind this number was a story of a progressive decline - with GDP growth slowing down to 3.1% by Q4 of FY 20 and 4.2% for the year. This was due to a fall in aggregate demand and rising unemployment, partly caused by a slowdown in credit offtake because of issues in the NBFC sector, which suffered from reduced funding options after the IL & FS implosion.

However, the recessionary trends witnessed in FY20 have significantly worsened in the first quarter of

FY21, with the Covid-19 pandemic outbreak. To stall the transmission of the virus, India declared a centrally-imposed national lockdown towards the end of March 2020, which continues in some parts of the country. While the lockdown gave the health infrastructure some breathing space, it predictably had a severe impact on the economy, with many automotive and real estate companies recording zero sales in April 2020 for the first time in their history. It also created a massive humanitarian crisis among temporary, migrant labourers who were suddenly left without a source of livelihood in the cities, and hence, had to return to their homes in the countryside.

## QUARTERLY GDP GROWTH YoY

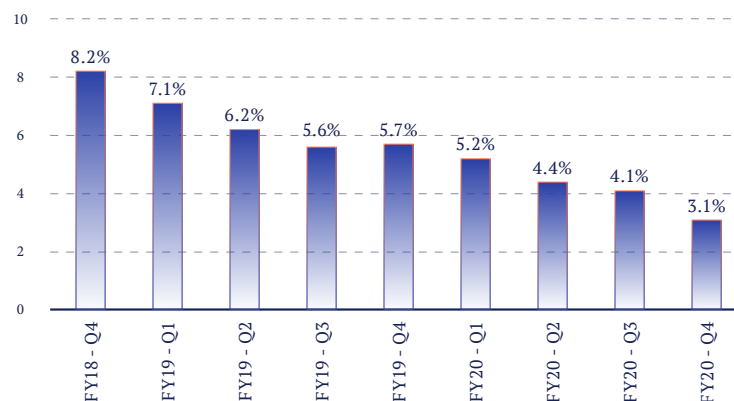


Fig 3: GDP growth has slowed down in FY20. Source: CMIE

Both the Reserve Bank of India (RBI) and the Government have taken concerted efforts to reduce the impact of the Covid-19 crisis. The RBI reduced key rates including Repo rate to 4%, Reverse Repo to 3.35% and (Cash Reserve Ratio) CRR to 3%. It also unveiled an unprecedented Moratorium policy on loans given by banks and NBFCs applicable to the period April to August 2020. Further, the government arranged for a fiscal stimulus that includes loan guarantees for NBFCs, provision of cheap credit to NBFCs, and Micro, small and medium enterprises (MSME), and increased the thresholds for classifying companies as MSME. The government also announced significant reforms in the agricultural marketing sphere, freeing farmers from the obligation to sell to Agricultural Produce

Marketing Committees (APMC markets) and increased allocation to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) to cater to the exodus of workers.

The RBI's monetary measures, along with benign inflationary expectations should keep interest rates low in the short term. However, India's credit rating downgrade (Moody's Ratings reduced India's rating from Baa2 to Baa3, retaining its negative outlook on the economy), higher retail food inflation and larger government borrowing to pay for the fiscal stimulus, may act as countervailing factors. The government's fiscal deficit is estimated to increase from 4.6% in FY20 to 7% in FY21.

In an otherwise difficult economic environment, the external sector offers a silver lining. While FY20 was a good year, with the current account deficit narrowing, FY21 is expected to be even better. This will be largely driven by improvement in trade deficit due to the sharp correction in oil prices and decline in imports of discretionary items. This will also be partially offset by a decline in exports and reduced remittances from NRIs. On an overall basis, however, in FY21 it is possible that India's current account might turn into surplus after 16 years. Foreign exchange reserves have recently crossed the US\$500 billion mark, which gives India a healthy war chest to ride through the economic storm.

This stimulus and some of the pent-up consumption expected after the lockdown is lifted should help revive the economy to some extent. However, the timing and speed of any recovery remains difficult to forecast. Covid-19 cases continue to rise in India with the industry battling both a slowdown in demand and a shortage of unskilled and semi-skilled labourers. IMF forecasts India's 2020 GDP growth rate to be - 4.5% before rebounding to 6% in 2021. In the Ease of Doing Business rankings published by the World Bank, India jumped 23 places to 77th rank in 2018, and a further 14 places to 63rd rank among 190 nations.

The long-term growth drivers, however, are intact and growth is most likely to normalise by FY22 onwards driven by favourable demographics, low interest rates, infrastructure spending and key government reforms. Growth would also be supported by the likely shift of some global manufacturing from China to India. Shift in manufacturing from China was already taking place since last few years driven by rising wages

and environment compliance costs. This is likely to accelerate as disruption in the supply chain due to Covid-19 has highlighted the risk of overdependence on a single country. This should benefit India as factors like concessionary corporate tax rate of 15% for new manufacturing units, skilled population, relatively low wages, abundant natural resources, improving ease of doing business and a large domestic market, should work in its favour.

## INDUSTRY OVERVIEW

The global economy has entered into a period of significant uncertainty, with Covid-19 presenting a dramatically changed reality.

The full economic impact of Covid-19 on the wealth management industry is yet to show, and while wealth management remains an attractive industry, forecasts, business models and growth assumptions must be revisited, and we must prepare for challenging revenue outlook in the near term.

The total wealth of the world is estimated to be approximately US\$360.6 trillion in 2019 and is expected to be approximately US\$460 trillion by 2024 at CAGR of just under 5.0% pa, according to Credit Suisse Global Wealth Report 2019.

The world currently has an estimated 47 million millionaires who make up just 0.9% of the total world population but account for a staggering 44% or US\$158 trillion of the total global wealth. As per the findings of the Credit Suisse Global Wealth Report 2019, the count of millionaires is expected to grow to 63 million by 2024 and their wealth is expected to grow to over US\$ 200 trillion by 2024.

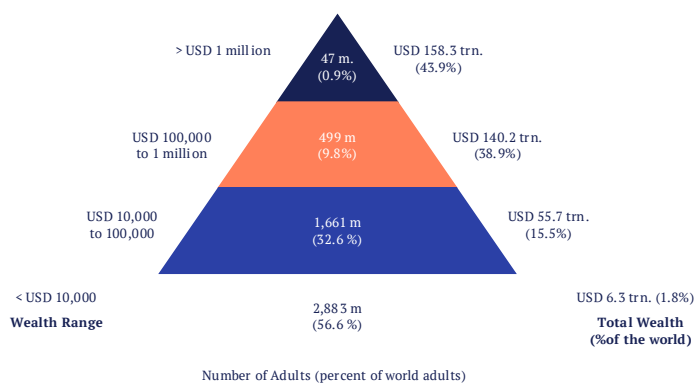


Fig 4: Percentage of World Wealth. Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Global Wealth Data Book 2019; Credit Suisse Global Wealth Report 2019

## HNWI FINANCIAL WEALTH BY REGION (2012-2019, USD Trillion)

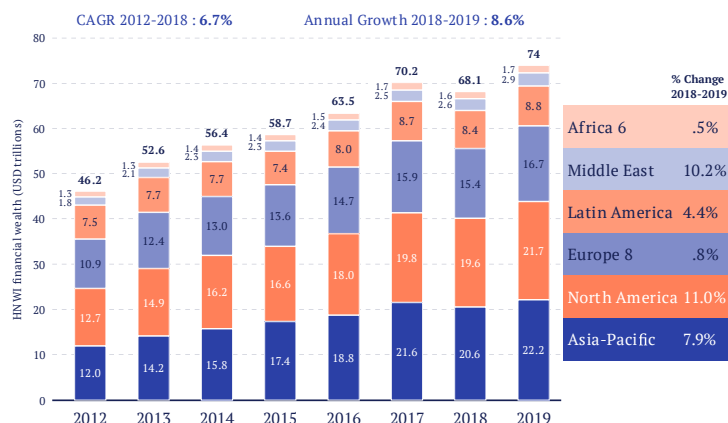


Fig 5: HNWI financial wealth by region (USD trillions), 2012-2019. Source: Capgemini World Wealth Report 2020

Of the total global High Net Worth Individual (HNI) wealth of US\$158 trillion, it is estimated that financial assets comprise between US\$74 to US\$79 trillion. A global study by Capgemini on the HNI financial wealth shows that overall HNI wealth clocked a Compounded Annual Growth Rate (CAGR) of 6.7% from 2012 to 2018. In 2019, the growth rate accelerated to 8.6% with North America having the highest growth at 11% while Asia Pacific grew at 7.9%.

However, in 2020 global HNI financial wealth is expected to degrow by 3% to 4% and return to growth only from FY21 onwards. It is projected to grow to US\$101 trillion by FY24, but it is expected that growth will shift from developed markets to emerging markets. While HNI wealth grew 7 percent annually in developed markets in the five years prior to Covid-19, it is expected to grow at 3-4 percent annually from FY19-24.

#### GLOBAL HNW WEALTH BY MAJOR REGION – BASE CASE (2018–2024, USD Trillion)

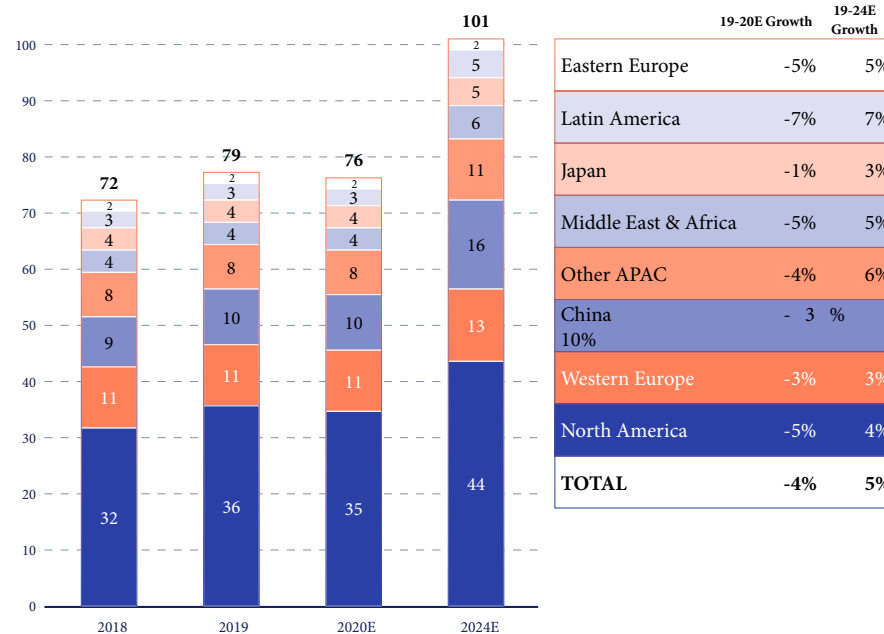


Fig 6: Global HNW wealth by major region – base case (2018–2024, USD trillion). Source: Oliver Wyman – Global Wealth Management Report

#### GLOBAL NUMBER OF INDIVIDUALS PER WEALTH BAND (2019) AND GROWTH (2018–2019)

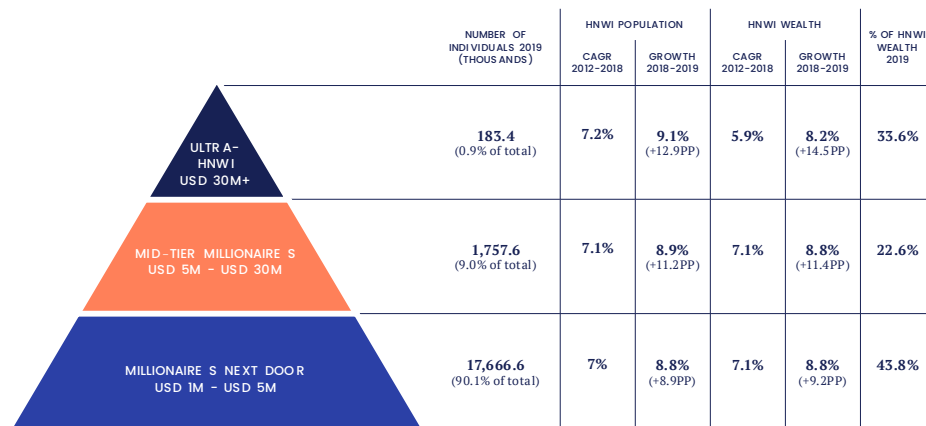


Fig 7: Global number of individuals per wealth band (2019) and growth (2018–2019). Source: Capgemini World Wealth Report 2020

A deep dive into the banding of these 47 million millionaires reveals that only 19.6 million or 42% of the total global millionaires have financial wealth of more than US\$1 million.

If we look at a country-specific view, almost 62% of the global HNWI Population with financial assets in excess of US\$ 1 million reside in 4 countries. India stands at 263,000 millionaires in 2019 up from 256,000 in 2018.

#### GLOBAL WEALTH FORECASTS

Global wealth is projected to rise by 27% over the next five years, reaching US\$459 trillion by 2024, according to Credit Suisse's Global Wealth Report 2019. Low- and middle-income countries will account for 38% of the growth, although they account for just 31% of the current wealth. Growth by middle-income countries will be the primary driver of global trends. The number of millionaires will also grow markedly over the next five years to reach almost 63 million.

## HNWI POPULATION BY COUNTRY / TERRITORY (2018-2019)

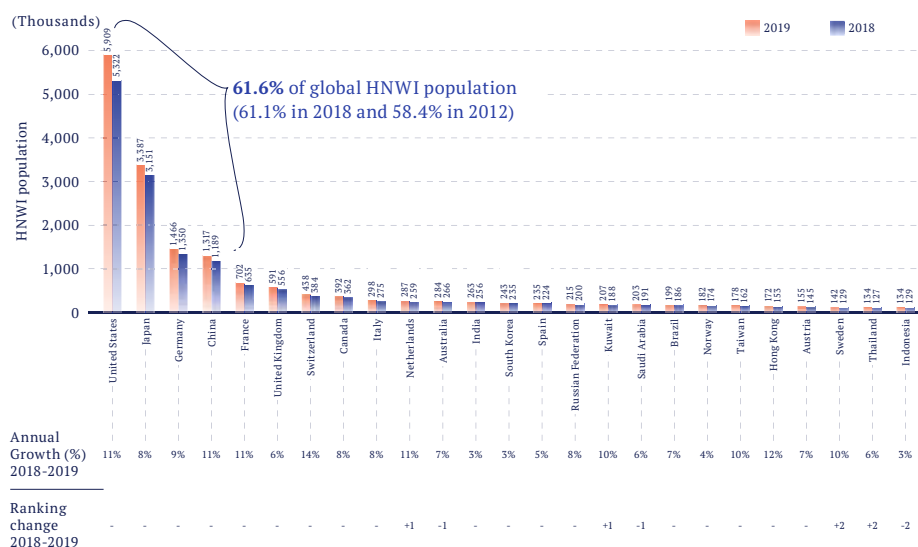


Fig 8: HNWI population by country/territory, 2018-2019. Source: Capgemini World Wealth Report 2020

## INDIAN WEALTH MANAGEMENT SPACE

The Indian economy has experienced a difficult year with GDP growth touching a decadal low of 4.2% in FY20. Economic growth was trending down even before the outbreak of the pandemic, primarily driven by slowdown in personal consumption and weak investment activity.

The total individual wealth in India in FY19 stands at just over US\$6 trillion (₹430 trillion) which has grown from US\$4 trillion (₹280 trillion) in FY15 at a CAGR of just over 11%. Of the total individual wealth, financial assets comprise 61% or approximately US\$3.6 trillion. Financial assets comprised 57% of the total wealth in FY15 reflecting a steady increase in the wealth allocation to financial assets.

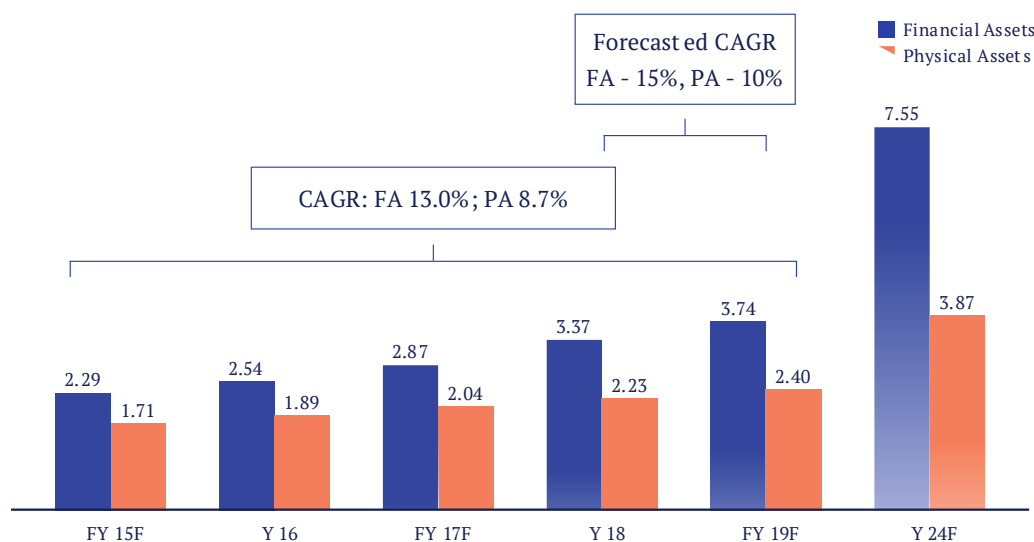


Fig 9: Growth in Financial Assets. Source: Karvy India Wealth Report 2019

Total individual wealth is expected to increase to approximately US\$11.5 trillion (₹800 trillion converted at current exchange rates) by FY24 at a CAGR of 13% and financial assets are expected to grow to US\$7.6 trillion at a CAGR of 15%.

On a long-term basis, it has been observed that wealth in India has grown, on average, faster than the overall GDP growth. China is the other prime example of such a scenario. In India, it is expected that GDP growth will return post FY21 and individual wealth, therefore, is expected to follow the same faster trajectory of growth in the longer term.



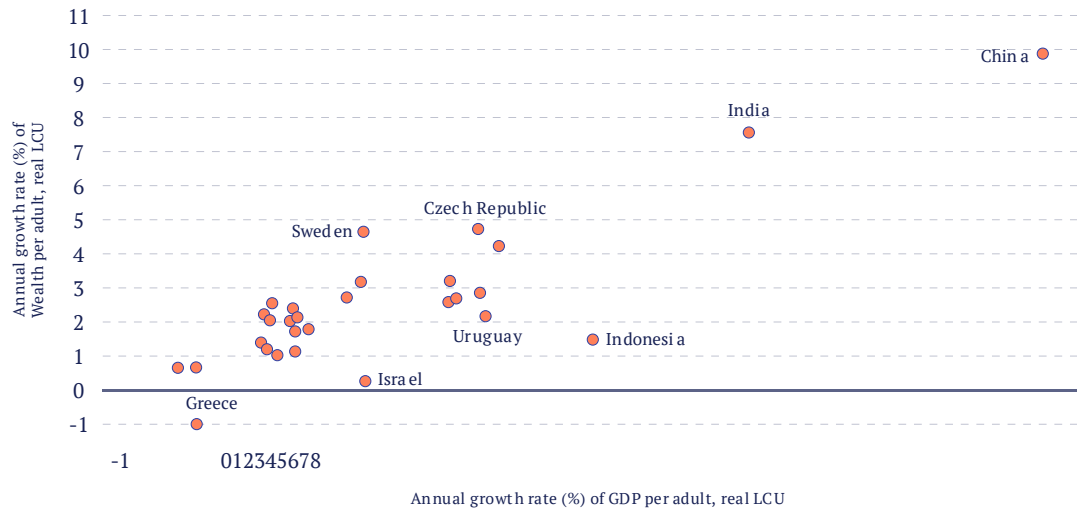


Fig 10: Annual growth rate of wealth and GDP per adult. Source: Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Global Wealth Data Book 2019; Credit Suisse Global Wealth Report 2019

### WEALTH MANAGERS SHARE IN INDIAN HNI WEALTH

Of the total US\$6 trillion of individual wealth in India, total HNI wealth is approximately US\$2.86 trillion or 46%, which is broadly in line with the global average of 44%. The split of financial assets to physical assets is 61% to 39%, which amounts to approximately US\$1.74 trillion in financial assets and US\$ 1.11 trillion in physical assets.

Of the estimated financial assets, the assets under management by the top 25 wealth managers in the country as per the latest Asian Private Banker report is US\$240 billion, which is just about 14% of the estimated financial assets. The remaining 86% of the financial assets is still unpenetrated and continues to be outside the purview of professional wealth managers.

### IIFLW MARKET SHARE IN INDIAN WEALTH MANAGEMENT

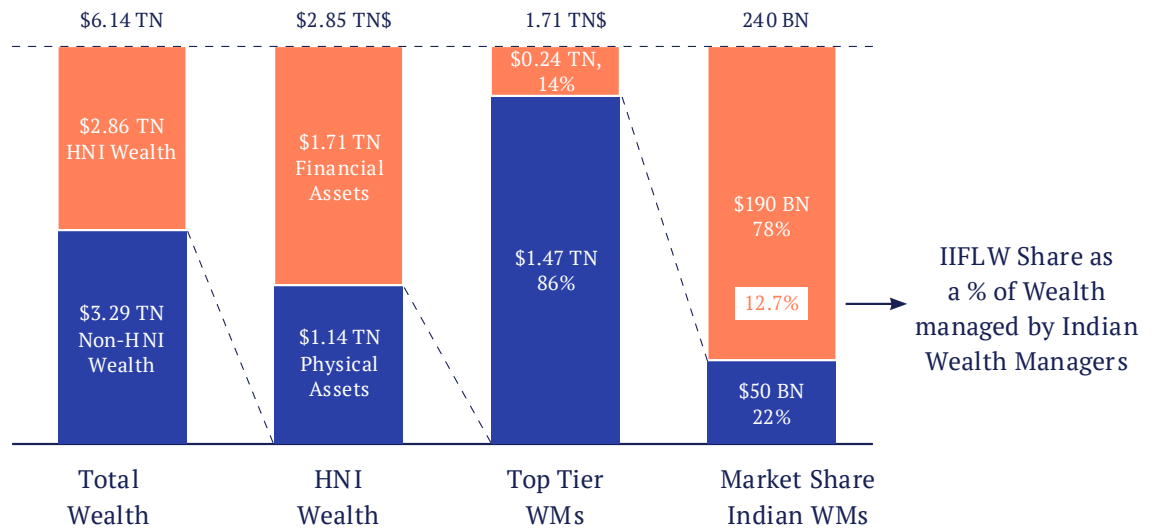


Fig 11: IIFLW Wealth share in Indian wealth management. Source: Karvy Wealth Report 2019, Credit Suisse World Wealth Report, Asian Private Banker India League Tables and IIFLW Wealth estimates and triangulations

From an asset allocation perspective, Indian wealth allocation towards equities at 19% is still under the global average of 26%. A large part of Indian wealth is still stored as real estate and gold, which as the financialization of wealth continues, will move into financial equity and debt assets and fuel the growth of professionally managed wealth.

Asset Class	India	Global
Equity	18.89%	25.70%
Debt	41.51%	45.50%
Alternate Asset Class	22.27%	13.00%
Real Estate	17.33%	15.80%

Fig 12: Asset Classes in India and Global. Source: Karvy India Wealth Report 2019

## KEY ASSET CLASS SEGMENTS

### Equity Markets

The long term returns of large caps and small / mid-caps have largely converged, primarily on account of the sharp underperformance of small and mid-caps over the last two years. Although, the S&P BSE SENSEX / NIFTY 50 ended FY20 with negative returns, it still outperformed mid-cap and small-cap indices.

In FY20, the overall growth expansion was subdued in agriculture, manufacturing and commercial vehicles sector. Performance of major sector indices was negative for the year with metals, auto, capital goods and banking underperforming significantly.

All major global indices, namely, S&P, FTSE, DAX, Nikkei, Shanghai, delivered negative returns but most of them outperformed the NIFTY 50. Notably, while India has underperformed in FY20, it has outperformed most of the other markets over a 10-year period.

March 2020 witnessed large FPI selling. FPI flows for FY20 were positive at US\$ 1.3 billion (FY19: US\$ 0.1 billion). Inflows into domestic equity-oriented mutual funds moderated to US\$9.5 billion, compared to previous year (US\$17 billion).

The global pandemic, adverse global macro-economic factors, sharp rise in crude oil prices, higher than expected Non-Performing Assets (NPAs) post the

moratorium, are key risks for equities in the near term. A focused budget on stimulating demand, improved government spending mechanisms with an idea to tackle the pandemic impact, appear to be factors, which would drive the equity market in FY21.

### Debt Markets

With a view to cushion the economic impact, most global central banks have reduced policy rates significantly. US Fed reduced the target fed fund rate by 150 bps (in addition to 75 bps rate cut in 9M FY20) and brought it down to near zero in March 2020. US Fed and ECB also restarted their Quantitative Easing (QE) program to support liquidity

India's GDP also touched a decadal low of 4.2% in FY19-20. Owing to liquidity challenges faced by many NBFCs there was a significantly reduced access to debt, especially for lower income households.

During the year, G-sec yields moved lower as the credit markets faced a challenging time. The yield on 10-year benchmark G-sec moved lower from 7.35% to 6.14%, down ~121 bps. The yield curve depicted a steep fall during the year, with difference between Repo rate and the 10-year benchmark G-sec yield increasing from 110 bps (FY19) to 174 bps in FY20. This was driven by 185 bps rate cuts by RBI (additional 40 bps in first two months of FY21), ample system liquidity, slowdown in growth and decline in global yields.

### INDIA 10-YEAR YIELD

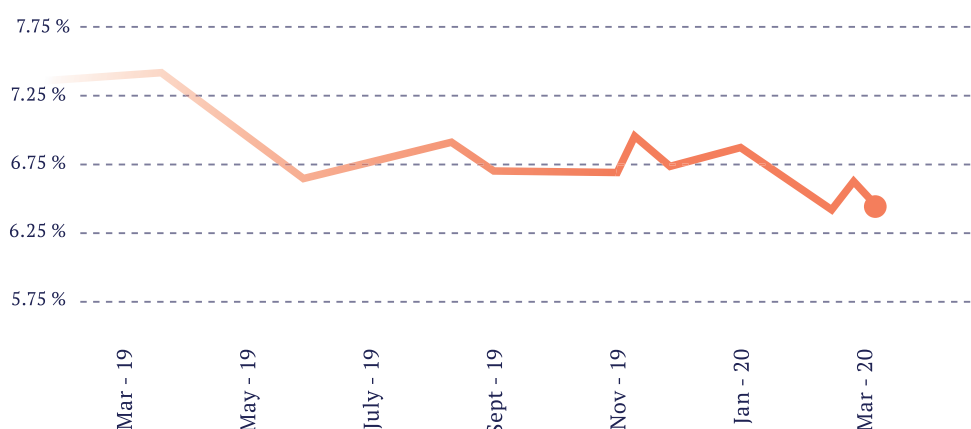


Fig 13: Steep fall in yield curve. Source: HDFC AMC Annual Report, Bloomberg

From a future outlook perspective, subdued oil prices, lower global rates, ample liquidity, and a relatively weak outlook on overall growth and sentiment, point towards a continuation of the low yields especially at the shorter end of the yield curve.

Overall, it has been a tough 12 months in the credit market. Recent events such as those of Tier-1 bonds write down of Yes Bank, winding up of 6 Franklin Templeton schemes and all of this amidst a nation-wide lockdown, have impacted market sentiments. RBI has announced a host of measures to improve liquidity and ensure credit flows to all segments. The recent policy to keep the rates untouched was a step in the same direction.

## COMPANY OVERVIEW

### THE WEALTHY LEAVE THEIR INVESTING TO US

IIFL Wealth Management Ltd. (IIFL Wealth) is one of the leading wealth management companies in India. From a humble start 12 years ago, IIFL Wealth has catapulted itself to become financial advisors to over 5,300+ influential families in the UHNI / HNI segment, with more than ₹1.6 trillion of assets under management.

Headquartered in Mumbai, IIFL Wealth Management has more than 900 employees and a presence in 6 major global financial hubs and 25 locations in India. IIFL Wealth is the only pure wealth management company to get listed on the Indian stock exchanges with a market cap of almost ₹10,000 Crs on the day of listing in September 2019. IIFL Wealth Management Ltd is listed on the NSE (Symbol: IIFL WAM) and BSE (Scrip code: 542772).

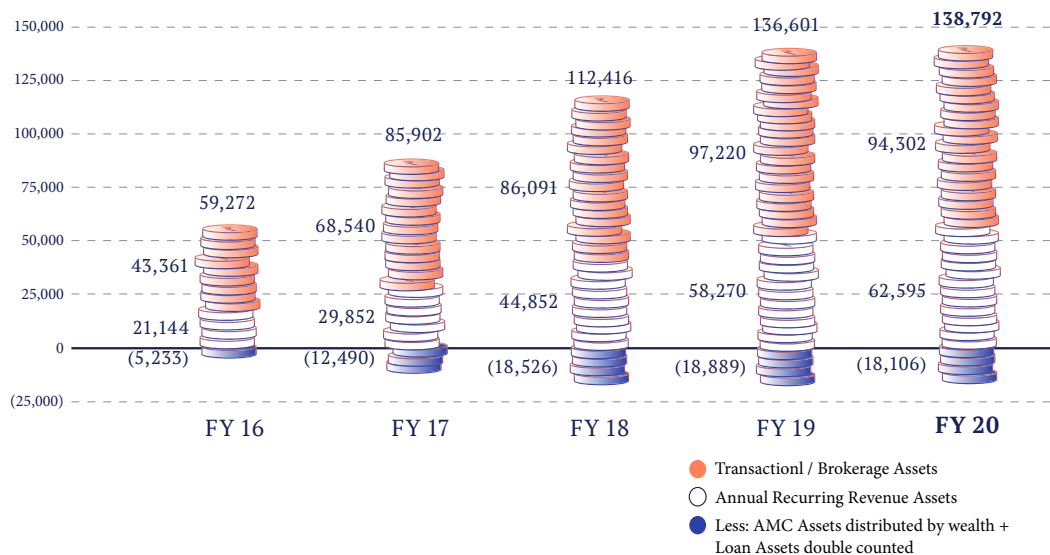
**ASSETS UNDER MANAGEMENT (₹Cr.) Excluding Custody**

Fig 14: Assets Under Management of the company

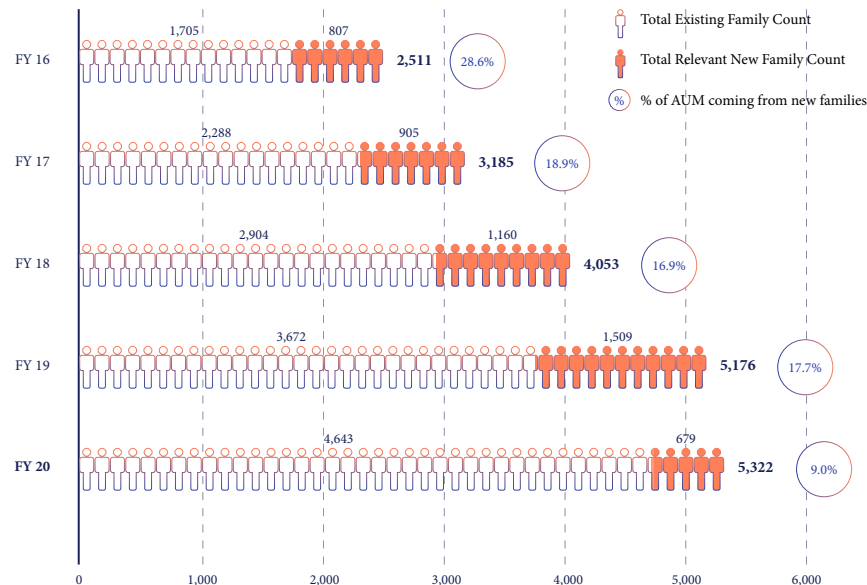
**COUNT OF RELEVANT FAMILIES**

Fig 15: Existing and Relevant Families of the company

**Areas of Business:** The two key areas of business are Wealth management and Asset management.

**Wealth management** business is an open architecture advisory-based offering with the objective of wealth preservation while providing optimal returns relative to the client's risk appetite. While Indian firms have significantly gained market share, most existing players in India offer wealth management as a non-core extension to their core business (banking/broking/ investment banking). IIFL Wealth on the other hand, is a pure play wealth management firm with a deep focus on managing UHNI wealth.

This focus has enabled us to offer full-fledged services including an evolving advisory platform, building allied services like estate planning, broking and corporate advisory. Having an in-house asset management company and NBFC also allows us to offer customised solutions for our clients.

Clients benefit from professional and unbiased advice, a scientific investment process, consolidated reporting across advisors, and cutting-edge portfolio analytics. For all clients, we have an Investment Policy Statement and follow an investment process mandate along with well-defined goals. We maintain a healthy balance between Fixed Income, Equity and Alternatives Investments thereby keeping returns consistent and not too volatile during turbulent times. This approach has ensured our clients' portfolio grows in a compounded manner over long periods of time. Our unique approach in wealth management has resulted in high retention of clients and assets. The company continues to invest in people, products, technology and compliance to give clients the best platform to preserve and grow wealth.

**Asset Management business** mainly comprises management of pooled funds under various structures such as alternative investment funds, portfolio management services and mutual funds and is primarily focussed on the alternatives space with five main strategies where we have a dominating presence which include Private Equity, Public Equity, Structured Credit and Real Estate.

Our differentiated position which focusses on the alternates space complements our wealth business by manufacturing products specifically tailored for the UHNI segment. Our clients include global and domestic institutions, private banks, family offices, and pension funds.

#### LEADING PLAYER IN THE ALTERNATE SEGMENT

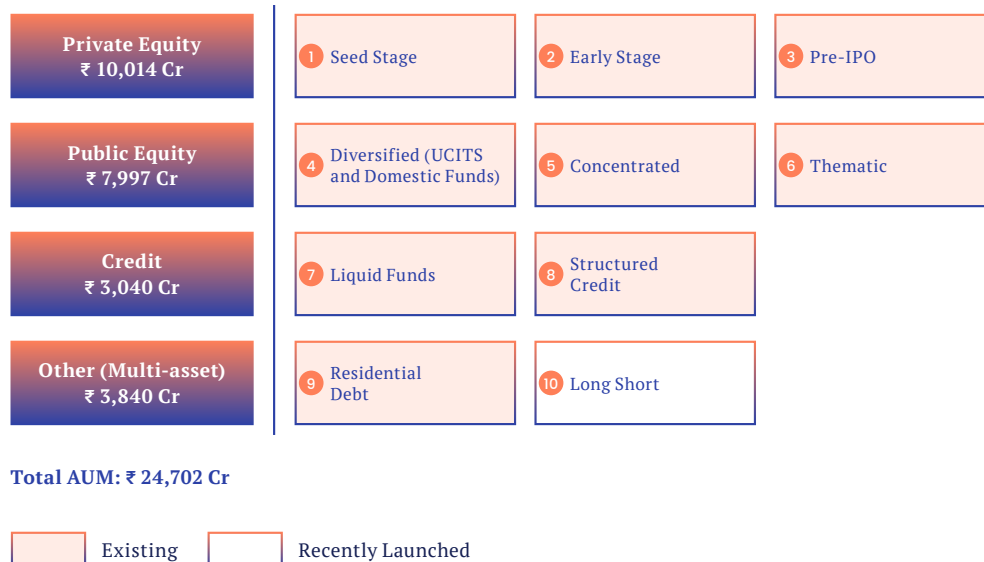


Fig 16: The company is a leading player in the Alternatives segment

#### Key focus areas are

**People / Platform:** Regular additions to the product platform by adding key people have helped maintain market leadership in the alternative assets segment.

**Process:** Focussed on institutionalizing processes across functions (investments, operations, product management & coverage).

**Distribution:** Enhanced coverage, adding distribution partners / channel partners, focussing efforts on higher penetration across existing clients.

#### KEY DIFFERENTIATORS

##### UNDERSTANDING OF INDIVIDUAL CLIENT SEGMENTS

###### 1) Entrepreneurs and Business Owners

- Corporate and Estate Advisory services needed

- Strength of platform allows a variety of offerings
- Lending solutions offer an integrated platform

###### 2) Professionals

- Product innovations help in making smarter investments
- Process-oriented approach attracts professionals
- Strong technology backing to improve client experience

###### 3) Non-Resident Indians (NRIs)

- Understanding of issues across multiple jurisdictions
- Platform strength allows a variety of offerings
- Estate Advisory services for NRIs

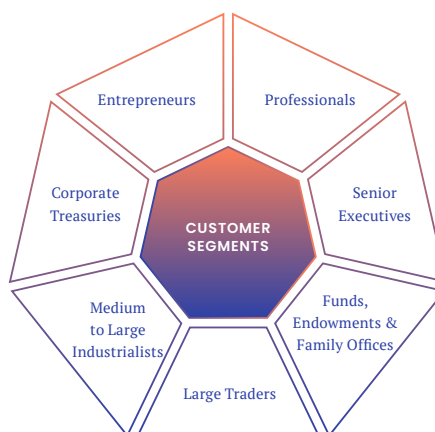


Fig 17: Customer Segments of the company

## PEOPLE – WHERE OWNERS WORK AND WORKERS OWN

We are a company where owners work, and workers own. This ownership culture along with alignment of interests of employees, clients and shareholders has been the cornerstone of our success. Our clients are backed by an experienced team, who help them achieve their financial objectives. We have attracted the right set of people with relevant work experience.

People remain the core focus of our business and people development continues to be of importance. Transparent processes, an evolved performance plan and skill development clubbed with employee ownership ensures a high retention of employees, with attrition especially at the senior banker level being amongst the lowest in the industry. This has resulted in a virtuous cycle where client retention is ~99% and average AUM per client increases dramatically as the client vintage increases.

### 50% OF TEAM LEADERS HAVE MORE THAN 5 YEAR VINTAGE IN IIFL WEALTH

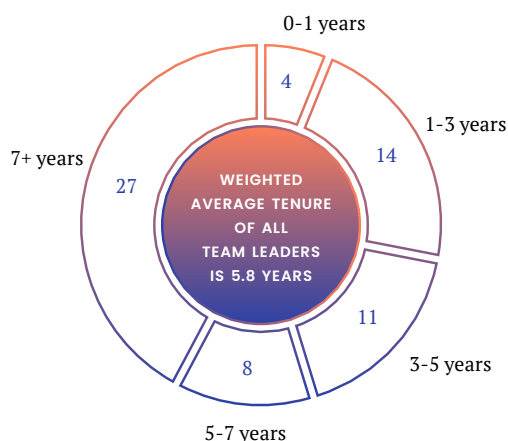


Fig 18: The weighted average tenure of Team Leaders

### AVERAGE NUMBER OF RELEVANT CLIENTS PER TEAM LEADER

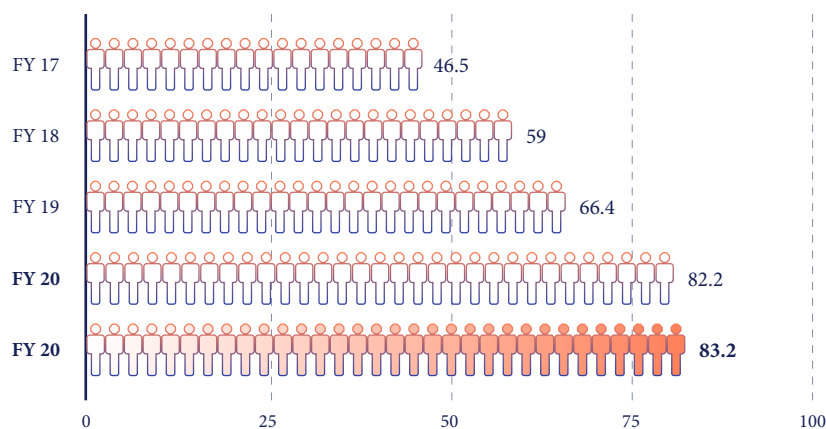


Fig 19: Average number of relevant clients per Team Leader

### CLIENT ATTRITION <2.5% PER ANNUM AND <1% ON AUM

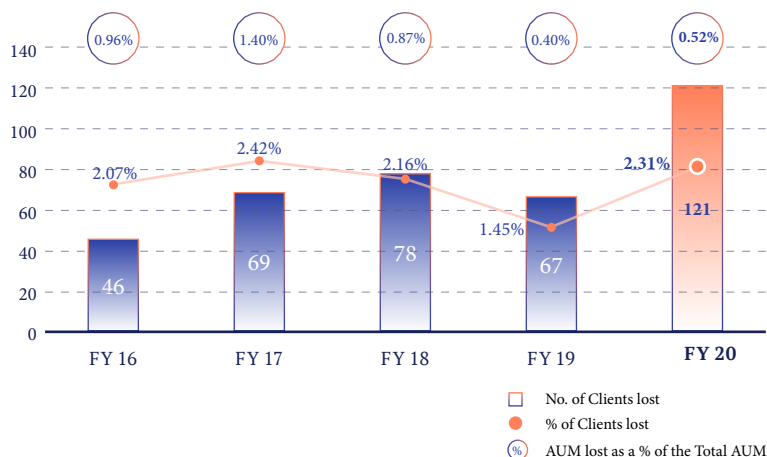


Fig 20: Number of clients lost, and percentage of clients lost



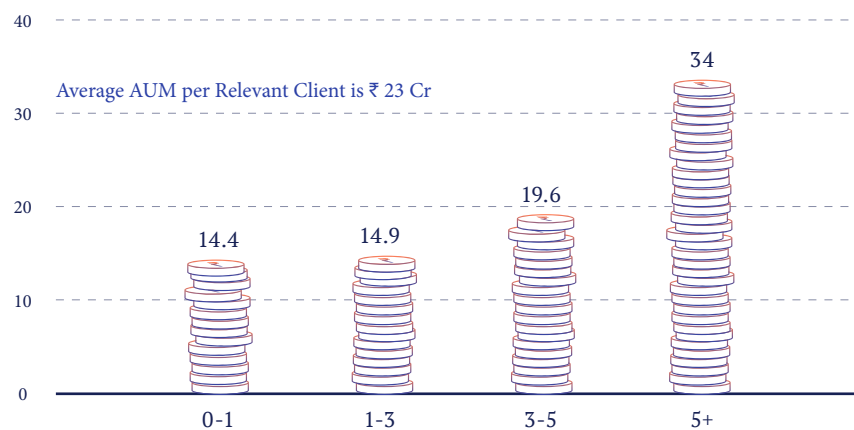
**AVERAGE CLIENT AUM BY VINTAGE IN IIFL WEALTH (₹Cr.)**

Fig 21: Average Assets Under Management of relevant clients

**PROPOSITIONS – FOR ULTRA HIGH NET WORTH INDIVIDUALS**

Our success with our clients, employees and shareholders can be attributed to our core philosophy of ‘Advisory Practice, Alignment of Interests and Ownership Mindset’. The team at IIFL Wealth has often led and set new industry trends through innovative offerings and we recognized that alignment of interest of clients, employees and stake holders is truly possible only when we operate on a fiduciary model instead of the traditional transactional model. However, the industry as a whole is yet to transition to a fiduciary servicing mode.

Most Ultra High Net Worth Individuals (UHNIs) and High Net Worth Individuals (HNIs) invest to grow the real value of their investments. While they are cash and asset rich, HNIs are time poor and require external advisors to help them manage their fortunes and preserve their wealth. HNIs stand out for their superior knowledge and exposure to financial products and investments due to which their involvement in the decision-making process is also higher. This is a reflection of their high level of engagement with their portfolios and their expectations on transparency and performance over just product selection. Despite their reluctance to hand over responsibility for managing their wealth, UHNIs have begun to recognize that a devolvement of power is necessary for them to receive the level of professional help they desire.

What is therefore clear is that one size does not fit all, especially when it comes to financial objectives and risk-taking capability. Each client has a unique goal and risk appetite in mind and the investment mandate must therefore be set accordingly. Further the wealthier the client, the more mindful they are of how much of their money will be charged as fees. In our experience, one of the biggest challenges for a UHNI client is to decipher the opacity of total expense ratio including asset management fee and wealth manager fee/brokerage and get to the actual net of fees alpha generated by the advisor.

These factors and our stated strategic agenda to evolve into a predictable, revenue-led, asset under management-driven organization, different from

an industry dominated by product promotion and distribution led us to introduce IIFL-One – our flagship offering, in the beginning of 2019. IIFL-One has gained tremendous positive client feedback and industry appreciation during the year with assets doubling to more than ₹17,000 Crs by the year end.

**IIFL-ONE – A GAME CHANGER IN THE WEALTH MANAGEMENT INDUSTRY**

IIFL-One is an aggregation of our product expertise and services, including strength of platform, portfolio management approach, focus on process, unique privileges, transparent pricing and combines all our learnings across the client life cycle. Through this initiative, we aim to redefine client engagement for wealth management in India.

The engagement model is a differentiator and founded on five core tenets. These are:

**Simple by Design**

At IIFL-ONE we believe portfolios should be simple. This ensures that rebalancing of these portfolios, as indicated by our proprietary models, is easily achievable. Successful portfolios ensure that complexity is minimised ensuring better tracking of instruments as well. Our model portfolios define a simple combination of direct stocks, ETFs, direct bonds and open-ended mutual funds.

**Focus on Asset Allocation**

Global studies have indicated that 94% of the returns of long term portfolios are a function of asset allocation<sup>1</sup>. Core asset allocation for any investor is identified from the tenure of the capital as well as the risk tolerance of the investor. At IIFL-ONE, we have built a robust model that guides our asset allocation decisions. This model will help add alpha as against a passive asset allocation approach.

**Process-Driven**

A core tenet of IIFL-ONE is the focus on the process as opposed to subjectivity in decision making. Allocation is reset in a timely manner to maintain constant weights for each asset class. Market cap allocations are statistically computed to determine the optimal large

& mid-cap allocations. Instrument & fund manager selection is a critical factor to ensuring appropriate product fitment. Various control factors are put in place to ensure portfolio governance in order to minimize risk.

### Expert Team

The fund management team comes with strong multi-asset experience of dealing with long term portfolios across multiple cycles. The team is supported by asset class experts who research every investment idea before it is added to the carefully curated model portfolios.

### Cost-Effective

Controlling costs of the portfolios is an important facet of IIFL-ONE. The all-in-cost model gives the investor complete clarity on the total cost of the portfolio. This approach ensures stability in total costs besides creating savings for the client.

## REVIEW OF OPERATIONAL PERFORMANCE FOR THE YEAR

### Covid-19 Response

The global spread of Covid-19 has deeply affected our lives and challenged our traditional ways of doing business. Our focus has therefore been to ensure the safety and security of all our employees and seamless business continuity for all our clients while continuing to drive the implementation of our strategic agenda. Utilizing our rapidly expanding range of digital channels to full capacity, we stayed close to our clients, providing guidance, support and innovative solutions

Since March 2020

- All employees are working from the safety of their homes. We have successfully implemented all our Business Continuity Plans and enhanced our technology infrastructure enabling seamless connectivity. Employee engagement and interactions have been ramped up via weekly webinars with senior management with a focus on extensive communication.
- Engagements with clients have been intensified through multiple outreach channels established with dedicated solution and servicing desks, supported by Relationship Managers and Research teams. We also hosted marquee global industry stalwarts for client-centric webinars.
- Advisors interact with clients over extensive video conference calls simulating face-to-face meetings allowing them to share client portfolios and analytics apps in a secured environment.
- As part of our Corporate Social Responsibility, we have made the following contributions:
  - a. ₹2.00 Crs to PM Cares Fund, (besides IIFL contributing ₹3.00 Crs)
  - b. ₹25.00 lakhs to United Way, an NGO actively involved in assisting frontline health care workers by training and up-skilling as well as providing preventive kits

- c. ₹25.00 lakhs to Swasti, an NGO actively involved in working with Hospitals and assisting them in upgrading infrastructure and helping procure and provide PPE kits
- d. We have partnered with Give India in their India Covid Relief Fund, an open platform where individuals and organizations can come together to respond to this crisis. Mr. Karan Bhagat is part of the steering committee.

Any impact on the business due to Covid-19-related economic slowdown, changes in client sentiment and investment behaviour are unknown as yet. From a liquidity perspective, IIFL Wealth continues to be well-capitalized and insulated from any shocks in the domestic debt markets.

## ACQUISITIONS

IIFL Wealth Finance Limited (wholly-owned subsidiary of IIFL Wealth Management Limited – ‘IIFL Wealth’) completed the acquisition of 100% of the paid-up share capital of L&T Capital Markets Limited (LTCM) on 24 April 2020. Accordingly, with effect from 24 April 2020, LTCM has become a wholly-owned subsidiary of IIFL Wealth. The said acquisition was made for ₹2.30 billion plus cash and cash equivalent of LTCM.

## AWARDS

IIFL Wealth won 20 awards during the year and 109 awards since inception. At the 2020 Euromoney Private Banking and Wealth Management Survey, it was a clean sweep as IIFL Wealth won all 16 awards including Best Private Banking Services Overall - India.

The other awards of repute bagged during the year include:

- Outstanding Wealth Management Technology Initiative-Front End at the Private Banker International Awards 2019
- Special Jury Award for Outstanding Contribution to Wealth Management at AIWMI Awards 2019
- Best Wealth Management App at AIWMI Awards 2019
- Best Private Bank, India, at the Asset Asian Awards 2019, Triple A

## TECHNOLOGY – THE DIGITAL TOUCH ADVANTAGE

Technology has emerged as a key differentiator in the wealth management industry. This was before Covid-19. In the aftermath, technology has now become central to the entire business model with digital engagements increasing 7x to 10x during the pandemic. Previously, the greatest influence of technology was in optimization of processes, increase in productivity and reporting. Now technology plays a pivotal role in the actual delivery of the platform to the client.

In 2019, we did an in-depth study of the wealth management landscape in India, which revealed that a significant percentage of India's wealthy are relatively

young, with wealth creation happening at a younger age. Therefore, a company that can adapt to rapid technological changes will clearly have an edge. We remain at the forefront of providing new technology solutions to our clients.

IIFL Wealth digital platform includes an enhanced website and a mobile App on IOS and Android platform, which allows clients to access all their portfolio statements on the go. We also introduced video statements, which gives clients a voice and video summary of their portfolio in a visually pleasing format along with a fund manager's view.

Our acquisition of Altiore in 2018 has added data and analytics-driven insights to our service range and marked the beginning of a fintech-led transformation. During the year, we introduced Insights for clients - an Analytics package integrated into the IIFL Wealth

reporting tool. It provides deep dive analytics on client portfolios, allowing relationship managers to get enhanced information on portfolio performance, portfolio risk measurement, ratios and Investment Policy Statement compliance to name a few. Insights provides up to-date daily access to portfolio analytics to all our relationship managers, Investment Committees, service managers and fund management teams. Its reach is the first of its kind in India given the fact that access is to thousands of families updated daily across portfolios with range of investments. The analytics platform offers internal users views on the portfolio, which are not available to their peers or counter parts on similar scale or size of industry. It helps improve our reach to our clients, supporting our RMs with better MIS and data to study portfolios and make decisions accordingly.

#### DIGITAL ENGAGEMENT FOR SELECT LEADING WEALTH MANAGERS IN Q1 2020

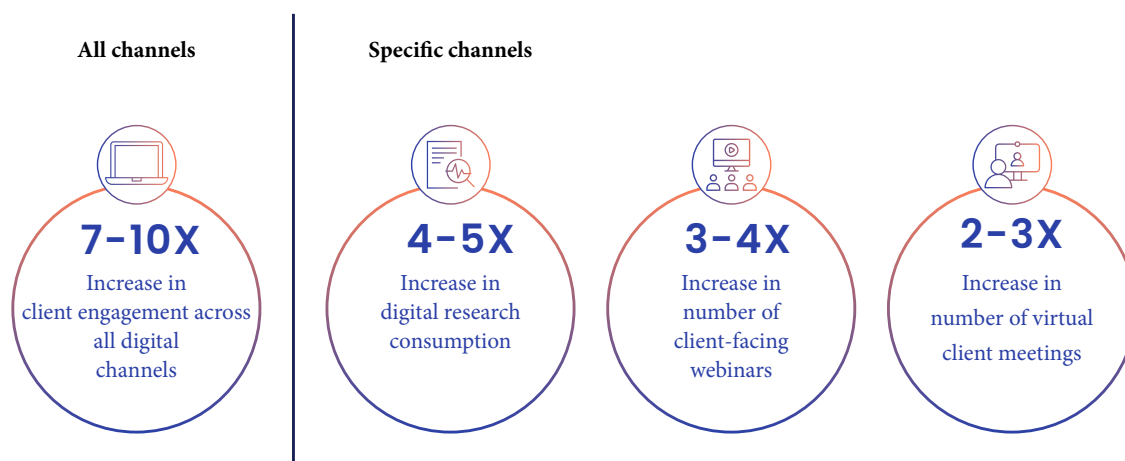


Fig 22: Increase in client engagement across all digital channels. Source: Oliver Wyman analysis

#### CLIENT ENGAGEMENTS – SPECIALLY CURATED FOR UHNIS

Class Apart is our Knowledge series where we bring exclusive classroom sessions with globally renowned professors / programs. We conducted a session with Harvard Business School professor, Boris Groysberg. In another such engagement, we took 70 clients to a 4-day curated program at Singularity University, California.

#### RESEARCH & INNOVATIONS IN 2019 – NAVIGATING THE PERFECT STORM

The Indian Fixed Income market started to come under stress since September 2018. Post the default of a large Indian lending institution, we had anticipated the stress in the system and released a note 'A Shift to Quality,' which advised our investors to reduce exposure to lower rated credit and move monies to higher quality and shorter duration credit bonds and funds. This call played out well as a spate of defaults took place over the next few months.

#### THE HIGH-QUALITY OPPORTUNITIES IDENTIFIED DURING THE YEAR

1. At the start of 2019, we saw that the yields of perpetual bonds of the top-rated PSU & Private banks in the country had spiked and were at very attractive yields. We used this opportunity to create an attractive structure product with its coupon pay-out linked to the performance of AT1 perpetual bonds issued by top banks.
2. The second quarter of CY2019 saw the listing of 'Embassy REIT,' which was India's first Commercial REIT. This REIT was co-sponsored by Blackstone and its debt was rated AAA. However, since it was a new structure, many regulated entities did not have approval to invest in the debt of REITs. The industry's lack of understanding of REITs also led to higher spreads being available. In May 2019, we utilized this anomaly to offer NCDs of Embassy Office Park REIT at an attractive yield of 9.25%, which was at substantial spread to existing AAA papers.

3. June 2019 saw a lot of volatility in Government bonds as the market was waiting for a revised budget from the newly elected government. There was a lot of scepticism on the fiscal deficit. This led to an interesting opportunity in the G-sec market where there was a spread available between 5-year G-sec and MIBOR hedged to a fixed rate for 5 years. We took advantage of this spread and launched a unique structured product offering, which aimed at generating enhanced debt returns over a period of 5 years by building an in-built 8x exposure to 5-year G-sec. The product aimed to generate a pre-tax return of 10.10% over the entire duration.
4. In July 2019, we had launched Market-Linked Debentures (MLDs) issued by Indigrid, India's first power sector investment trust established to own interstate transmission assets in India. The industry was wary of Infrastructure investment trusts (InvITs) and had limited understanding of the asset class. Again, there was a regulatory arbitrage available since regulated entities were not allowed to buy debt of InvITs. The product offered an attractive yield of 9% with rating of CRISIL AAA/ Stable.
5. We also took tactical calls in mutual funds to exploit market inefficiencies. For instance, towards the end of 2019, we had noticed the term spread between 3-year and 10-year AAA papers was at its highest level during the past 9 years. During this time, while the longer maturity securities stayed put, the rally in the short-term securities led to widening of term spread.
  - The term spread (10-3 years) for AAA-rated PSUs stood at 124 bps. The maximum term spread in the last 10-years was 154 bps (average 0.23 bps)
  - The term spread (10-3 years) for AAA-rated Corporate stood at 112 bps. The maximum term spread in the last 10-years was 158 bps (average 0.21 bps)

To exploit this opportunity, we advised investors to consider investing in long term maturity rolldown funds which offered a favourable risk reward ratio.

As the credit crisis progressed in the country, there were more entities that went bankrupt. The risk aversion created illiquidity and wide spreads for lower rated papers. Indian NBFCs found it difficult to raise money and any money raised went in repaying past loans. Fresh disbursements from NBFCs stalled and the entities dependent on it like promoter entities and real estate companies were completely starved of capital. This gave us an opportunity to cherry pick deals from the market where there was adequate liquid collateral but high yields due to the ongoing risk aversion.

#### REGULATORY CHANGES DURING THE YEAR

The following were the key regulatory changes during the year:

#### a) Portfolio Management Services

Securities and Exchange Board of India (SEBI) on January 20, 2020 issued Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (SEBI PMS Regulations 2020) and repealed the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993. Following were the key amendments:

- All new clients on boarded must invest ₹50 Lakhs or more in any Scheme.
- No upfront fees can be charged by the portfolio manager from the clients;
- Discretionary schemes can invest only in securities listed or traded on a recognized stock exchange, money market instruments, units of Mutual Funds or any other securities as specified by Board from time to time
- Non-Discretionary / Advisory schemes may further invest or provide advice for investment of up to 25% of the assets under management in unlisted securities, in addition to the securities permitted for discretionary portfolio management.
- Portfolio Managers may invest in units of Mutual Funds only through direct plan and shall not leverage the portfolio of its clients for investment in derivatives.

Since we had moved our commission structures to a full trail model proactively from the beginning of FY20 only, the changes in the regulations have had no adverse impact on our business.

#### b) Investment Advisory

SEBI on July 03, 2020 amended the Securities & Exchange Board of India (Investment Advisors) Regulations 2013 which shall come into force from 1<sup>st</sup> October 2020. Key changes proposed are as follows:

- The Investment Advisor shall have client level segregation at group level for investment advisory and distribution services. The same client cannot be offered both advisory and distribution services within the group of Investment Advisor.
- A client can either be an advisory client where no distributor consideration is received at the group level or distribution services client where no advisory fee is collected from the client at the group level.

#### REVIEW OF FINANCIAL PERFORMANCE

IIFL Wealth and Asset Management is one of the largest wealth and asset management firms in India. Founded in 2008, IIFL Wealth has grown steadily and now manages assets more than ₹1.60 trillion, as on March 31, 2020. We operate out of 31 offices spread across the world and have an employee strength of more than 900 employees.



## Assets Under Management & Profitability

The table below provides a break-up of our Assets Under Management for the periods indicated:

(All figures in ₹CrS)

Particulars	2019-20	2018-19	YoY Growth %
<b>Annual Recurring Revenue Earning Assets</b>	<b>62,595</b>	<b>58,270</b>	<b>7.4%</b>
<i>Discretionary PMS / Non-Discretionary PMS / Advisory</i>	17,720	8,714	103.4%
<i>Funds Managed by IIFL AMC</i>	21,940	20,773	5.6%
<i>Third Party Managed funds</i>	19,399	23,985	-19.1%
<i>Loan Book</i>	3,536	4,798	-26.3%
<b>Transactional Assets</b>	<b>94,302</b>	<b>97,220</b>	<b>-3.0%</b>
<i>Direct Equity</i>	22,008	27,575	-19.9%
<i>Debt &amp; Structured Products</i>	25,562	15,812	61.7%
<i>Third Party Managed funds – Direct Code</i>	21,316	22,787	-6.5%
<i>Third Party Managed funds on which upfront commissions have been earned in previous years</i>	25,337	31,045	-18.4%
<b>Total Assets</b>	<b>1,55,490</b>	<b>156,897</b>	<b>0.91%</b>
<b>Less: Double counted Assets</b>	<b>18,106</b>	<b>18,889</b>	
<b>Net Assets</b>	<b>1,38,792</b>	<b>1,36,601</b>	<b>1.6%</b>
<b>Add: Custody Assets</b>	<b>31,145</b>	<b>21,243</b>	
<b>Total Net Assets including Custody</b>	<b>167,746</b>	<b>160,034</b>	<b>-4.60%</b>

The table below is a Reclassified Consolidated Statement of Profit and Loss for the periods indicated.

(All figures in ₹CrS)

Particulars	2019-20	2018-19	YoY Growth %
<b>Gross Revenue from Operations</b>	<b>1,527</b>	<b>1,579</b>	<b>-3.4%</b>
Less: Direct Costs	(676)	(510)	
Net Revenue	851	1067	-20.23%
Add: Other Income	(69)	44	
<b>Net Operating Revenue</b>	<b>920</b>	<b>1023</b>	<b>-10.1%</b>
<b>Classified into:</b>			
<b>Annual Recurring Revenues</b>	<b>535</b>	<b>444</b>	<b>20.5%</b>
<i>Management Fees on D/ ND PMS</i>	35	15	139.9%
<i>Management Fees on Funds Managed by IIFL AMC</i>	146	80	82.3%
<i>Annuity / Trail commissions earned on Third Party Managed funds</i>	119	127	-5.7%
<i>Net Interest Margin on Loans</i>	234	222	5.2%
<b>Transactional Revenues</b>	<b>385</b>	<b>579</b>	<b>-33.5%</b>
<i>Brokerage on Equity</i>	36	38	-6.1%
<i>Brokerage on Debt &amp; Structured Products</i>	139	143	-2.9%
<i>Other Brokerage Syndications</i>	211	39	434.8%
<i>Upfront commissions on Third Party Managed Mutual Funds</i>	0	250	
<i>Upfront commissions on Third Party Managed AIF / PMS</i>	0	62	
<i>Carry Income / Other One time Incomes</i>	0	47	
<b>Expenses</b>	<b>564</b>	<b>530</b>	<b>6.6%</b>
Employee Costs	385	337	14.2%
<i>Fixed Costs</i>	300	307	-2.3%
<i>Variable Costs</i>	63	30	110.1%
<i>ESOP Costs</i>	22	0	
Administration & Other Expenses	180	193	-6.8%
<b>Operating Profit Before Tax</b>	<b>356</b>	<b>493</b>	<b>-27.9%</b>
Add: Other Income	-69	44	
<b>Profit before tax</b>	<b>286</b>	<b>537</b>	<b>-46.7%</b>
Tax	85	163	
<b>Profit for the year</b>	<b>201</b>	<b>374</b>	<b>-46.26%</b>
Other comprehensive income	5	10	
<b>Total comprehensive Income for the year</b>	<b>206</b>	<b>384</b>	<b>-46.2%</b>
Cost to Operating Income Ratio %	61%	52%	
ROE	7%	16%	
ROE Ex Goodwill & Intangibles %	8%	17%	
Debt to Equity Ratio			



Reclassified Segment wise performance is as under

(All figures in ₹Crs)

Segments	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Wealth Management	Asset Management	Total	Wealth Management	Asset Management	Total
Gross Revenues	1,325	202	1,527	1,401	178	1,579
Net Operating Revenue	774	146	930	896	127	1023
Operating Profit before Tax	331	25	356	469	25	493

The key factors to consider are as follows:

1. Net Revenue from Operations declined 10.1% YoY to ₹920 Crs primarily due to the shift made in our revenue model wherein we moved all distribution commissions earned from Third Party manufacturers to Annuity / Trail mode in FY20. This is contrasted against the erstwhile upfront model followed in FY19 and earlier where the entire commission receivable over the life of an investment made by a client was received and booked as income on the date of the transaction. This meant that for the remainder of the investment period, we received no income from those assets under management. Part of this change was mandated by SEBI through its circular in Sept '18 stating that all distribution commission on mutual funds will be paid only to all distributors in trail mode only from Oct '18 onwards. For Alternative Investment Funds/ Portfolio Management Services (AIF/PMS), there was no such regulatory requirement, but with effect from 1<sup>st</sup> April 2019, we *suo moto* moved all commissions receivable to trail mode. Subsequently, in January 2020, SEBI has mandated that all distribution commissions on PMS investments must also move to trail mode, but since we had already made this change in FY20 this will have no impact on us in FY21.
2. Focus on Annual Recurring Assets & Revenues during the year has resulted in an increase in Annual Recurring Revenues (ARR) assets by 7.4% to ₹62,595 Crs and the revenues increasing by 20% YoY to ₹535 Crs for the year. This is despite a fall in Mutual Fund commissions as a result of

SEBI MF amendment dated 13th December, 2018 effective from April 01, 2019, mandating Total Expense Ratio (TER) reductions in Mutual funds schemes; the direct impact of which was borne by distributors with commission structures being reduced by manufacturers to compensate for reduced TERs.

3. Our specific focus on growing the IIFL-One offering has been well received by clients with AUM increasing by 103% YoY to ₹17,720 Crs and revenues increasing 140% YoY to ₹35 Crs.
4. Overall Net flows during the year were ₹12,434 Crs under the tough economic conditions experienced during the year.
5. On the cost side, we have continued to focus on rationalizing costs downward and increasing productivity. In FY20, fixed employee costs have reduced by 2.3% YoY, the overall increase in total employee costs is primarily due to higher one time variable and ESOP costs. Administration costs have also decreased by 6.8% YoY to ₹180 Crs. We are confident of further rationalization in these costs in FY21.
6. Operating Profits before Tax have reduced 27.9% YoY to ₹356 Crs primarily due to the drop in Net Revenues as explained earlier.
7. Other Income, which is primarily our earnings on our proprietary holdings in schemes manufactured or distributed by us is a loss for ₹69 Crs for the year driven primarily by Mark to market (MTM) movements in March 2020 due to the Covid-19 crisis. This along with the fall in net revenues explained earlier has resulted in Profit after Tax declining 46.2% to ₹206 Crs for the year.

## BALANCE SHEET AND CAPITAL DEVELOPMENT

(All figures in ₹Crs)

ASSETS		As at 31-Mar-20	As at 31-Mar-19
<b>1 Financial Assets</b>		<b>12,253</b>	<b>9,165</b>
(a) Cash and cash equivalents		1028	165
(b) Bank Balance other than (a) above		151	113
(c) Derivative financial instruments		132	96
(d) Receivables			
(I) Trade Receivables		242	296
(II) Other Receivables		118	424
(e) Loans		3632	4966
(f) Investments		6512	3053
(g) Other Financial assets		439	52
<b>2 Non-Financial Assets</b>		<b>766</b>	<b>615</b>
(a) Inventories		0	20
(b) Current tax assets (Net)		72	27
(c) Deferred tax Assets (Net)		5	17
(d) Investment Property		0	0

<b>ASSETS</b>		<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
(e)	Property, Plant and Equipment	299	62
(f)	Capital work-in-progress	1	173
(g)	Intangible assets under development	0	0
(h)	Goodwill	188	188
(i)	Other Intangible assets	88	87
	Right to Use assets	34	41
	Other non-financial assets	80	0
<b>Total Assets</b>		<b>13,019</b>	<b>9,780</b>
<b>LIABILITIES AND EQUITY</b>		<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
<b>1</b>	<b>Financial Liabilities</b>	<b>9,938</b>	<b>6,778</b>
(a)	Derivative financial instruments	249	252
(b)	Payables	304	136
(c)	Debt Securities	5193	3978
(d)	Borrowings (Other than Debt Securities)	2850	1566
(e)	Subordinated Liabilities	562	570
(f)	Other financial liabilities	744	276
(g)	Finance Lease Obligation	35	
<b>2</b>	<b>Non-Financial Liabilities</b>	<b>90</b>	<b>92</b>
(a)	Current tax liabilities (Net)	16	29
(b)	Provisions	9	9
(c)	Deferred tax liabilities (Net)	32	28
(d)	Other non-financial liabilities	32	26
<b>3</b>	<b>Equity</b>	<b>2,992</b>	<b>2,910</b>
(a)	Equity Share capital	17	17
(b)	Other Equity	2974	2893
(c)	Non-controlling interest	0	0
<b>Total Liabilities and Equity</b>		<b>13,019</b>	<b>9,780</b>

## Key Considerations as on March 2020:

- Investments & Borrowings linked to structured borrowings stood at ₹4,417 Crs.
- Liquid Investments stood at ₹1241 Crs.
- Investments of Proprietary funds in AIF / PMS stood at ₹781 Crs.
- Consolidated Net worth stood at ₹2,992 Crs Vs ₹2,910 Crs in FY19. Net worth Ex-Goodwill and intangibles stood at ₹2,716 Crs Vs ₹2,635 Crs in FY19 and average Net worth Ex- Goodwill and intangibles stood at ₹2,675 Crs Vs ₹2,242 Crs in FY19
- ROE Ex-Goodwill & Intangibles has declined to 8% from 17% YoY primarily driven by the reduction in PAT YoY as discussed earlier and due to the increase in Average Net worth ex Good will and intangibles in FY20
- Debt/Equity ratio increased from 2.36 on March 31, 2019 to 3.35 on March 31, 2020, primarily due to the increase in aggregate outstanding borrowings as at March 31, 2020 of ₹1003 Crs vs. ₹687 Crs as at March 31, 2019, an increase of 46%.
- Debtors turnover ratio moved from 6.31 in FY19 to 5.59 in FY20, due to reduced revenue from operations and an increase in average trade receivables during the year
- During the year we have declared a total interim dividend of ₹20/- per equity share with face value ₹2/- each.

## OUTLOOK

The global economy has entered a period of significant uncertainty: assets have re-priced, interest rates have dropped, and market volatility has increased. Given the very nature of the pandemic crisis, an external shock pushing the global real economy into severe recession it would be prudent to think long term and refrain from short-sighted actions. The overall business direction therefore remains unaltered which includes sharpening our client value proposition and accelerating our investments in people and technology. We will continue to invest in our people, processes and technology to provide a platform that offers our clients products that deliver steady performance with adequate risk management, and superlative services..

India's economic output remains vulnerable to multiple challenges and geopolitical risks in the short run. However, as enunciated earlier in the section on macro-economic overview, our fundamentals remain strong (benign inflation, Current Account Deficit and fiscal deficits in control, healthy foreign exchange reserves) and given our demographic dividend of a young population with a higher proportion of working age citizens, a vibrant start-up environment and the government's focus on improving the ease of doing business and helping Micro, Small & Medium Enterprises (MSMEs) that employ a major portion of India's workforce, we are optimistic about India remaining a place where there will be opportunities to create wealth, which, together with the financialization of savings will in turn continue to drive demand for wealth management services.

While the current crisis has temporarily reversed a long period of annual year on year growth in HNI wealth, we expect wealth growth to resume by FY22. However, the immediate aftermath of this crisis has led to AUM declines and a temporary halt in wealth creation and net new flows resulting in underlying revenue drivers facing significant challenges. Therefore, we are preparing for a challenging outlook in the near term while simultaneously focussing and preparing our business to capture long term growth potential by:

- Enhancing our delivery platform and operating model to effectively combine the expertise provided by the physical presence of a Relationship

Manager, with the efficiency, convenience and scalability of a digital platform to take the client experience to the next level

- Continuous focus on cost and productivity optimizations to generate positive operating leverage and improve cost to income ratios and optimization of capital deployed to enhance ROE
- Consolidate our market share and drive growth via differentiated product offerings and evaluation of inorganic opportunities to enhance the growth trajectory

#### ANTICIPATED USE OF CHANNELS BY CLIENTS AND THEIR POTENTIAL ROLE (2024)

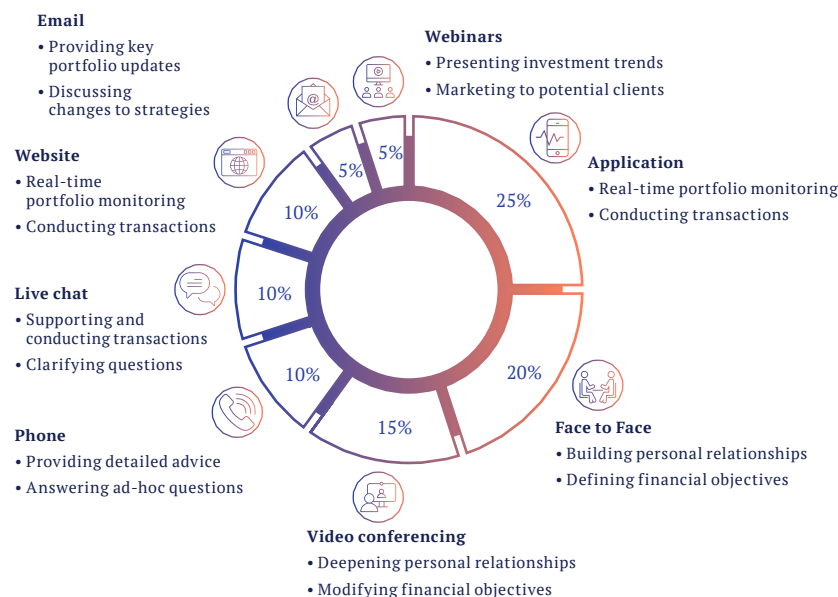


Fig 23: The potential role of various channels to be used by clients by 2024. Source: Oliver Wyman analysis

#### RISKS AND GOVERNANCE

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review and may continue to do so in the future.

**Our Assets under Management:** Our results of operations are materially affected by our AUM. Accordingly, our growth and success significantly depend upon the appropriateness of investment options provided and the performance of our client portfolios and funds. Good investment performance increases the attractiveness of our products with clients resulting in higher inflows and a consequent increase in our revenues. Hence, events adversely impacting such investment performance (relating to stocks, bonds, commodities or real estate related investments) may adversely affect our business.

To mitigate these risks, we have a Product team that shortlists products, which are offered to clients. We also have a Product Approval Committee for complex / structured products. That apart, we do a detailed Risk Appetite assessment of the client, and accordingly prepare an Investment Policy Statement (IPS) for the client. Hence, actual asset allocation can be checked

against this and corrective action can accordingly be taken. That apart, our Internal Auditors specifically check that investment rationales are maintained and regularly updated. We also have Investment and Valuation Committees and a Risk Management team that monitor portfolios that are managed by us internally within the group.

**General economic and financial services industry conditions in India:** Our Company is engaged in the business of providing wealth management services and with a majority of our operations within the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including the GDP growth rate, inflation rate, change in demographic profile, wealth levels, the economic cycle, prevalent interest rate regime, securities markets performance, and the increased usage of technology based channels.

We believe that the Indian economy has grown rapidly over the past decade and is expected to continue to grow at a healthy rate (leaving apart temporary blips like 2019 and 2020), which, together with the increasing financialization of savings, could in turn, drive the underlying demand for investment products and services.

However, if the general economic conditions in India deteriorate or are not in line with our expectations, or unforeseen events adversely affect our client investment portfolios, our financial condition and results of operations may be materially and adversely affected.

**Competition and Market:** We face significant competition in all aspects of our business from other established Indian and multi-national companies. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them a competitive advantage.

Mergers and acquisitions involving our competitors may create entities with even greater competitive advantages. We also face competition from several players who offer financial advisory services purely on technology platforms, in a highly cost-competitive manner ('Robo-advisors'). These competitive factors could reduce our market share and profitability.

There is also a fundamental change that is happening in the distribution of financial products, as the industry is moving gradually from a commission-based model to a fee-based model, that is having an effect on the revenues of asset allocators like our Company. The IIFL-ONE product platform has been launched to address this change and clients are gradually moving to this platform.

We believe our wide product offering, our relationships with clients, industry and product knowledge, and brand image will allow us to face such competition. We have a dedicated technology team, which has both domain and technology experts, and we are leveraging technology to deliver insights and interact with clients through different platforms.

**Regulatory supervision:** We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and RBI and the various stock / currency / commodity exchanges.

In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented, which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies affecting the financial services industry may require changes to our business operations, products and pricing, and technological processes and thus may involve additional costs and management time.

While it may be possible that certain regulatory changes would be positive for some of our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

We have a dedicated Compliance team to interpret regulations, submit regulatory returns and interface with Regulators. We also have Anti-Money Laundering (AML) Policies and AML Committees for our various businesses to deliberate on client onboarding.

**Personnel and operating costs:** We function in a highly competitive industry and accordingly, our ability to manage our expenses directly affects our

business and results of operations. These expenses may be impacted by macroeconomic conditions including increases in inflation, changes in laws and regulations, increased competition, personnel expenses and other factors.

Personnel related expenses constitute a significant proportion of our total expense. However, it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, and expand into new business products.

As we grow our business, we will require additional human resources including relationship managers, investment professionals, dealers and operational, management and technology staff. Changes affecting our expenses may impact our financial condition and results of operations.

**Operations and Technology:** Any complex set of operations creates the possibility of frauds and errors. To mitigate against these risks, we have written procedures, maker-checker controls and approval of all exception requests by Risk Management. The efficacy of these controls is checked by Internal Audit.

Information Technology systems are crucial to the success of our business operations and help us to improve our overall productivity. They also pose a key risk in terms of failure of systems, information security failures and the possibility of cyber-attacks.

Our Technology team has deployed multiple defences to mitigate the risk of cyber-attacks and prevent unauthorised access to, and leakage of, sensitive information. We have network security in the form of a firewall, and Intrusion Prevention Systems; we also have a strict perimeter device security policy, where we have blocked access to personal email, social networking and data sharing websites, USB and local drives and forced users to save working files on a company administered OneDrive. While access to emails is accessible on mobile phones, no files / attachments can be saved on these devices.

We also have a Business Continuity and Disaster Recovery plan, with data being stored on a cloud server, which we have tested. During the Covid-19 induced nation-wide lockdown in 2020, we tested our ability to support operations in a work from home (WFH) environment and we managed to execute this in a stable manner, with users logging in through a virtual private network to access their office-based applications, thereby ensuring that no information security controls were compromised.

**Inflation risk:** Of late, India has experienced relatively benign rates of inflation. Inflation affects interest rates and hence, higher inflationary expectations lead to rise in borrowing costs and slowdown in credit offtake, which may affect our profitability. Adverse changes in credit offtake and savings caused by inflation also impacts the overall economy and business environment and hence could affect us.



## Development and Implementation of Risk Management System

We have a separate Risk Management department that reports to the Chief Operating Officer and the Audit Committee of the Boards of IIFL Wealth Management Ltd. and its subsidiaries. Risk Management relies on the internal controls built into Standard Operating Procedures, and the Risk Management, Product and Investment Policies relating to the various businesses: e.g. the Broking Risk Management Policy, the MF Risk Management Policy, the Policies for Loan Against shares, Loan Against Property and Unsecured Lending and Investment Manuals and Policies that exist for our NBFC and Asset Management Company. We also have Valuation and Provisioning Policies for our MF and AIF portfolios. There is representation from the Risk Management team on Investment, Valuation and Risk Management Committees of the various businesses.

The internal processes have been designed to ensure adequate checks and balances and regulatory compliances at every stage. Authority matrices have been defined going down from the Board of Directors, to provide authority to approve various transactions.

All trading limits have been put on the respective trading systems in Stock and Commodities broking, and asset management businesses.

That apart, Risk Management conducts internal reviews (using external Chartered Accountants, where required) of various aspects of the business, which include documentation in relation to the lending business; compliance with various regulations in AIF and checking of certain regulatory returns.

The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

The Internal Audit of the Company and its subsidiaries is conducted by an independent firm of Chartered Accountants, as per the scope suggested by Risk Management and approved by the various Boards.

The scope of internal audit covers all aspects of business including regular front-end and back-end operations, HR, Finance, Customer Service, IT and checking for both regulatory and internal compliances. Internal audit team carries out a risk-based audit of various processes to provide assurance on the adequacy and effectiveness of internal controls. The Internal Auditors also check and opine on the state of Internal Financial Controls. Internal Audit reports are presented to the Audit Committees of the various boards directly by the Internal Auditors.

In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team, through the monitoring of the Internal Audit and Statutory Audit reports and through the Risk Management Committee, to which a detailed presentation is made by the Head – Risk Management. The Audit Committee reviews major instances of fraud, if any, on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence.

## Internal Financial Controls

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. These are encapsulated in the Risks & Controls Matrix (RCM). The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.



# Corporate Governance Report

This Corporate Governance Report has been issued in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IIFL Wealth Management Limited (the "Company") follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Wealth Management Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI Listing Regulations 2015.

Our Board has Independent Directors, highly respected for their professional integrity as well as rich financial experience and expertise.

## 2. BOARD OF DIRECTORS

### (a) Composition of the Board of Directors

The Board of Directors ("Board") of the Company has an optimum combination of executive and non-executive directors (including One Woman director). The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Managing Director & Promoter	Mr. Karan Bhagat
Non-Executive Directors & Promoter(s)	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Yatin Shah
Non- Executive Directors	Mr. Sandeep Naik
	Mr. Shantanu Rastogi
	Mr. Gopalakrishnan Soundarajan
Independent Directors	Mr. Nilesh Vikamsey
	Ms. Geeta Mathur
	Dr. Subbaraman Narayan
	Mr. Pankaj Vaish

### (b) Brief profiles of the Directors are as follows:

#### • MR. KARAN BHAGAT – Managing Director

Karan Bhagat is the Promoter and Managing Director of our Company. He holds a Bachelor's degree in Commerce from St. Xavier's College, Kolkata and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He has approximately two decades of experience in the financial services sector. He is responsible for the strategic initiatives undertaken by our Company. He was responsible for establishing a customer-centric private wealth enterprise and was responsible for introducing new offerings such as lending & estate planning services for ultra HNIs. Under his leadership, our Company also launched a fee-based advisory platform that aggregates all of our services into a single offering, called IIFL-One. He has previously worked with Kotak Mahindra Wealth Management Ltd, where he served as Senior Vice President. He featured in Fortune India's '40 under 40' list in 2016 and 2017 and The Economic Times '40 under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

- **MR. YATIN SHAH – Non-Executive Director**

Yatin Shah is the Promoter and Non-Executive Director on the Board of our Company. He holds a Bachelor's degree in Commerce from the University of Mumbai and a Master's degree in Science (Finance) from Cass Business School, London. He has significant experience in the financial services sector. He has previously worked with Khandwala Securities Limited and Kotak Mahindra Bank Limited. He has been awarded as the Best Relationship Manager by Kotak Mahindra Bank and secured the Best Financial Manager award for the best registered deal by Asian Institute of Management Manila.

- **MR. NIRMAL JAIN – Non-Executive Director**

Nirmal Jain is the Promoter and a Non-Executive Director on the Board of our Company. He holds a bachelor's degree in Commerce from the University of Mumbai and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, and is a qualified chartered accountant. He is also a qualified cost accountant and obtained the all India second rank in an examination conducted by the Institute of Cost Accountants of India in 1987. He founded IIFL Group in 1995 and for the last 25 years, he has led the expansion of the group, while remaining focused on financial services.

- **MR. VENKATARAMAN RAJAMANI – Non-Executive Director**

Venkataraman Rajamani is the Promoter and a Non-Executive Director on the Board of our Company. He holds a Bachelor's degree in Electronics and Electrical Communications Engineering from the Indian Institute of Technology, Kharagpur and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He joined IIFL Finance Limited Board in 1999 and is currently a Co-Promoter and the Managing Director of IIFL Finance Limited. He has significant experience in the financial services sector. Prior to this, he worked with ICICI Limited, ICICI Securities Limited, and Taib Capital Corporation Limited. He has also served as the assistant vice president of GE Capital Services India Limited in their private equity division. He has been accredited as 'Best CEO' by BW Business world in the 'large corporate' category in 2018.

- **MR. NILESH VIKAMSEY – Independent Director**

Nilesh Vikamsey is an Independent Director and the Chairman of the Board of our Company. Mr. Vikamsey is a senior partner at Khimji Kunverji & Co LLP, an 82-year-old Chartered Accountants firm, which is a member firm of HLB International. He is presently Member of the Advisory

Committee on Mutual Funds & Corporate Governance Committee of Securities and Exchange Board of India (SEBI), Risk Management Committee of Central Depository Services (India) Limited (CDSL), and Expert Advisory Committee of Institute of Chartered Accountants of India (ICAI). He is the Past President of ICAI. He was an observer on the Board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was a member of IRDA. He was the Chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance Committee chaired by Uday Kotak, Primary Market Advisory Committee and Committee on Disclosures and Accounting Standards (SCODA). He is a Speaker/Chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of the RBI, Comptroller & Auditor General of India (C&AG) and various other organisations.

- **MS. GEETA MATHUR - Independent Director**

Geeta Mathur is an Independent Director on the Board of our Company. Geeta Mathur is an experienced finance professional having worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organisations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor Relations. She currently serves as an independent director in various large organisations across manufacturing and services such as Motherson Sumi Systems Limited, Info Edge (India) Limited, NIIT Limited, Tata Communication Transformation Services Limited. She co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organisation and community of women corporate directors with a mission is to foster a powerful, trusted community of influential women corporate directors. She is a graduate in Commerce from Shriram College of Commerce, Delhi University and did her articleship with Price Waterhouse while pursuing her Chartered Accountancy.

- **DR. SUBBARAMAN NARAYAN – Independent Director**

Subbaraman Narayan is an Independent Director on the Board of our Company. He holds a Bachelor's degree and a Master's degree in Physics from Madras University. He has 40 years of experience in the fields of economics, economic policy, and administration. He has been a senior

research fellow at the Institute of South Asian Studies, National University of Singapore since 2005. He has previously held the positions of finance and economic affairs secretary; economic advisor to the Prime Minister of India; secretary in the Department of Revenue, Ministry of Finance, Government of India; secretary, Ministry of Petroleum and Natural Gas, Government of India; and secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

- **MR. SHANTANU RASTOGI** – Non-Executive, Nominee Director

Shantanu Rastogi is a Non-Executive Director on the Board of our Company. He is currently Managing Director at General Atlantic, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He holds a Bachelor's degree in Engineering from the Indian Institute of Technology, Mumbai and a Master's degree in Business Administration from the Wharton School, the University of Pennsylvania. He has approximately 15 years of experience in the fields of private equity and finance. He has previously worked as a business consultant with McKinsey & Company.

- **MR. SANDEEP NAIK** - Non-Executive, Nominee Director

Sandeep Achyut Naik is a Non-Executive Director on the Board of our Company. He is currently the Managing Director and head of the India and Asia-Pacific business of General Atlantic. He holds a Bachelor's degree in Technology (specialising in Instrumentation Engineering) from the University of Mumbai a master's degree in science (specialising in Biomedical Engineering) from the Virginia Commonwealth University School of Medicine, and a Master's degree in Business Administration (specialising in Finance) from the Wharton School, the University of Pennsylvania. Prior to joining General Atlantic Singapore Fund Pte Limited in 2012, he served as partner and co-head of India for Apax Partners India Advisers Private Limited. He was also co-founder of InfraScan Inc. He was selected as a young global leader by the World Economic Forum and has previously served on the global agenda council of the 'new order of economic thinking'.

- **MR. GOPALAKRISHNAN SOUNDARAJAN** – Non-Executive Director

Mr. Gopalakrishnan Soundarajan is the Managing Director at Hamblin Watsa Investment Counsel Ltd. Prior to this, he was the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. He held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee.

Mr. Gopalakrishnan Soundarajan holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst and Member of the CFA Institute in the United States.

- **MR. PANKAJ VAISH** – Independent Director

Mr. Pankaj Vaish is an Independent Director on the Board of our Company. He holds a Bachelor's degree and is a gold medalist in Mechanical Engineering from IIT-BHU and Master's degree in Management from Carlson School of Management, University of Minnesota, Minneapolis, USA. He has more than 34 years of experience in Technology Transformation, Consulting, Offshoring, Outsourcing, Building and Scaling Businesses.

He is actively engaged in the financial services industry and is associated with companies across segments of the industry. He is a consultant and a business advisor. In addition, as part of his participation in India's startup ecosystem, he is supporting various technology products and services companies in sharpening their market focus and scaling their businesses.

He started his career in 1985 with Accenture and was part of the founding team for Accenture India. Currently, he is a Professor of 'Practice of Management' at the Amrut Mody School of Management (AMSOM), Ahmedabad University.

#### c) **Board Meetings and Directorship/ Committee membership(s) of Directors**

During the year 2019-20, Nine (9) Board Meetings were held on the following dates; April 10, 2019, April 30, 2019, May 13, 2019, June 6, 2019, June 25, 2019, August 21, 2019, October 21, 2019, November 15, 2019 and January 22, 2020.

As mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies.

The table below gives the details of the names of the members of the Board, their status, attendance at the Board Meetings and at last AGM, other Directorships, Committee Memberships and Chairmanships in Indian Companies as on March 31, 2020. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

Name of the Director (DIN)	Position / Category of Directorship	No of shares held by NEDs	Number of board meeting attended during the year	Attendance at last AGM	Director ships in Indian Public Companies (including IIFL Wealth Management Limited)	Membership of Committees ^ (including IIFL Wealth Management Limited)	
						Member	Chairman@
Mr. Nirmal Jain (DIN: 00010535)	Non-Executive Director	62,28,856	8	Yes	3	1	-
Mr. Venkataraman Rajamani (DIN: 00011919)	Non-Executive Director	13,49,204	9	Yes	6	4	1
Mr. Nilesh Vikamsey (DIN: 00031213)	Chairman and Independent Director	23,571	6	Yes	9	9	2
Ms. Geeta Mathur (DIN: 02139552)	Independent Director	NIL	8	Yes	8	9	5
Dr. Subbaraman Narayan (DIN: 00094081)	Independent Director	NIL	2	No	6	4	2
Mr. Pankaj Vaish* (DIN 00367424)	Independent Director	NIL	1	NA	1	-	-
Mr. Karan Bhagat (DIN: 03247753)	Managing Director	1,36,300	9	Yes	2	1	-
Mr. Yatin Shah (DIN: 03231090)	Non-Executive Director	33,10,526	9	Yes	6	0	-
Mr. Shantanu Rastogi (DIN: 06732021)	Nominee Director	NIL	7	Yes	3	2	-
Mr. Sandeep Naik (DIN: 02057989)	Nominee Director	NIL	7	No	3	-	-
Mr. Gopalakrishnan Soundarajan* (DIN 05242795)	Non-Executive Director	NIL	1	NA	4	-	-

## Note:

1. ^The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.
2. @ Chairmanship includes committee membership
3. \*Appointed with effect from January 22, 2020

As mandated by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a person shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020

The table below gives the details of the names of the Directors, their status including the names of the listed entities where the person is a director and the Category of Directorship as on March 31, 2020.

Name of the Director and DIN	Directorship in Equity Listed entities including IIFL Wealth Management Limited	Category of Directorship
Mr. Nirmal Jain (DIN: 00010535)	IIFL Finance Limited	Whole-time Director
	IIFL Wealth Management Limited	Director
Mr. Venkataraman Rajamani (DIN: 00011919)	IIFL Finance Limited	Managing Director
	IIFL Wealth Management Limited	Non- Executive, Non Independent Director
	IIFL Securities Limited	Managing Director
Mr. Nilesh Vikamsey (DIN: 00031213)	IIFL Finance Limited	Independent Director
	Thomas Cook (India) Limited	Independent Director
	SBI Life Insurance Company Limited	Independent Director
	Navneet Education Limited	Independent Director
	PNB Housing Finance Limited	Independent Director
	SBI Cards and Payment Services Limited	Independent Director
	IIFL Wealth Management Limited	Independent Director
	JTEKT India Limited	Independent Director
Ms. Geeta Mathur (DIN: 02139552)	Motherson Sumi Systems Limited	Independent Director
	NIIT Limited	Independent Director
	IIFL Finance Limited	Independent Director
	Info Edge (India) Limited	Independent Director
	IIFL Wealth Management Limited	Independent Director

Name of the Director and DIN	Directorship in Equity Listed entities including IIFL Wealth Management Limited	Category of Directorship
Dr. Subbaraman Narayan (DIN : 00094081)	Dabur India Limited	Independent Director
	Seshasayee Paper and Boards Limited	Independent Director
	Artemis Global life Sciences Limited	Independent Director
	IIFL Wealth Management Limited	Independent Director
Mr. Karan Bhagat (DIN: 03247753)	IIFL Wealth Management Limited	Managing Director
Mr. Yatin Shah (DIN: 03231090)	IIFL Wealth Management Limited	Non- Executive Director
Mr. Shantanu Rastogi (DIN: 06732021)	IIFL Wealth Management Limited	Non- Executive Director
Mr. Sandeep Naik (DIN: 02057989)	IIFL Wealth Management Limited	Non-Executive Director
Mr. Gopalakrishnan Soundarajan (DIN: 05242795)	IIFL Wealth Management Limited	Non-Executive Director
Mr. Pankaj Vaish (DIN: 00367424)	IIFL Wealth Management Limited	Independent Director

The Board has identified the following skills/ expertise/ competence for the effective functioning of the Company which is currently available with the Board:		Names of directors who have such skills / expertise / competence
<b>Skills and Attribute:</b>	Strategic Advisor, Monetary Policy, Leadership, Corporate Governance, Risk and Compliance, Financial Expertise, Stakeholder Relationship	Please review the below table

In the table below, the key skills, expertise and competence of the Board of Directors in context of the Company's business for effective functioning and as available with the Board have been highlighted.

Name of Director	Mr. Nirmal Jain	Mr. Ven- katara- man Raja- mani	Mr. Niles h Vikam- sey	Mr. Sub- baraman Narayan	Mr. Pankaj Vaish	Mr. Sand- eep Naik	Ms. Geeta Mathur	Mr. Yatin Shah	Mr. Gopal- akrish- nan Soun- da- rajan	Mr. Karan Bhagat	Mr. Shan- tanu Rastogi
Strategic Advisor	√	√	√	√	√	√	√	√	√	√	√
Monetary Policy	√	√	√	√	√	√	√	√	√	√	√
Leadership	√	√	√	√	√	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√	√	√	√	√	√
Risk and Compliance	√	√	√	√	√	√	√	√	√	√	√
Financial Expertise	√	√	√	√	√	√	√	√	√	√	√
Stakeholder Relationship	√	√	√	√	√	√	√	√	√	√	√

#### d) Board Level Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors ("IDs") and Board as a Whole.

The criteria for performance evaluation are as under:

##### For Chairman

The criteria for evaluation of Chairman, *inter alia*, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements.

##### For Managing Director

The criteria for evaluation of Managing Director, *inter alia*, includes his ability to lead the organisation, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, compliance with regulatory requirements, handling critical situations concerning the group.

##### For Non-Executive Directors (including Independent Directors)

The criteria for evaluation of Non-Executive Directors, *inter alia*, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively



in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

#### For Board as a whole

The criteria for evaluation of the Board, *inter alia*, includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

#### e) Separate meeting of the Independent Directors

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on March 30, 2020, *inter alia*, to discuss the following:

- To review the performance of non-independent directors and the Board of Directors as a whole;
- To review the performance of the Chairman of the company;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time. They suggested certain good practices and the same was placed before the Board of Directors with management comments thereon.

#### f) Familiarization programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarization programmes of the Company may be accessed on the Company's website at [www.iiflwealth.com](http://www.iiflwealth.com).

#### g) Meetings of the Board

- **Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board Meeting.
- **Board Meeting Location:** The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- **Notice and Agenda circulated in advance:** The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. The Company has implemented App based e-meeting system accessible through secured iPads provided to the directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary in consultation with the Chairman of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- **Other Matters:** The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ committee Members.
- **Presentations by Management:** The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- **Access to employees:** The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the issues being considered.

## h) Information Placed before Board / Committees

Among others, information supplied to the Board / Committees includes:

- Report on Internal Financial Controls
- Quarterly Financials on standalone and consolidated basis;
- Review of Policies and periodic updates;
- Annual Budgets and plans;
- Performance of the Company and its subsidiaries;
- Risk Mitigation Measures;
- Remuneration of Executive Directors & Senior Management;
- Minutes of the Meetings of the Board and all other Committees of the Board.
- Important updates in subsidiaries
- Update on litigations, if any;
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service.

## i) Minutes of the Meetings

The draft Minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the Board. The Minutes are confirmed by the Members and signed by the Chairman/Chairperson at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

## j) Post meeting follow-up mechanism

The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings which calls for actions to be taken are promptly initiated and wherever required, communicated to the concerned departments/ divisions. The action taken report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

## k) Confirmation of Independence:

The Board is of the opinion that the Independent Director(s) fulfils the conditions specified in SEBI Listing Obligations and Disclosure Requirements), 2015 and are independent of the Management.

## 3. AUDIT COMMITTEE

- i. The present Audit Committee of your Company comprises of three Independent Directors Ms. Geeta Mathur, Mr. Nilesh Vikamsey and

Mr. Pankaj Vaish and one Non-Executive Director Mr. Shantanu Rastogi. Ms. Geeta Mathur, an Independent Director, is the Chairperson of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

- (i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the directors' responsibility statement to 76 be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions; and modified opinion(s) in the draft audit report.
- (v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) discussion with internal auditors of any significant findings and follow up there on;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) to carry out any other function as is mandated by the board from time to time and / or enforced by any statutory notification, amendment or modifications as may be applicable;
- (xxi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 Crs or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- (xxii) mandatorily review the following:
  - (a) management's discussion and analysis of financial condition and results of operations;
  - (b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) internal audit reports relating to internal control weaknesses;
  - (e) the appointment, removal and terms of remuneration of the chief internal auditor; and
  - (f) statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges(s) in terms of Regulation 32(1) of the Listing Regulations; and
    - annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of Regulation 32(7) of the Listing Regulations.

During the period under review, the Audit Committee of the Company met seven (5) times on May 13, 2019, June 25, 2019, August 21, 2019, October 21, 2019 and January 22, 2020. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The attendance of each member of the committee at the Meetings of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive /Independent	No. of committee meetings held	Committee meeting attended
Ms. Geeta Mathur	Chairperson	Independent	05	05
Mr. Nikesh Vikamsey	Member	Independent	05	04
Mr. Shantanu Rastogi	Member	Non-Executive	05	05
*Mr. Pankaj Vaish	Member	Independent	NA	NA

\* Appointed as a Member of the Committee w.e.f. May 22, 2020

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of Ms. Geeta Mathur, an Independent Director as the Chairperson of the Committee, Mr. Nilesh Vikamsey, an Independent Director as member, Mr. Nirmal Jain, a non-executive director as member and Mr. Sandeep Naik, a non-executive Director as the member, of the Committee.

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of the criteria for evaluation of performance of Independent Directors and the Board;
- (3) devising a policy on Board diversity;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (5) consider extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- (6) recommendation to the Board, all remuneration, in whatever form, payable to senior management
- (7) specifying the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- (8) recommend / review remuneration of the managing director(s) and whole-time director(s) based on their performance and defined assessment criteria;
- (9) administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;
- (10) annual performance evaluation of the committee;
- (11) review the information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary; and
- (12) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modified as may be applicable.

During the year under review, the Nomination and Remuneration Committee of the Company met Five (5) times on May 13, 2019, June 25, 2019, August 21, 2019, November 15, 2019 and January 22, 2020. The necessary quorum was present at the meetings.

The attendance of each member of the committee at the Meeting of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Ms. Geeta Mathur	Chairperson	Independent	5	5
Mr. Nilesh Vikamsey	Member	Independent	5	3
Mr. Nirmal Jain	Member	Non-Executive	5	5
Mr. Sandeep Naik	Member	Non-Executive	5	3

The Company Secretary of the Company acts as the Secretary of the Committee.

The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on September 30, 2019.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Nomination & Remuneration policy forms part of the Directors Report, annexed as **Annexure I**. The details of the remuneration paid to the Directors is as follows:



(a) Details of Remuneration paid to Directors during FY 2019-20 and details of number of shares and convertible instruments held by Directors as on March 31, 2020 is as under:

Name of the Director	Designation	Salary and perquisite (In ₹)	Commission (In ₹)	Sitting Fees (In ₹)	Contribution to PF and other funds	Stock options (In Quantity)	No. of equity shares held
Mr. Nirmal Jain	Non – Executive Director	-	-	-	-	-	62,28,856
Mr. Venkataraman Rajamani	Non- Executive Director	-	-	-	-	-	13,49,204
Ms. Geeta Mathur	Independent Director	-	10,00,000	5,25,000	-	-	-
Mr. Nilesh Vikamsey	Independent Director	-	10,00,000	4,35,000	-	-	23,571
Dr. Subbaraman Narayan	Independent Director	-	5,00,000	75,000	-	-	-
Mr. Pankaj Vaish*	Independent Director	-	1,91,260	45,000	-	-	-
Mr. Karan Bhagat	Managing Director	4,75,58,803	-	-	25,00,000	-	1,36,300
Mr. Yatin Shah**	Non- Executive Director	2,66,85,366	-	-	14,81,250	-	33,10,526
Mr. Shantanu Rastogi	Independent Director	-	-	-	-	-	-
Mr. Sandeep Naik	Non- Executive Director	-	-	-	-	-	-
Mr. Gopalakrishnan Soundarajan*	Non- Executive Director	-	-	-	-	-	-

\*Appointed as Director w.e.f. January 22, 2020

\*\*Remuneration upto December 31, 2019

(b) Remuneration to Non-Executive/ Independent Directors:

During the year under review, the Independent Directors were paid ₹30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and were paid ₹15,000/- (Rupees Fifteen Thousand only) towards sitting fees for attending each of the other committee meetings and the Independent Directors' Meeting plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The Company has not granted any Employee Stock Options to the Independent Directors. There are no pecuniary relationships or transaction of the non-executive directors with the Company.

The Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Nilesh Vikamsey, Independent Director, Mr. Nirmal Jain, Non-Executive Director, Mr. Karan Bhagat, Executive Director and Mr. Sandeep Naik, Non-Executive Director.

During the year under review, the Corporate Social Responsibility Committee of the Company met Three (3) times on May 13, 2019, August 21, 2019 and March 24, 2020. The necessary quorum was present at the meetings.

The attendance of each member of the committee at the Meeting of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Karan Bhagat	Chairman	Managing Director	3	3
Mr. Nilesh Vikamsey	Member	Independent Director	3	3
Mr. Nirmal Jain	Member	Non-Executive	3	3
Mr. Sandeep Naik	Member	Non-Executive	3	3

The Company Secretary of the Company acts as the Secretary of the Committee.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of your Company was constituted on May 14, 2019 and comprises of Mr. Venkataraman Rajamani, Non-Executive Director and Chairman of the Committee, Ms. Geeta Mathur, Independent Director and Mr. Yatin Shah, Executive Director.

The Committee met once during the FY 2019-20, on March 23, 2020 and attended by all the Members.

There were nil complaints received by the Company, since listing of its equity shares at the stock exchanges.



The name, designation and address of Compliance Officer of the Company is as under:

Name and designation:	Mr. Ashutosh Naik, Company Secretary & Compliance Officer
Corporate Office Address:	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013
Contacts:	Tel: +91 22 4876 5600 E-mail: <a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a>

The Company Secretary of the Company acts as Secretary of the Committee.

## 7. RISK MANAGEMENT COMMITTEE

Risk Management Committee comprises of Mr. Venkataraman Rajamani, Non-Executive Director, Ms. Geeta Mathur, Independent Director, Mr. Karan Bhagat, Executive Director, Mr. Shantanu Rastogi, Non-Executive Director and Mr. Nilesh Vikamsey, Independent Director.

The objective of the Risk Management Committee is to oversee the Risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risk.

During the year under review, the Risk Management Committee of the Company met Two (2) times on September 10, 2019 and September 30, 2019. The necessary quorum was present at the meetings.

The attendance of each member of the committee at the Meeting of Committee is given below:

Name of the members	Designation	Non-Executive/ Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Shantanu Rastogi	Chairman	Non- Executive Director	2	2
Mr. Venkataraman Rajamani	Member	Non-Executive Director	2	1
Ms. Geeta Mathur	Member	Independent Director	2	2
Mr. Karan Bhagat	Member	Managing Director	2	2
Mr. Nilesh Vikamsey	Member	Independent Director	2	2

The Company Secretary of the Company acts as the Secretary of the Committee.

## 8. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

Your Company follows a system whereby all the acts, rules and regulations applicable to your Company are identified and compliance with such acts, rules and regulations is monitored by dedicated team on a regular basis. Verification of the compliances with the major acts/regulations is carried out by internal/ secretarial auditors their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to your Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

## 9. GENERAL BODY MEETINGS

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	Time	Whether any special resolutions passed
September 30, 2019	Hall of harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	12.00 Noon	Yes. 8 Special Resolutions were passed.
July 20, 2018	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	01.00 pm	Yes. 2 Special Resolutions were passed.
July 21, 2017	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	01.00 pm	No

### Details of resolutions passed through postal ballot during Financial Year 2019–20 and details of the voting pattern

The Company sought the approval of shareholders through notice of postal ballot dated November 20, 2019, which were duly passed vide resolution dated December 27, 2019 and the results of which were announced on same day. Mr. Nilesh J Shah, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Special Resolution(s)	No. of Votes Polled	No. of Votes cast in favor	No. of votes cast against	% of votes cast in favor on votes polled	% of votes cast against on votes polled
Alteration of the Object Clause of the Memorandum of Association of the Company	5,09,83,604	5,09,83,603	1	99.99	0.01
Transfer of distribution business of the Company to its wholly owned subsidiary, IIFL Wealth Finance Limited	5,09,83,604	5,09,83,603	1	99.99	0.01
Holding Office or Place of Profit by Mr. Varun Bhagat	4,79,83,604	4,71,10,785	8,72,819	98.18	1.82

#### Procedure for Postal Ballot

The postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Shareholders were provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice was sent to shareholders in electronic form to the email addresses registered with the depository (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For shareholders whose email IDs are not registered, physical copies of the postal ballot notice are sent by permitted mode along with a postage prepaid self-addressed business reply envelope. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

## 10. DISCLOSURES

### (i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of company at large:

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors, which is displayed on your Company's website, i.e. [www.iiflwealth.com](http://www.iiflwealth.com). The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements, as applicable, in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and all the related party transactions were on arms' length basis. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable.

### (ii) Details of non-compliance

No strictures/ penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the securities markets during the financial year 2019-20.

### (iii) Details of establishment of Whistle Blower Policy and Vigil Mechanism:

The Company has adopted a Vigil Mechanism and Whistle Blower Policy on June 25, 2019 and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. The Policy also provides for adequate safeguard against victimization of the whistle blower who avails of such mechanism and provides for the access to the Chairman of the Audit Committee.

None of the whistle blowers has been denied access to the Audit Committee.

### (iv) Prevention of Insider Trading

In January 2019, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from April 1, 2019. Pursuant thereof, the Company as a listed Company and market intermediary has formulated and adopted a new code for prevention of Insider Trading incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required.

All the Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

### (v) Compliance with Mandatory and Non-Mandatory Provision

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The Company has also implemented some of the discretionary requirements, such as direct reporting by the Internal Auditor to the Audit Committee.

**(vi) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):**

During the financial year 2019-20, the Company has not raised any funds through preferential allotment or qualified institutional placement.

**(vii) Disclosure of accounting treatment**

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company.

**(viii) Policy on material subsidiary**

The Company's Policies on determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz. URL: [www.iiflwealth.com](http://www.iiflwealth.com)

**(ix) Relationship with other Directors**

None of the directors are related to any other director;

**(x) Details of Unclaimed Dividend/Shares of the Company**

There are no Unclaimed shares of the Company as on March 31, 2020, except some unclaimed shares which were allotted pursuant to composite scheme of demerger.

**(xi) Certificate from Company Secretary in practice**

The Company has obtained a certificate from M/s. Jayaram U. Poojari, Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority and is enclosed with this report as annexure A

**(xii) Disclosure under Sexual Harassment**

The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:

Particulars	No. of Complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**(xiii) Statutory Auditor and Audit Fees**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ in Million)

Type of Service	Financial Year 2019-20*
Audit Fees*	22.14
Tax Audit Fees	-
Others	2.05
Total	24.19

\* Includes Audit and Audit-related services on the consolidated basis.

During the year the board has accepted all the recommendations made by (the Audit committee(s) and there were no such instances where the Board has not accepted recommendations made by any of the committee of the Board.

**MEANS OF COMMUNICATION TO THE STAKEHOLDERS**

The primary source of information to shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company [www.iiflwealth.com](http://www.iiflwealth.com). The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, are regularly sent to Stock Exchanges and uploaded on the Company's website. Quarterly/ annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange.

All the disclosures made to the stock exchanges are also available on the Company's website at [www.iiflwealth.com](http://www.iiflwealth.com).

The quarterly and annual results of your Company are published in the Free Press Journal and Navshakti which are widely circulated. Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

## 11. GENERAL SHAREHOLDERS' INFORMATION

1.	Annual General Meeting	To be held on September 11, 2020 through VC / OAVM, without the physical presence of the Members at a common venue.
2.	Financial calendar (2019-20)	<p>April 1, 2019 to March 31, 2020.</p> <p>Results for the quarter ended June 30, 2019 - were approved on August 21, 2019.</p> <p>Results for the quarter ended September 30, 2019 – within 45 days from the end of the quarter.</p> <p>Results for the quarter ended December 31, 2019 – within 45 days from the end of the quarter.</p> <p>Results for the quarter and year ended March 31, 2020 – were approved on June 11, 2020.</p>
3.	Book closure date	September 7, 2020 to September 11, 2020 (both days Inclusive)
4.	Dividend	During the period under review, your Company has twice declared interim dividends of ₹10/- per equity share having face value of ₹2 each, on October 21, 2019 and January 22, 2020.
5.	Listing of equity shares on stock exchanges at	<p>1. <b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai-400 051</p> <p>2. <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001</p> <p>The Listing Fees for the FY 2019-20 have been paid to the aforesaid Stock Exchanges.</p>
6.	Stock code	National Stock Exchange of India Limited – IIFLWAM BSE Limited – 542772
7.	Stock market data	Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the financial year 2019-2020, since the date of listing, i.e. September 19, 2019. The chart below plots the monthly closing price of IIFL Wealth Management Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2020.
8.	Demat ISIN numbers in NSDL and CDSL for equity shares	INE466L01020
9.	Registrar & Transfer Agent	<p>Link Intime India Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in</p>
10.	Share transfer system	<p>Your Company's shares are compulsorily traded in dematerialized form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt.</p> <p>All share transfers and other share related issues are approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.</p>
11.	Dematerialization of shares	As on March 31, 2020, 99.96 % of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
13.	Correspondence for dematerialization, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company	<p>Link Intime Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Contact Person: Ms. Sharmila Amin Tel: 022-49186000</p>
14.	Any query on Annual Report contact at corporate office	<p>Mr. Ashutosh Naik, Company Secretary and Compliance Officer IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Email: <a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a></p>
15.	list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Rating for ₹200 crores Commercial Paper (CP) is ICRA A1+.
16.	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs (Not vested) of 36,77,453 stock options as on March 31, 2020 under its ESOP plans which may be exercised by the grantees as per the vesting Period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will accordingly increase.

## 12. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on March 31, 2020:

Category	Number of equity shares held	Percentage of holding
Clearing Members	5,231	0.00
Other Bodies Corporate	4,90,633	0.56
**Foreign Company	3,55,00,239	40.72
Financial Institutions	4,313	0.00
Hindu Undivided Family	41,287	0.05
Mutual Funds	8,41,349	0.97
Foreign Nationals	34,536	0.04
Non-Resident Indians	23,76,692	2.73
Non-Resident (Non Repatriable)	3,20,276	0.37
Persons Acting In Concert	89,65,675	10.28
Public	97,17,943	11.15
Promoters	1,10,24,886	12.65
Trusts	331	0.00
Employee Welfare Trust / ESOS	46,754	0.05
Insurance Companies	3,00,000	0.34
**Foreign Portfolio Investors (Corporate)	1,74,87,383	20.06
Alternate Investment Funds	23,344	0.03
NBFCs registered with RBI	170	0.00
<b>TOTAL:</b>	<b>8,71,81,042</b>	<b>100.00</b>

Note: \*\* In order to comply with the terms of the SEBI (Mutual Funds) (Amendment) Regulations, 2018 dated March 13, 2018, FIH Mauritius Investments Limited and HWIC Asia Fund (Class A Shares) have collectively restricted their voting rights in the Company to 9.99% to ensure that the net effective shareholding and voting rights of Fairfax Financial Holdings Limited in IIFL Asset Management Limited and IIFL Trustee Limited (wholly owned subsidiaries) is less than 10% of the voting rights and equity share capital of IIFL Asset Management Limited and IIFL Trustee Limited.

## 13. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

The distribution of shareholders as on March 31, 2020 is as follows:

SR. NO.	Shares Range			Number Of Shareholders	% of total shareholders	total shares for the range	% of issued capital
1	1	to	500	21,751	96.13	8,01,860	0.92
2	501	to	1,000	264	1.17	1,87,305	0.22
3	1,001	to	2,000	183	0.81	2,64,512	0.30
4	2,001	to	3,000	72	0.32	1,74,239	0.20
5	3,001	to	4,000	48	0.21	1,65,734	0.19
6	4,001	to	5,000	26	0.11	1,20,130	0.14
7	5,001	to	10,000	70	0.31	5,08,488	0.58
8	10,001 and more			213	0.94	8,49,58,774	97.45
Total				22,627	100.00	8,71,81,042	100.00



## 14. MARKET PRICE DATA

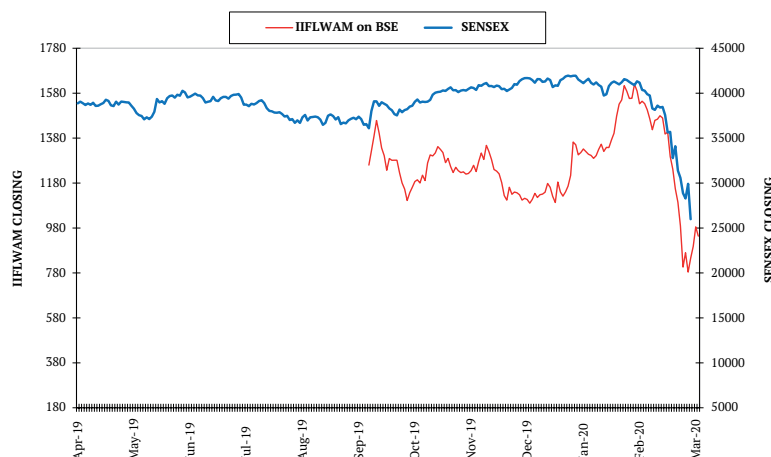
The details of monthly high/low market price of the Equity Shares of the Company at BSE Ltd. and at the National Stock Exchange of India Ltd. for the year under review is provided hereunder:

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High	Low	Volume	High	Low	Volume
* September 2019	1,531.50	1,200.00	6,06,803	1,544.20	1,210.00	50,31,008
October 2019	1,358.00	1,077.00	20,108	1,340.00	1,085.00	5,16,790
November 2019	1,355.00	1,200.00	4,00,424	1,353.00	1,206.10	2,09,275
December 2019	1,325.00	1,042.30	3,89,446	1,320.00	924.00	1,88,099
January 2020	1,395.00	1,093.50	5,24,992	1,399.00	1,076.15	3,32,369
February 2020	1,658.55	1,289.15	11,33,413	1,663.95	1,266.10	7,99,502
March 2020	1,532.00	710.00	37,281	1,546.95	720.00	10,56,741

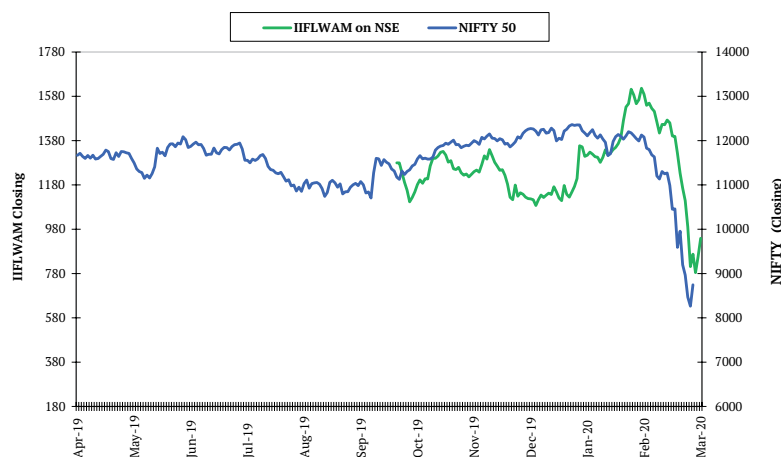
\* shares of the Company got listed on Stock Exchange on 19.09.2019

### Stock Performance Vs BSE SENSEX and NSE Nifty 50

The performance of your Company's shares relative to the BSE SENSEX is given in the chart below:



The performance of your Company's shares relative to the Nifty index is given in the chart below:



## 15. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

Your Company did not raise money through any public issue, right issue or preferential issue during F.Y. 2019-20.

## 16. SUBSIDIARY COMPANIES

During the year IIFL Wealth Advisors Limited, wholly owned subsidiary of the Company has been merged into the Company. Further, the IIFL Wealth Finance Limited, wholly owned subsidiary of the Company has acquired L&T Capital Markets Limited on April 24, 2020.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of the unlisted subsidiary company at the Meeting of Board of Directors of Holding Company.

**17. CEO/CFO CERTIFICATE**

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly signed by the Managing Director and CFO was submitted to the Board and the same is annexed to this Report.

**18. CODE OF CONDUCT**

The confirmation from the Managing Director regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at [www.iiflwealth.com](http://www.iiflwealth.com)

**19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Your Company actively monitors the foreign exchange movements and takes forward/options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

Your Company also undertakes short-term and long-term commodity hedging risk.

**For and on behalf of the Board**

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Yatin Shah**  
Director  
DIN: 03231090

Place: Mumbai  
Date: June 11, 2020

## ANNEXURE

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors  
IIFL Wealth Management Limited

We Certify that;

- (a) We have reviewed the financial statements and the cash flow statement of IIFL Wealth Management Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control during the year;
  - (ii) that there are no significant changes in accounting policies during the year;
  - (iii) that there are no instances of significant fraud of which we have become aware.

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Mihir Nanavati**  
Chief Financial Officer

Place: Mumbai  
Date: June 11, 2020

### Declaration on Compliance with the Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2020, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

### For IIFL Wealth Management Limited

**Karan Bhagat**  
Managing Director  
DIN: 03247753

Place: Mumbai  
Date: June 11, 2020

## Annexure - A

### Certificate from Practising Company Secretary

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and to the best of our information and according to the explanations/ confirmation given to us by the Company and the declarations made by the Directors, we certify that none of the directors of IIFL Wealth Management Limited ("the Company") CIN U74140MH2008PLC177884 having its registered office at IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai - 400013 have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

**For J U Poojari & Associates**  
Practising Company Secretaries  
FCS: 8102 CP: 8187  
UDIN: F008102B000246208  
Date: 15.05.2020

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of  
**IIFL Wealth Management Limited**  
Mumbai

We have examined the compliance of conditions of Corporate Governance by, IIFL Wealth Management Limited (the “Company”) for the period from 19<sup>th</sup> September, 2019 to 31st March 2020, as per the regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). The Equity shares of the Company was listed on the BSE Ltd and National Stock Exchange of India Limited on 19<sup>th</sup> September, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has generally complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Jayaram U Poojari  
(FCS: 8102) CP: 8108  
For J U Poojari & Associates  
Company Secretaries  
ICSI Unique Code: 12009MH644000  
UDIN: F008102B000575438

Place: Mumbai

Date: June 11, 2020

## Business Responsibility Report (BRR)

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### INTRODUCTION

The Company's first Business Responsibility Report (BRR) for FY 2019-20 encapsulates the commitment of IIFL Wealth Group in conducting its businesses in an economically, socially and environmentally sustainable manner while balancing the demands of shareholders and other stakeholders.

The disclosures in this report have been guided by the nine principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business that were released by the Ministry of Corporate Affairs, Government of India, in 2011 and by SEBI (by Securities and Exchange Board of India and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

### Section A – GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Reply
1.	Corporate Identity Number (CIN)	U74140MH2008PLC177884
2.	Name of the Company	IIFL Wealth Management Limited
3.	Registered Office and Corporate Office	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra- 400 013
4.	Website	<a href="http://www.iiflwealth.com">www.iiflwealth.com</a>
5.	E-mail Id	<a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a>
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 code: 6619 Distribution fees, Commission and related Income
8.	List three key products/ services that the Company manufactures/ provides (as in Balance Sheet)	Wealth Management Services inter alia comprising of distribution of financial products, portfolio management services and advisory services
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	The Company has subsidiaries in following overseas jurisdictions, where business activity is undertaken; (i) Canada; (ii) Mauritius; (iii) Singapore; (iv) Dubai and (v) USA
	(b) Number of National Locations	The Company has its Registered and Corporate Office at Mumbai in the state of Maharashtra and it has Pan- India presence through a network of branches.
10.	Markets served by the Company - Local/ State/ National/ International	The Company's serves its customers at pan-India and are also served at several countries like Canada, Mauritius, Singapore, Dubai, UK, and USA.

### Section B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (As on 31 <sup>st</sup> March, 2020)	₹174.36 millions
2.	Total Turnover	Consolidated : ₹15,274.76 millions Standalone : ₹5,684.07 millions
3.	Total Profit after Taxes	Consolidated : ₹2,011.64 millions Standalone : ₹1,934.76 millions
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annual Report on CSR activities annexed to Directors' Report.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annual Report CSR activities annexed to Directors' Report



## Section C – OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/Companies?

Yes, please refer para no.8 of Directors Report for detailed information.

### 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)

Yes the entire IIFL Wealth Group participates in BR initiatives.

### 3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company endeavors to encourage its service providers (wherever possible) to participate in the initiatives towards business responsibility and to adopt practices which would help them to carry out business in a fair manner.

## Section D – BUSINESS RESPONSIBILITY INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a. Details of Director/Directors responsible for implementation of the BR policy/policies

Sr. No.	Particulars	Details
1.	DIN	03247753
2.	Name	Mr. Karan Bhagat
3.	Designation	Managing Director

#### b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (If Applicable)	03247753
2.	Name	Mr. Karan Bhagat
3.	Designation	Managing Director
4.	Telephone Number	+91 22-: -48765600
5.	E-Mail ID	<a href="mailto:Secretarial@iiflw.com">Secretarial@iiflw.com</a>

### 2. Principle-wise (as per NVGs) BR policy/policies

#### a) Details of Compliance (Reply in Y/N)

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

**P1-** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**P2 -** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**P3 -** Businesses should promote the wellbeing of all employees

**P4 -** Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalized

**P5 -** Businesses should respect and promote human rights

**P6 -** Business should respect, protect, and make efforts to restore the environment

**P7 -** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**P8 -** Businesses should support inclusive growth and equitable development

**P9 -** Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle wise responses are as follows:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		The Company's Business Responsibility policies abide by the spirit and content of Code of Conduct, all applicable Laws and Standards . The policies are framed to comply with applicable Regulatory requirements								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	As per regulatory requirements the policies of the Company have been uploaded on the website of the Company i.e <a href="http://www.iiflwealth.com">www.iiflwealth.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

#### Notes:

**P1** Sr. No. 3 - The Company has in place Code of Conduct of Board of Directors and Senior Management Personnel and other policies which are based on guidelines and key indicators prescribed under rules and regulations of SEBI/ IRDAI and as per Companies Act, 2013. The internal policies and documents are accessible only to employees of the organisation and made available through IIFLW Intranet.

**P2** The Company complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability. The Company has a Corporate Social Responsibility Policy which is available on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).

**P3** Sr. No. 3- The Company has adopted various employee oriented policies covering areas such as employee benefits, Whistle Blower Policy, Prevention Of Sexual Harassment Policy and Code of Conduct for employees at the workplace as per applicable laws.

**P4** Sr. No. 3 and 6- The Company has prescribed processes to achieve the objectives described

under this principle. The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).

**P5** Sr. No. 3- The Company has put in place Code of Conduct which focuses on best employment practices. The Code of Conduct is in adherence to the regulatory and business requirements. Sr. No 6- The said code of conduct is made available on the intranet of the Company.

**P6** Sr. No. 3 and 6- The Company complies with applicable environmental regulations and has necessary processes in place to safeguard environment.

**P7** Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.

**P8** Sr. No. 3 and 6- The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).

**P9** Sr. No. 3: The Company has Grievance Redressal Policy for its customers which conform to the regulatory guidelines.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Company has not understood the Principles	Not applicable								
	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
	The Company does not have financial or manpower resources available for the task									
	It is planned to be done within next 6 months									
	It is planned to be done within the next 1 year									
	Any other reason (please specify): Keeping in view the Companies nature of business i.e. financial services, such policy is not applicable to the Company.									

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

All the Policies of the Company are reviewed on annual basis by the Board.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2019-20. The same will also be available on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com)

### Section E – PRINCIPLE-WISE PERFORMANCE

#### Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organisation. The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the Code of Conduct, has adopted a 'zero-tolerance' approach to bribery and corruption. The Code is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary companies and extends to service providers of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The number of complaints received from shareholders in F.Y. 2019-20 were Nil.

With respect to employees, the Company has a mechanism as provided under the Whistle Blower Policy/Prevention of Sexual Harassment Policy whereby employees can raise their concerns.

#### Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY

#### BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

- List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities: Not applicable
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): Not applicable
- Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company being a financial services Company does not have any goods and raw material utilisation as part of its products and services. Company's major material requirements are related to office infrastructure, administration and IT related equipment and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company being a financial services Company procures its necessary requirements from local suppliers and vendors. The Company has taken various initiatives for development of local communities;

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

As the Company is not a manufacturing entity; the waste generated at our premises is being managed through the process of normal waste disposal. Our Company has defined procedures in place to dispose of e-waste through authorized e-waste vendors. Most of our Company's businesses incorporate social and environmental concerns in its finance operations. As a recycling initiative waste water is entirely treated & re-utilised for gardening, flushing & cooling tower requirements in two of our large offices.

### Principle 3: EMPLOYEES' WELL-BEING

#### BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees.

Total number of employees are 111. The Company and its subsidiaries had 887 employees (including contractual employees) as on March 31, 2020.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The Company and its subsidiaries had no employees as on March 31, 2020 on contractual basis.

3. Please indicate the Number of permanent women employees.

The Company and its subsidiaries had 254 women employees as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities.

No employee with disabilities, IIFL Wealth is an equal opportunity employer and treats all its employees equally.

5. Do you have an employee association that is recognised by management?

No

6. What percentage of your permanent employees are members of this recognised employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/Contractual Employees
- (d) Employees with Disabilities

Safety at Work place is looked at in a multidimensional approach at IIFL Wealth. Following elements fall under the purview of employee safety:

#### 1. Fire and Safety Training

Fire and Safety trainings are provided by qualified Security inspectors at our offices, and awareness drive is also undertaken at our branches regularly.

#### 2. Information Security Awareness

Information security awareness and training is regularly undertaken to ensure that there is no data theft or leakage or malicious content which may disrupt the functioning of the organisation.

#### 3. Prevention against Sexual Harassment at Work place

Apart from the presence of a Prevention of Sexual Harassment Committee, e-learning courses are also deployed to every employee in the organisation, under the set of mandatory courses for completion.

#### 4. Health and Insurance Safety

The Company insures its employees under floater health plans and carries out periodic health related camps for benefit of its employees.

#### 5. Safety against indulging in Insider trading activities

The Company has laid down clear policies on Insider trading norms and every employee undertakes a commitment towards not engaging in acts which fall under the purview of insider trading norms. We also have digital learning content which clearly explain the expectations from management w.r.t. compliance of insider trading rules and norms.

#### 6. Work Process Adherence and Safety

- a. Through sensitising employees on 'Gifts Policy' through an online medium, organisation ensures that employees are adequately informed and trained on nuances with regard to acceptance of gifts from third party Associates/ Consultants/ Customers/ Vendors.
- b. Through our e-learning module on 'Anti-Bribery & Corruption', awareness among employees is developed on various organisational policies on bribery and corruption, clearly demarcating the do's and don'ts of business.

## 7. Retention and Career Growth Sessions for women

- Building personal & professional Brand on LinkedIn
- Through Financial planning workshop we have made them learn about financial health through various women centric investment tools, managing expenses, tax saving strategies and retirement planning.
- Self Defense Workshops annually at various regional/zonal locations to train and equip the women on mental, verbal and physical self defense techniques.

Apart from above areas, Skill enhancement and a safe place to work aspects of learning are incorporated through various digital learning modules, which employees have access round the year. Key organisational aspects like Anti Money Laundering, Prevention of Sexual Harassment, Anti Bribery & Corruption, Data Privacy, Information Security Awareness etc are part of the mandated learning curriculum for all employees at IIFL Wealth, irrespective of gender, grade and business function.

A structured Induction process for new recruits ensures that all role related functional and skill inputs are made available for self directed learning on day 1 of joining itself, through high quality video modules, delivered through our Learning Management system.

### Principle 4: STAKEHOLDER ENGAGEMENT

- Has the Company mapped its internal and external stakeholders?  
Yes.
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?  
The Company provides equal opportunities to differently-abled, marginalized and people from economically weaker background. All employees are offered equal opportunities for career growth.

### Principle 5: HUMAN RIGHTS

#### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The Company follows the Code of Conduct which covers the Company and all its subsidiaries. In addition, the Company's whistle blower program covers all its internal and external stakeholders.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

No complaints were received from stakeholders under the Code of Conduct.

### Principle 6: ENVIRONMENT

#### BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiaries are in compliance with applicable environmental regulations.

- Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As an environmentally responsible corporate, our Company has been striving towards imbibing green sustainable products, processes, policies and practices. Our Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment.

- Does the Company identify and assess potential environmental risks? Y/N

Since the Company is not a manufacturing entity, the above question is not applicable

- Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Since the Company is not a manufacturing entity, the above question is not applicable.

- Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As outlined above, IIFL Wealth participates in several initiatives in the area of environment and sustainability. We have also taken several measures to minimise our environmental impact due to business travel. These measures include carpooling, company bus service, video / audio conferencing facilities at all major offices. Apart from this we have also moved to digitalisation platform wherein we save on paper and stationery.

- Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Since the Company is not a manufacturing entity, the above question is not applicable



7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

#### Principle 7: POLICY ADVOCACY

##### BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

IIFL Wealth and its subsidiaries are member of trade bodies/ Associations such as AMFI, IVCA, IAAIF

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company through various associations and trade bodies provides suggestions with respect to development and regulation of financial services sector. The members of Board/Senior Management participated in various committees/ working groups constituted by the Government of India/ RBI/SEBI.

#### Principle 8: INCLUSIVE GROWTH

##### BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes – Educating the illiterate or semi-literate and schooling the unschooled is the key program under which we work by starting community schools in remote locations to facilitate education opportunities for girls among tribal communities dwelling in remote locations. These community schools engage girls who are out of school due to problems such as access, poverty as well as cultural and other issues. We promote Financial Literacy & Skill development programs for women and youth in rural areas. Mega Medical Camps were organised to offer Early Cancer Detection, Diet education for diabetic, CPR, First Aid, Yoga, etc. for economically weaker sections from rural areas.

2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organisation?

Both – directly as well as in association with a local partner.

3. Have you done any impact assessment of your initiative?

Yes – quarterly tracking is done to check the progress of the activities

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

Please refer Annual Report on CSR Activities annexed to Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR activities of the Company are directed towards developing and deploying a robust, longer-term & sustainable strategy for larger community. 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. The key themes have been identified and include education, environment and tech-incubators (within institutions). The right inclusive exercise with the stakeholders will enable successful adoption by the larger community.

#### Principle 9: CUSTOMER VALUE

##### Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

No customer complaints/consumer cases are pending against the Company as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Since the Company is not a manufacturing entity, the above question is not applicable. However, the Company mentions the regulatory licenses it holds for respective areas of business.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

In the normal course, the client service teams do ascertain the satisfaction of the customers as per its systems and methodologies as also the management assesses the client satisfaction level on important/critical areas from time to time. The Company is in process of client satisfaction survey to be carried out in current financial year.



The background of the slide features a composite image. The upper portion shows the Colosseum in Rome, with its iconic tiered arches. The lower portion shows a steep, rocky mountain peak, likely Sugarloaf Mountain in Rio de Janeiro, with a cityscape visible at its base. Overlaid on these images are two large, white, geometric patterns: a Sierpinski triangle in the upper left and a larger, more complex geometric pattern in the lower right. A thin white horizontal line is positioned above the title text.

# Company Financials 2019-20

## Independent Auditor's Report

### To The Members of IIFL Wealth Management Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **IIFL Wealth Management Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 and based on the consideration of reports of other auditors referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> 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 standalone 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 Standalone 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 standalone 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

Key Audit Matter	Auditor's Response
<b>Business Combination:</b>	<b>Principal audit procedure performed</b>
Accounting for this amalgamation was done in accordance with Ind AS 103 which requires the Management to account for such transaction using the acquisition method. The Company acquired 100% stake in IIFL Wealth Advisors (India) Limited (the Transferee Company) on November 22, 2018. Thereafter, on January 29, 2019 the Board of Directors of the Company approved a draft scheme of amalgamation with the Transferee Company in terms of the provisions of Section 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Scheme"). Such Scheme was approved by the NCLT Mumbai and Chennai benches on October 24, 2019 and December 27, 2019 respectively.	<ul style="list-style-type: none"> <li>We obtained and read the Scheme.</li> <li>We obtained and read the NCLT order of Mumbai and Chennai benches on October 24, 2019 and December 27, 2019 respectively, approving the Scheme.</li> <li>We obtained management's workings for accounting of amalgamation.</li> <li>We evaluated the management's conclusions on the accounting for the amalgamation of IIFL Wealth Advisors (India) Limited with the Company.</li> </ul>
Accounting for business amalgamation is considered to be a key audit matter because the transaction and its accounting is non-routine and involves significant management judgements.	<ul style="list-style-type: none"> <li>We performed procedures to verify the amalgamation accounting done by the Company, including the measurement and presentation is in accordance with IND AS 103 and the Scheme.</li> </ul>
Refer Note 33A of the Financial Statements.	



### 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, but does not include the standalone financial statements and our auditor's report thereon. The Directors' report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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, 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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.

#### Other Matters

The standalone financial statements include the financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited consequent to its amalgamation into the Company. The NCLT order for the same was filed with the Registrar of Companies on 27 December 2019 with appointed date of 22 November 2018 (Refer Note 33A to the standalone financial statements). We did not audit the financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited, included in the standalone financial statements of the Company, whose financial information reflect total revenues of Rs. 1,767.88 lakhs for the period from 1 April 2019 to 27 December 2019 as considered in the standalone financial statements. This financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited has been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Standalone Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this erstwhile subsidiary IIFL Wealth Advisors (India) Limited, is based solely on the report of such other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

#### 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 and the reports of the other auditors.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors

is disqualified as on 31<sup>st</sup> 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 standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

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

**Pallavi A. Gorakshakar**

(Partner)  
(Membership No.105035)  
(UDIN: 20105035AAAAFS8347)

Place: Mumbai  
Date: 07 July 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 Management Limited** (“the Company”) as of 31 March 2020 in conjunction with our audit of the standalone 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’s Registration No. 117366W/W-100018)

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

Place: Mumbai  
Date: 07 July 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)

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| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.</p> <p>(ii) The Company did not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.</p> <p>(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:</p> <p>(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.</p> <p>(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.</p> | <p>(c) There is no overdue amount remaining outstanding as at the year end.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.</p> <p>(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.</p> <p>(vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) CARO 2016 is not applicable.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Goods and Service 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 is not applicable to the Company.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Goods and Service 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.</p> <p>(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:</p> |
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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2009-10	74,369	74,369
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2012-13	5,308,000	4,808,000
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2013-14	4,068,930	4,068,930
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2015-16	56,005,649	44,004,650
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2016-17	20,769,190	16,715,190

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013,
- where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai

Date: 07 July 2020

## Standalone Balance Sheet as at March 31, 2020

(₹ in Mn)				
Sr. No.	PARTICULARS	NOTE NO.	AS AT MAR 31, 2020	AS AT MAR 31, 2019
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	4	224.17	56.75
(b)	Bank balance other than (a) above	5	11.45	10.07
(c)	Derivative financial instruments		-	-
(d)	Receivables			
(I)	Trade receivables	6	723.55	1,989.79
(II)	Other receivables	6	0.00#	-
(e)	Loans	7	62.98	114.20
(f)	Investments	8	19,840.31	21,404.35
(g)	Other financial assets	9	981.33	320.94
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Inventories		-	-
(b)	Current tax assets (net)		380.37	158.48
(c)	Deferred tax assets (net)	10	27.08	78.77
(d)	Property, plant and equipment	11	2,862.04	594.06
(e)	Capital work-in-progress	12	10.31	1,725.46
(f)	Other intangible assets	13	11.06	19.45
(g)	Right to use Assets	14	3.22	-
(h)	Other non-financial assets	15	43.47	226.58
<b>Total Assets</b>			<b>25,181.34</b>	<b>26,698.90</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments		-	-
(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	16	91.98	165.01
(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		-	-

(₹ in Mn)				
SR. No.	PARTICULARS	NOTE NO.	AS AT MAR 31, 2020	AS AT MAR 31, 2019
(c)	Finance Lease Obligations	14	3.41	
(d)	Borrowings (other than debt securities)	17	-	4,140.06
(e)	Other financial liabilities	18	1,672.54	43.74
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)		2.04	2.12
(b)	Provisions	19	3.89	33.71
(c)	Other non-financial liabilities	20	147.06	111.74
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	21	174.36	169.04
(b)	Incremental shares pending issuance		-	1.20
(c)	Other equity	22	23,086.06	22,032.28
<b>Total Liabilities and Equity</b>			<b>25,181.34</b>	<b>26,698.90</b>

**See accompanying Notes to the Financial Statements**

# Amount less than ₹ 10,000

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**PALLAVI A. GORAKSHAKAR**

Partner

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

Place : Mumbai

Date: July 07, 2020

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**ASHUTOSH NAIK**

Company Secretary



## Standalone Profit and Loss for the year ended March 31, 2020

(₹ in Mn)				
SR. NO.	PARTICULARS	NOTE NO.	2019-20	2018-19
<b>1</b>	<b>Revenue from operations</b>			
	(a) Fees and commission income	23	1,924.42	48.06
	(b) Net gain on fair value changes		238.16	-
	<b>Total revenue from operations</b>		<b>2,162.58</b>	<b>48.06</b>
<b>2</b>	<b>Other income</b>	24	1,946.10	1,109.10
<b>3</b>	<b>Total income (1+2)</b>		<b>4,108.68</b>	<b>1,157.16</b>
	<b>Expenses</b>			
	(a) Finance costs	25	477.86	144.87
	(b) Fees and commission expenses		31.32	0.82
	(c) Impairment on financial instruments	26	0.09	(2.38)
	(d) Employee benefits expenses	27	368.18	332.08
	(e) Depreciation, amortization and impairment	11,13,14	113.93	129.01
	(f) Others expenses	28	324.18	271.00
<b>4</b>	<b>Total expenses</b>		<b>1,315.56</b>	<b>875.40</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>2,793.12</b>	<b>281.76</b>
<b>6</b>	<b>Tax expense:</b>			
	(a) Current tax	29	335.60	-
	(b) Deferred tax	29	(42.95)	(138.52)
<b>7</b>	<b>Profit/(loss) for the period from continuing operations</b>		<b>2,500.47</b>	<b>420.28</b>
	Profit/(loss) from discontinued operations		(850.27)	1,690.59
	Tax Expense of discontinued operations		(284.56)	593.04
	<b>Profit/(loss) from discontinued operations(After tax) (Also Refer Note no 33.B)</b>		<b>(565.71)</b>	<b>1,097.55</b>
	<b>Profit/(loss) for the period</b>		<b>1,934.76</b>	<b>1,517.83</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		(0.30)	0.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.08	(0.05)

		(₹ in Mn)		
SR. NO.	PARTICULARS	NOTE NO.	2019-20	2018-19
	<b>Other Comprehensive Income/(loss) from continuing operations (A)</b>		<b>(0.22)</b>	<b>0.07</b>
(b) (i)	Items that will not be reclassified to profit or loss			
-	Remeasurements of Employee Benefits		(7.29)	(3.14)
(ii)	Income tax relating to items that will not be reclassified to profit or loss		1.83	1.10
	<b>Other Comprehensive Income/(loss) from discontinued operations (B)</b>		<b>(5.46)</b>	<b>(2.04)</b>
	<b>Other Comprehensive Income/(loss) (A + B)</b>		<b>(5.68)</b>	<b>(1.97)</b>
<b>9</b>	<b>Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year)</b>		<b>1,929.08</b>	<b>1,515.86</b>
<b>10</b>	<b>Earnings per equity share</b>			
	Basic (Rs.)	30	22.47	18.09
	Diluted (Rs.)	30	21.95	17.57

**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 THE BOARD OF DIRECTORS**

**PALLAVI A. GORAKSHAKAR**

Partner

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

Place : Mumbai

Date: July 07, 2020

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**ASHUTOSH NAIK**

Company Secretary

## Standalone Cashflow Statement for the year ended March 31, 2020

	(₹ in Mn)	
Particulars	2019-20	2018-19
<b>A. Cash flows from operating activities</b>		
Net profit before taxation and extraordinary item	1,942.85	1,972.35
Adjustments for:		
Depreciation, amortization and impairment	286.79	172.87
Provisions for Employee benefits	20.01	(18.15)
Impairment of financial instruments	0.20	(3.56)
Net changes in Fair value through Profit and loss of Investments - Realised	(32.01)	130.98
Net changes in fair value through Profit and Loss of investments - unrealised	(12.39)	(237.88)
Share based payments to employees	230.49	22.49
Interest Income	(41.86)	(169.47)
Interest expenses	476.31	144.71
Profit on Sale of Property, plant and equipment	-	(0.09)
Dividend Income from Investments	(1,737.50)	(831.41)
Distribution income from investments	-	(0.44)
Profit on Sale of Subsidiary	-	(0.16)
<b>Operating profit before working capital changes</b>	<b>1,132.89</b>	<b>1,182.24</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in Financial/Non-financial Assets	(1,634.49)	2,150.18
Increase/ (Decrease) in Financial/Non-financial Liabilities	1,879.09	(4,347.96)
<b>Cash generated from/(used in) operations</b>	<b>1,377.49</b>	<b>(1,015.54)</b>
Net income tax(paid) / refunds	(6.19)	(591.16)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>1,371.30</b>	<b>(1,606.70)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Investments	(92,922.32)	(128,202.90)
Sale of Investments	92,232.65	119,333.94
Sale of Subsidiary	-	3.40
Consideration received on account of transfer of business (Refer Note 33.B)	4,300.00	-
Interest Received	22.70	169.77
Dividend Received	1,737.50	831.41
Purchase of fixed assets (includes intangible assets)	(902.35)	(2,030.01)
Fixed Deposit placed	0.03	912.79
Staff loan(net)	(1.23)	
Inter Corporate Deposit given	(19,866.41)	(54,767.49)
Inter Corporate Deposit repaid	19,924.04	54,683.24
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>4,524.61</b>	<b>(9,065.85)</b>

	(₹ in Mn)	
Particulars	2019-20	2018-19
<b>C. Cash flows from financing activities</b>		
Proceeds from Issuance of Share Capital	4.12	9.54
Securities Premium on issue of shares	609.15	7,536.65
Share application money received	0.07	-
Share issue expenses	(0.53)	(72.62)
Borrowings Taken	48,000.00	26,481.36
Borrowings repaid	(48,485.91)	(29,478.37)
Inter-Corporate Deposits - taken	63,137.15	31,452.18
Inter-Corporate Deposits - repaid	(66,791.31)	(28,284.12)
Interest Paid	(462.46)	(168.60)
Dividend Paid (including Dividend Distribution Tax)	(1,740.05)	(847.91)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(5,729.77)</b>	<b>6,628.11</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>166.14</b>	<b>(4,044.44)</b>
Opening Cash & cash equivalents	56.75	4,101.19
On amalgamation of subsidiary on April 01, 2019	1.28	-
<b>Closing Cash &amp; cash equivalents</b>	<b>224.17</b>	<b>56.75</b>

**See accompanying Notes to the Financial Statements**

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**PALLAVI A. GORAKSHAKAR**

Partner

Place : Mumbai

Date: July 07, 2020

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**YATIN SHAH**

Director

(DIN: 03231090)

**ASHUTOSH NAIK**

Company Secretary

## Standalone Statement of Changes in Equity for the year ended March 31, 2020

Particulars	Equity attributable to owners of the Company								(₹ in Mn)	
	Equity Share Capital	Equity Share pending issuance	Other Equity						Total Other Equity	Total
			Securities Premium	General Reserve	Share application money	Capital Reserve	ESOP Reserve	Suplus in Statement of Profit and loss		
Balance at the beginning of the year as on April 01,2019	169.04	1.20	18,175.78	133.50	-	114.59	97.02	3,511.39	22,033.48	22,202.52
On amalgamation of subsidiary on April 01, 2019	-	-	-	-	-	-	-	25.57	25.57	25.57
Shares issued during the year	4.12	-	609.15	-	-	-	-	-	609.15	613.27
Share issue expenses	-	-	(0.53)	-	-	-	-	-	(0.53)	(0.53)
Profits for the year	-	-	-	-	-	-	-	1,934.76	1,934.76	1,934.76
Other comprehensive income	-	-	-	-	-	-	-	(5.68)	(5.68)	(5.68)
Dividends including Dividend distribution tax	-	-	-	-	-	-	-	(1,740.05)	(1,740.05)	(1,740.05)
Transfer (to)/from other reserves	-	-	72.11	-	-	-	(72.11)	-	-	-
Addition during the year pursuant to the scheme of demerger/ acquisition	1.20	(1.20)	-	-	-	-	-	-	(1.20)	-
Addition during the year	-	-	-	-	0.07	-	-	-	0.07	0.07
Employee share based payment	-	-	-	-	-	-	230.49	-	230.49	230.49
Balance at the end of the year as on March 31,2020	174.36	-	18,856.51	133.50	0.07	114.59	255.40	3,725.99	23,086.06	23,260.42



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(₹ in Mn)									Total
	Equity attributable to owners of the Company								Total Other Equity	
	Equity Share Capital	Equity Share pending issuance	Securities Premium	General Reserve	Share application money	Capital Reserve	ESOP Reserve	Suplus in Statement of Profit and loss		
Balance at the beginning of the year as on April 01,2018	159.50	1.14	10,702.58	133.50	-	97.25	74.68	2,843.44	13,852.59	14,012.09
Shares issued during the year	9.54	-	7,536.65	-	-	-	-	-	7,536.65	7,546.19
Share issue expenses	-	-	(72.62)	-	-	-	-	-	(72.62)	(72.62)
Profits for the year	-	-	-	-	-	-	-	1,517.83	1,517.83	1,517.83
Other comprehensive income	-	-	-	-	-	-	-	(1.97)	(1.97)	(1.97)
Dividends including Dividend distribution tax	-	-	-	-	-	-	-	(847.91)	(847.91)	(847.91)
Transfer (to)/from other reserves	-	-	9.17	-	-	-	(9.17)	-	-	-
Addition during the year pursuant to the scheme of demerger/ acquisition	-	0.06	-	-	-	17.34	3.12	-	20.52	20.52
Employee share based payment	-	-	-	-	-	-	28.39	-	28.39	28.39
Balance at the end of the year as on March 31,2019	169.04	1.20	18,175.78	133.50	-	114.59	97.02	3,511.39	22,033.48	22,202.52

**Securities Premium Account**

Securities premium account 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. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities premium account.

**General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to Statement of profit or loss.

**Capital Reserve**

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" and "Broking and Depository Participant Business Undertaking" in accordance with the composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders. (Refer Note 2)

**ESOP Reserve**

It relates to share options granted to the employees by the Holding Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

**Retained Earnings**

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**PALLAVI A. GORAKSHAKAR**

Partner

Place : Mumbai

Date: July 07, 2020

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**YATIN SHAH**

Director

(DIN: 03231090)

**ASHUTOSH NAIK**

Company Secretary

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### NOTE 1. CORPORATE INFORMATION

IIFL Wealth Management Limited ("IIFLW", the "Company") is a public limited company incorporated under the Companies Act, 1956. IIFLW is registered with SEBI as Stock Broker, Depository Participant, Research Analyst, Portfolio Manager and Distributor of Financial Products. The Company mainly acts as wealth manager and provides services relating to financial products distribution, advisory, portfolio management services by mobilizing funds and assets of various classes of investors including High Networth Individuals.

### NOTE 2 . BASIS OF PREPARATION AND PRESENTATION

#### Transfer of Business Undertakings under composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Finance Limited;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Finance Limited into IIFL Securities;
- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of the IIFL Finance Limited into the IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and
- v. amalgamation of India Infoline Finance with IIFL Finance Limited.

The Appointed Date for the amalgamation of IIFL M&R with IIFL Finance Limited is opening hours of April 01, 2017 and for all the other parts of the scheme, the Appointed Date is opening hours of April 01, 2018.

The shareholders of respective Companies had approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of India Infoline Finance Limited with IIFL Finance Limited shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Finance Limited from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Finance Limited, the Board of Directors at its meeting held on May 13, 2019 had decided to give effect to the Scheme in the following manner:

- a. Merger of IIFL M&R with IIFL Finance Limited with effect from the Appointed Date i.e. April 01, 2017;
- b. Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Finance Limited with effect from the Appointed Date i.e. April 01, 2018; and
- c. Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.
- d. Merger of India Infoline Finance Limited with IIFL Finance Limited to be given effect after receipt of necessary registration from the RBI.

May 31, 2019 was fixed as the Record date for determining the eligibility of the shareholders of IIFL Finance Limited for allotting shares of the Company in the ratio of 1 (One) fully paid up new equity share of ₹ 2/- of the Company for every 7 (seven) equity shares of ₹ 2/- each of IIFL Finance Limited. Accordingly, the Company allotted 4,56,04,924 shares respectively to eligible shareholders of IIFL Finance Limited on June 06, 2019.

The Company had filed its Listing Application with Stock exchange(s) and got approval for the same on August 19, 2019 and August 21, 2019 from respective Stock exchange(s). Post which Listing and commencement of trading took place from September 19, 2019.

### NOTE. 3 SUMMARY STATEMENT OF 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 financial statements have been approved for issuance by the Board of Directors of the Company on June 11, 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.

The following is a description of principal activities from which the Company generates its revenue.

- 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.
- Portfolio Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- 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 that may be classified as fair value through profit or loss or fair value through other comprehensive income.
  - Dividend income is accounted in the period in which the right to receive the same is established.
- Others: Revenue is recognised over time when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.

#### d) Property, plant and equipment

##### Measurement at recognition:

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

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the

asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

##### Capital work in progress and Capital advances:

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

##### Depreciation:

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

The Company has revised its estimate of useful life of Furniture and Fixtures and Electrical Equipment used in the office premise acquired during the period, which was earlier on lease, and has recomputed the depreciation on the same on prospective basis.

Leasehold improvements are amortized over the period of lease. Land is not considered as depreciable assets having regard to its infinite useful life. Individual assets / Company 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*	5-10
Office equipment	5
Furniture and fixtures* #	5-10
Vehicles*	5
Air conditioners*	5
Building	51

\* For these class of assets, based on internal assessment, 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 derecognised 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 recognised in the Statement of Profit and Loss when the item is derecognised.

#### e) Intangible assets

##### Measurement at recognition:

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

##### Amortization:

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

##### Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3-5

##### Derecognition:

The carrying amount of an intangible asset is derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

#### f) Impairment

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

An impairment loss is recognised 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 recognised

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 recognised.

#### g) Financial Instruments

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

##### Financial assets

##### Initial recognition and measurement:

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised 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, Other 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 recognised in the Statement of profit and loss and changes in fair value



(other than on account of above income or expense) are recognised 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 recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised (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 recognised in the Statement of Profit and Loss.

#### Impairment of financial assets

The Company recognises 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.

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 recognises 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) recognised at amortised costs
- (ii) recognised 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 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 derecognised when the obligation under the liability is discharged or cancelled or expires.

#### h) Derivative financial instruments

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

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

#### i) Fair Value

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

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

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

#### j) Foreign Currency Translation

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

##### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency

amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

##### Measurement of foreign currency items at reporting date:

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

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

#### k) Income Taxes

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

##### Current tax:

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

##### Deferred tax:

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

Deferred tax assets are generally recognised 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 recognised.

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 respective 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 recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised 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 recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**l) Provisions and Contingencies**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**m) Cash and Cash Equivalents**

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

**n) Employee Benefits**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**i. Defined contribution plans:**

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

**Recognition and measurement of defined contribution plans:**

The Company recognises 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 recognised 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 recognised 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:**

The Company provides for gratuity, a defined benefit plan, for employees. The Company makes annual contributions to funds administered by trustees and managed by a financial institution, towards meeting the Gratuity obligations.

**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 recognised 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 recognised 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 recognised 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 recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

**o) 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.

#### 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.

#### 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 (o) - 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.

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.

#### **p) Borrowing Cost**

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

#### **q) Segment Reporting**

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

#### **r) Share-based Compensation**

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

#### **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.

#### **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.



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### NOTE 4. CASH AND CASH EQUIVALENTS

Particulars	(₹ in Mn)	
	As at Mar 31, 2020	As at Mar 31, 2019
<b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b>		
Cash on hand	0.18	0.07
Cheques in hand	-	5.11
Balance with banks		
- In client account	-	-
- Others	223.99	46.55
In Deposit accounts (with original maturity of three months or less)	-	5.02
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>224.17</b>	<b>56.75</b>

### NOTE 5. BANK BALANCE OTHER THAN 4 ABOVE

Particulars	(₹ in Mn)	
	As at Mar 31, 2020	As at Mar 31, 2019
<b>Other Bank Balances</b>		
In Earmarked Accounts	1.40	-
In Deposit accounts (with original maturity of more than 3 months)	10.05	10.07
<b>Total</b>	<b>11.45</b>	<b>10.07</b>

### NOTE 6. RECEIVABLES (REFER NOTE 34)

Particulars	(₹ in Mn)	
	As at Mar 31, 2020	As at Mar 31, 2019
<b>(i) Trade receivables</b>		
Receivables considered good - Unsecured	723.55	1,989.79
Receivables - credit impaired	-	0.47
<b>Total (i)- Gross</b>	<b>723.55</b>	<b>1,990.26</b>
Less: Impairment loss allowance	-	(0.47)
<b>Total (i)- Net</b>	<b>723.55</b>	<b>1,989.79</b>
<b>(ii) Other receivables</b>		
Receivables considered good - Unsecured	0.00#	-
<b>Total (ii)- Gross</b>	<b>-</b>	<b>-</b>
Less: Impairment loss allowance	-	-
<b>Total (ii)- Net</b>	<b>-</b>	<b>-</b>

- 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.

- c) No trade receivables and other receivables are interest bearing.

# Amount less than ₹ 10,000



## NOTE 7. LOANS (REFER NOTE 34)

(₹ in Mn)

Loans	As at Mar 31, 2020						As at Mar 31, 2019					
	Am- ortised cost	At Fair Value				Total	Am- ortised cost	At Fair value			Subtotal	Total
		Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss	Subtotal			Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss		
(A)												
(i) Term loans*	62.50	-	-	-	-	62.50	113.32	-	-	-	-	113.32
(ii) Others - Staff loan	0.48	-	-	-	-	0.48	0.88	-	-	-	-	0.88
<b>Total (A) -Gross</b>	<b>62.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.98</b>	<b>114.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.20</b>
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>62.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.98</b>	<b>114.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.20</b>
(B)												
(i) Secured	-				-	-	-	-	-	-	-	-
(iv) Unsecured	62.98				-	62.98	114.20	-	-	-	-	114.20
<b>Total (B)-Gross</b>	<b>62.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.98</b>	<b>114.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.20</b>
(C)												
<b>(I) Loans in India</b>						-		-	-	-	-	-
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	62.98	-	-	-	-	62.98	114.20	-	-	-	-	114.20
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total(C) (I)-Net</b>	<b>62.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.98</b>	<b>114.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.20</b>
<b>(II)Loans outside India</b>						-		-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C) (II)- Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total C(I) and C(II)</b>	<b>62.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.98</b>	<b>114.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.20</b>

\* Includes Loan to related parties- Refer Note 36

## NOTE 8. INVESTMENTS

(₹ in Mn)

Investments	As at Mar 31, 2020						As at Mar 31, 2019						Total	
	At Cost	At Fair value			Subtotal	Others	Total	At Cost	At Fair value			Subtotal		Others
		Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss					Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss			
(A)														
Mutual funds	-	-	1,098.89	-	1,098.89	-	1,098.89	-	-	578.44	-	578.44	-	578.44
Debt securities	-	-	161.42	-	161.42	-	161.42	-	-	-	-	-	-	-
Equity instruments- Subsidiaries	18,532.79	-	-	-	-	-	18,532.79	20,745.27	-	-	-	-	-	20,745.27
Alternate investment funds	-	-	47.21	-	47.21	-	47.21	-	-	80.64	-	80.64	-	80.64
Total (A)	18,532.79	-	1,307.52	-	1,307.52	-	19,840.31	20,745.27	-	659.08	-	659.08	-	21,404.35
(B)														
i) Investments outside India	453.13	-	-	-	-	-	453.13	447.93	-	-	-	-	-	447.93
ii) Investments in India	18,079.66	-	1,307.52	-	1,307.52	-	19,387.18	20,297.34	-	659.08	-	659.08	-	20,956.42
Total (B)	18,532.79	-	1,307.52	-	1,307.52	-	19,840.31	20,745.27	-	659.08	-	659.08	-	21,404.35
(C)														
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	18,532.79	-	1,307.52	-	1,307.52	-	19,840.31	20,745.27	-	659.08	-	659.08	-	21,404.35

Note: Out of the above investments ₹ 1,072.22 Mn (PY - ₹ 557.15 Mn) are kept as collateral

## NOTE 8. INVESTMENTS (CONTINUED)

(₹ 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
<b>Investment in Mutual Funds include :</b>						
HDFC MUTUAL FUND SHORT TERM DBT FD DIRECT GROWTH OPEN ENDED	-	-	-	10.00	14,675,072.00	305.69
HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED	1,000.00	80,953.99	316.26	1,000.00	5,815.00	21.28
HDFC MUTUAL FUND LIQUID FUND DIRECT GROWTH OPEN ENDED	-	-	-	1,000.00	68,363.00	251.47
HDFC SHORT TERM DEBT FUND - GROWTH OPTION - DIRECT PLAN	10.00	12,228,707.00	279.89			-
SBI MUTUAL FUND LIQUID FD-DIRECT GROWTH	1,000.00	161,704.89	502.74		-	-
			<b>1,098.89</b>			<b>578.44</b>
<b>Investment in Debt Securities include :</b>						
INDIAN RAILWAY FINANCE CORPORATION LIMITED 8 / 8.15 BD 23FB22 FVRS1000 LOA UPTO 22FB12	1,000.00	150,000.00	161.42	-	-	-
ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000	10,000.00	4,215.00	-	-	-	-
			<b>161.42</b>			<b>-</b>
<b>Investment in Equity Instruments include :</b>						
IIFL WEALTH DISTRIBUTION SERVICES LIMITED (FORMERLY IIFL DISTRIBUTION SERVICES LIMITED)	100.00	30,000.00	453.31	100.00	5,120.00	153.35
IIFL ASSET MANAGEMENT LTD	10.00	32,100,000.00	525.00	10.00	32,100,000.00	525.00
IIFL INVESTMENT ADVISER & TRUSTEE SERVICES LIMITED	10.00	35,225,000.00	354.00	10.00	35,225,000.00	354.00
IIFL (ASIA) PTE LTD	S\$ 1	140,000,000.00	264.50	S\$ 1	140,000,000.00	264.50
IIFL PRIVATE WEALTH MANAGEMENT DUBAI LTD	AED 3.67	918,442.00	42.50	AED 3.67	918,442.00	42.50
IIFL PRIVATE WEALTH HONGKONG LTD	HK\$ 1	6,476,324.00	43.80	HK\$ 1	6,476,324.00	43.80
IIFL WEALTH FINANCE LTD	10.00	305,493,803.00	14,636.30	10.00	305,493,803.00	14,636.30
IIFL WEALTH PORTFOLIO MANAGERS LIMITED (FORMERLY IIFL ALTERNATE ASSET ADVISORS LIMITED)	10.00	249,481.00	2,009.15	10.00	249,481.00	2,009.15
IIFL TRUSTEE LTD	10.00	500,000.00	5.00	10.00	500,000.00	5.00
IIFL INC (USA)	\$ 0.01	140.00	54.14	\$ 0.01	140.00	54.14
IIFL PRIVATE WEALTH (MAURITIUS) LTD	\$ 1	69,975.00	37.95	\$ 1	69,975.00	37.95
INDIA ALTERNATIVE ADVISORS PVT LTD		-	-		-	-
IIFL CAPITAL (CANADA) LIMITED	CAD \$1	187,030.00	10.24	CAD \$1	100,000.00	5.04
IIFL WEALTH SECURITIES IFSC LTD	10.00	100,000.00	1.00	10.00	100,000.00	1.00
IIFL ALTIORE ADVISORS LIMITED	10.00	124,672.00	95.80	10.00	108,405.00	83.30
IIFL WEALTH ADVISORS (INDIA) LIMITED		-	-	1.00	53,433,822.00	2,530.24
IIFLW CSR FOUNDATION	10.00	-	0.10			-
			<b>18,532.79</b>			<b>20,745.27</b>
<b>Investment in Alternate Investment Funds include :</b>						
ASK SELECT FOCUS FUND - CLASS E	1,000.00	10,597.22	8.50	1,000.00	10,597.22	10.04
DSP BLACKROCK AIF PHARMA FUND - CLASS C	-	-	-	100.00	100,000.00	9.62
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CARRY	4.00	673.84	-	-	-	-
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CARRY	6.06	948.00	0.01	-	-	-
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CARRY	9.13	1,000.00	0.01	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CARRY	9.17	1,000.00	0.01	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CARRY	9.25	1,000.00	0.01	-	-	-

Name of Investment	(₹ in Mn)					
	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 SPECIAL OPPORTUNITIES FUND - SERIES 3 - CARRY	9.44	1,000.00	0.01	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CARRY	10.00	1,000.00	0.01	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CARRY	10.00	1,000.00	0.01	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CARRY	10.00	1,000.00	0.01	-	-	-
IIFL YIELD ENHANCER FUND - CARRY	2.24	1,000.00	-	-	-	-
INDIA HOUSING FUND - CARRY	9.92	1,000.00	0.01	-	-	-
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS B	10.00	726,967.36	7.37	10.00	726,967.36	10.50
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS C	10.00	16,858.22	0.35	10.00	16,858.22	0.49
PIRAMAL INDIAREIT FUND V	100,000.00	45.75	4.73	100,000.00	45.75	6.86
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES 1 - CLASS E	100,000.00	147.02	7.16	100,000.00	147.02	14.39
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS E	100,000.00	153.83	6.12	100,000.00	153.83	13.80
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS I	100,000.00	0.91	0.04	100,000.00	0.91	0.08
YOURNEST ANGEL FUND - SCHEME 1	1.00	1,575.00	-	-	-	-
WHITE OAK INDIA EQUITY FUND - CLASS I	10.00	1,293,392.79	12.85	10.00	1,293,392.79	14.86
			<b>47.21</b>			<b>80.64</b>
<b>Grand Total</b>			<b>19,840.31</b>			<b>21,404.35</b>

## NOTE 9. OTHER FINANCIAL ASSETS

Particulars	(₹ in Mn)	
	As at Mar 31, 2020	As at Mar 31, 2019
Other deposits	336.59	62.15
Advances to companies under common promoters	534.61	229.94
Fees income accrued & not due	108.65	23.41
Receivable From Employees	1.48	1.88
Others	-	3.56
<b>Total</b>	<b>981.33</b>	<b>320.94</b>

## NOTE 10. DEFERRED TAXES

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2020 are as follows:

Particulars	(₹ in Mn)						
	Opening balance	Addition/Deletion on Amalgamation	Recognised in profit or loss*	MAT Credit Utilised	Transfer on account of Slump Sale	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	56.32	0.69	(26.57)	-	(2.50)	-	27.94
Impairment of Assets	0.17	-	(0.17)	-	-	-	-
Retirement benefits for employees	11.98	0.80	(8.49)	-	(5.20)	1.91	1.00
Impact of IndAS 116	-	-	3.38	-	-	-	3.38
Unutilised MAT credit	13.40	-	-	(13.40)	-	-	-
Unspent CSR	-	-	1.18	-	-	-	1.18
<b>Total deferred tax assets (A)</b>	<b>81.87</b>	<b>1.49</b>	<b>(30.67)</b>	<b>(13.40)</b>	<b>(7.70)</b>	<b>1.91</b>	<b>33.50</b>

	(₹ in Mn)						
Particulars	Opening balance	Addition/ Deletion on Amalgamation	Recognised in profit or loss*	MAT Credit Utilised	Transfer on account of Slump Sale	Recognised in/reclassified from OCI	Closing balance
Offsetting of deferred tax (assets) with deferred tax liabilities	(3.10)	-	-	-	-	-	(6.42)
<b>Net Deferred tax (assets)</b>	<b>78.77</b>	<b>1.49</b>	<b>(30.67)</b>	<b>(13.40)</b>	<b>(7.70)</b>	<b>1.91</b>	<b>27.08</b>
<b>Deferred tax liabilities:</b>							
Property, plant and equipment							-
Depreciation							-
Unrealised profit on investments etc.	3.10	0.11	3.21	-	-	-	6.42
Customer relations	-	249.93	(76.83)	-	(173.10)	-	-
<b>Total deferred tax liabilities (B)</b>	<b>3.10</b>	<b>-</b>	<b>(73.62)</b>	<b>-</b>	<b>(173.10)</b>	<b>-</b>	<b>6.42</b>
Offsetting of deferred tax liabilities with deferred tax (assets)	<b>(3.10)</b>						<b>(6.42)</b>
<b>Net Deferred tax liabilities</b>	<b>-</b>						<b>-</b>
<b>Deferred tax assets (A - B)</b>	<b>78.77</b>	<b>1.49</b>	<b>(30.67)</b>		<b>(7.70)</b>	<b>1.91</b>	<b>27.08</b>

\* Includes reduction of tax expenses amounting to ₹ 51.21 Mn 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 recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2019 are as follows:

	(₹ in Mn)						
Particulars	Opening balance	Addition/ Deletion on merger/ demerger	Recognised in profit or loss	MAT Credit Utilised	On account of Slump Sale	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	25.99	(0.20)	30.53	-	-	-	56.32
Impairment of Assets	1.41	-	(1.24)	-	-	-	0.17
Retirement benefits for employees	14.15	(0.64)	(2.64)	-	-	1.11	11.98
Unutilised MAT credit	13.40	-	-	-	-	-	13.40
<b>Total deferred tax assets (A)</b>	<b>54.95</b>	<b>(0.84)</b>	<b>26.65</b>	<b>-</b>	<b>-</b>	<b>1.11</b>	<b>81.87</b>
<b>Deferred tax liabilities:</b>							
<b>Deferred tax liabilities:</b>							
Unrealised profit on investments etc.	(0.90)	-	(2.20)	-	-	-	(3.10)
<b>Total deferred tax liabilities (B)</b>	<b>(0.90)</b>	<b>-</b>	<b>(2.20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.10)</b>
<b>Deferred tax assets (A - B)</b>	<b>54.05</b>	<b>(0.84)</b>	<b>24.45</b>	<b>-</b>	<b>-</b>	<b>1.11</b>	<b>78.77</b>

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.

**NOTE 11. PROPERTY PLANT AND EQUIPMENT**

(₹ in Mn)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Computers	Electrical Equipment	Land	Building	Total
<b>Gross Carrying value as on April 01, 2019</b>	<b>614.88</b>	<b>18.92</b>	<b>80.72</b>	<b>104.57</b>	<b>27.85</b>	-	-	<b>846.94</b>
Additions	76.87	22.00	5.63	3.29	2.20	1,487.51	897.63	<b>2,495.13</b>
Additions - Acquisition	6.30	-	2.94	6.35	1.30	-	-	<b>16.89</b>
Deductions/ Adjustments during the year	172.09	14.56	14.63	23.90	5.93	-	-	<b>231.11</b>
<b>As at March 31, 2020</b>	<b>525.96</b>	<b>26.36</b>	<b>74.66</b>	<b>90.31</b>	<b>25.42</b>	<b>1,487.51</b>	<b>897.63</b>	<b>3,127.85</b>
<b>Depreciation</b>								
<b>Upto April 01, 2019</b>	<b>145.74</b>	<b>10.92</b>	<b>17.78</b>	<b>73.76</b>	<b>4.68</b>	-	-	<b>252.88</b>
Accumulated Depreciation on Acquisition	5.29	-	2.16	3.97	1.30	-	-	<b>12.72</b>
Depreciation for the year	74.85	5.63	17.36	19.96	3.89	-	13.45	<b>135.14</b>
Deductions/ Adjustments during the year	91.09	12.34	8.82	18.44	4.24	-	-	<b>134.93</b>
<b>Upto March 31, 2020</b>	<b>134.79</b>	<b>4.21</b>	<b>28.48</b>	<b>79.25</b>	<b>5.63</b>	-	<b>13.45</b>	<b>265.81</b>
<b>Net Block as at March 31, 2020</b>	<b>391.17</b>	<b>22.15</b>	<b>46.18</b>	<b>11.06</b>	<b>19.79</b>	<b>1,487.51</b>	<b>884.18</b>	<b>2,862.04</b>

(₹ in Mn)

Particulars	Furniture Fixture	Vehicles	Office Equipment	Computers	Electrical Equipment	Land	Building	Total
<b>Gross Carrying value as on April 01, 2018</b>	<b>203.95</b>	<b>18.92</b>	<b>34.35</b>	<b>83.97</b>	<b>6.76</b>	-	-	<b>347.95</b>
Additions	410.98	-	47.24	20.62	21.10	-	-	<b>499.94</b>
Deductions/ Adjustments during the year	0.05	-	0.87	0.02	0.01	-	-	<b>0.95</b>
<b>As at March 31, 2019</b>	<b>614.88</b>	<b>18.92</b>	<b>80.72</b>	<b>104.57</b>	<b>27.85</b>	-	-	<b>846.94</b>
<b>Depreciation</b>								
<b>Upto April 01, 2018</b>	<b>49.81</b>	<b>4.77</b>	<b>4.51</b>	<b>34.49</b>	<b>0.08</b>	-	-	<b>93.66</b>
Depreciation for the year	95.96	6.15	13.29	39.29	4.61	-	-	<b>159.30</b>
Deductions/ Adjustments during the year	0.03	-	0.02	0.02	0.01	-	-	<b>0.08</b>
<b>Upto March 31, 2019</b>	<b>145.74</b>	<b>10.92</b>	<b>17.78</b>	<b>73.76</b>	<b>4.68</b>	-	-	<b>252.88</b>
<b>Net Block as at March 31, 2019</b>	<b>469.14</b>	<b>8.00</b>	<b>62.94</b>	<b>30.81</b>	<b>23.17</b>	-	-	<b>594.06</b>

11.1. The Company has revised its estimate of useful life of Furniture and Fixtures and Electrical Equipment used in the office premise acquired during the period, which was earlier on lease, and has recomputed the depreciation on the same on prospective basis. As a result, depreciation for the year ended March 31, 2020 is lower by ₹ 14.27 Mn and ₹ 56.06 Mn respectively and the profit before tax for the year ended March 31, 2020 is higher by ₹ 14.27 Mn and ₹ 56.06 Mn respectively.

**NOTE 12. CAPITAL WORK-IN-PROGRESS**

(₹ in Mn)

Particulars	As at Mar 31, 2020
<b>As at April 01, 2019</b>	<b>1,725.46</b>
Additions	0.03
Deductions	1,715.18
<b>As at March 31, 2020</b>	<b>10.31</b>

(₹ in Mn)

Particulars	As at Mar 31, 2019
<b>As at April 01, 2018</b>	<b>210.76</b>
Additions	1,711.16
Deductions	196.46
<b>As at March 31, 2019</b>	<b>1,725.46</b>



**NOTE 13. OTHER INTANGIBLE ASSETS**

(₹ in Mn)	
Particulars	As at Mar 31, 2020
<b>Software/Intangible assets (acquired)</b>	
Gross Carrying value as on April 01, 2019	61.20
Additions	105.16
Additions - Acquisition - Software	32.87
Deductions / adjustments during the year	161.51
<b>As at March 31, 2020</b>	<b>37.72</b>
<b>Amortisation</b>	
Upto April 01, 2019	41.75
Accumulated Amortisation on Acquisition	23.59
Amortisation for the year	27.20
Deductions / adjustments during the year	65.88
<b>Upto March 31, 2020</b>	<b>26.66</b>
<b>Net Block as at March 31, 2020</b>	<b>11.06</b>

(₹ in Mn)	
Particulars	As at Mar 31, 2019
<b>Software/Intangible assets (acquired)</b>	
Gross Carrying value as on April 01, 2018	44.85
Additions	20.45
Deductions / adjustments during the year	4.10
<b>As at March 31, 2019</b>	<b>61.20</b>
<b>Amortisation</b>	
Upto April 01, 2018	28.18
Amortisation for the year	13.57
Deductions / adjustments during the year	-
<b>Upto March 31, 2019</b>	<b>41.75</b>
<b>Net Block as at March 31, 2019</b>	<b>19.45</b>

**NOTE 14. DISCLOSURE PURSUANT TO IND AS 116 “LEASES”**

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 ₹ 343.03 Mn 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”.

(₹ in Mn)			
Particulars	Premises	Vehicles	Total
Lease commitments as at 31 March 2019	-	-	-
Add/(less): contracts reassessed as lease contracts	289.51	53.52	343.03
Add/(less): adjustments on account of extension/termination	-	-	-
<b>Total</b>	<b>289.51</b>	<b>53.52</b>	<b>343.03</b>
Add/(less): Amalgamation of subsidiary wef April 01, 2019	9.25	-	9.25
<b>Lease liabilities as on 1 April 2019</b>	<b>298.76</b>	<b>53.52</b>	<b>352.28</b>

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

(₹ in Mn)			
Particulars	Premises	Vehicles	Total
<b>Balance as at 01 April, 2019</b>	<b>298.76</b>	<b>53.52</b>	<b>352.28</b>
Additions during the year	106.87	7.31	114.18
Depreciation charge for the year	(81.40)	(15.53)	(96.93)
Deletions during the year	(1.83)	(6.44)	(8.27)
Deletions during the year (On account of Slumpsale)	(322.40)	(35.64)	(358.04)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>3.22</b>	<b>3.22</b>

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

(₹ in Mn)	
Particulars	As at March 31, 2020
Current lease liabilities	1.63
Non-current lease liabilities	1.78
<b>Total</b>	<b>3.41</b>

The following is the movement in lease liabilities during the year ended March 31, 2020			(₹ in Mn)
Particulars	Premises	Vehicles	Total
Balance as at 01 April, 2019	298.76	53.52	352.28
Additions	106.87	7.31	114.18
Deletion	(1.88)	(6.42)	(8.30)
Deletion on account of slump sale	(333.95)	(37.29)	(371.24)
Finance cost accrued during the period	20.01	3.47	23.48
Payment of lease liabilities	(89.81)	(17.18)	(106.99)
Balance as at March 31, 2020	-	3.41	3.41

Maturity analysis – contractual undiscounted cash flows			(₹ in Mn)
Particulars	Premises	Vehicles	
Less than one year	-	1.85	
One to five years	-	1.90	
More than five years	-	-	
Total undiscounted lease liabilities at 31 March 2020	-	3.75	
Lease liabilities included in the statement of financial position at 31 March 2020	-	3.41	

Amounts recognised in profit or loss		(₹ in Mn)
Particulars	As at March 31, 2020	
Interest on lease liabilities	23.48	
Expenses relating to short-term lease s	-	
Depreciation relating to leases	96.93	
Total	120.41	

Amounts recognised in the statement of cash flows		(₹ in Mn)
Particulars	As at March 31, 2020	
Total cash outflow for leases	106.99	

## NOTE 15. OTHER NON FINANCIAL ASSETS

(₹ in Mn)		
Particulars	As at Mar 31, 2020	As at Mar 31, 2019
<b>Unsecured</b>		
Prepaid expenses	32.50	140.20
Advances recoverable	8.74	83.59
Employee advance against expenses	2.23	2.79
<b>Total</b>	<b>43.47</b>	<b>226.58</b>

## NOTE 16. PAYABLES

(₹ in Mn)		
Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Trade payables		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 16.1)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	91.98	165.01
<b>Total</b>	<b>91.98</b>	<b>165.01</b>
Other payable		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 16.1)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**16.1. DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	FY 2019-20	FY 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	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.

**NOTE 17. BORROWINGS (OTHER THAN DEBT SECURITIES)**

(₹ in Mn)

Particulars	As at Mar 31, 2020				As at Mar 31, 2019			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(a) Term loans								
- (i) from other parties	-	-	-	-	4.54	-	-	4.54
(b) Loans from related parties (unsecured)	-	-	-	-	3,654.15	-	-	3,654.15
(c) Loans repayable on demand	-	-	-	-	-	-	-	-
- (i) from banks	-	-	-	-	481.37	-	-	481.37
<b>Total</b>	-	-	-	-	<b>4,140.06</b>	-	-	<b>4,140.06</b>
Borrowings in India	-	-	-	-	4,140.06	-	-	4,140.06
Borrowings outside India	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>4,140.06</b>	-	-	<b>4,140.06</b>

(₹ in Mn)

Residual maturity	As at March 31, 2020		As at March 31, 2019	
At Amortised cost	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
Less than 1 year	-	-	3,658.69	8.00% - 10.40%
1-5 years	-	-	-	-
Above 5 years	-	-	-	-

Loans repayable on demand from banks- As at 31st March 2019, the loans are secured by way of pari passu charge on specific receivables.

Loans from other parties are secured against hypothecation of vehicles.

**Explanatory Notes**

(₹ in Mn)

Particulars	As at March 31, 2019
Term Loan includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.54
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.91
Car Loan taken is repayable in monthly installment. Balance Tenure is of 10 months as on balance sheet date	0.53
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.74
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.26
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.28
	<b>4.54</b>

**NOTE 18. OTHER FINANCIAL LIABILITIES**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Payable to companies under common promoters	31.78	38.74
Interest payable on ICD	16.68	2.86
Deposit from customers	1,622.99	-
Others	1.09	2.14
<b>Total</b>	<b>1,672.54</b>	<b>43.74</b>

**NOTE 19. PROVISIONS**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Provision for employee benefits		
- Gratuity (Refer Note 27.1)	3.89	33.71
<b>Total</b>	<b>3.89</b>	<b>33.71</b>

**NOTE 20. OTHER NON FINANCIAL LIABILITIES**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Statutory remittances	145.66	110.82
Others	1.40	0.92
<b>Total</b>	<b>147.06</b>	<b>111.74</b>

**20.1** No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of Unclaimed Dividend and Unclaimed dues on account of NCD.

**NOTE 21. SHARE CAPITAL**

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

(₹ in Mn)

Authorised :	As at Mar 31, 2020	As at Mar 31, 2019
132,650,000 (PY - 100,000,000) Equity shares of ₹ 2/- each with voting rights	265.30	200.00
<b>Issued, Subscribed and Paid Up:</b> 871,81,042 (PY - 84,521,324) Equity shares of ₹ 2/- each fully paid up with voting rights	174.36	169.04
<b>Total</b>	<b>174.36</b>	<b>169.04</b>

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

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of shares	Amount (₹ in Mn)	No. of shares	Amount (₹ in Mn)
At the beginning of the year	84,521,324	169.04	79,753,463	159.50
Add: Issued during the year	2,659,718	5.32	4,767,861	9.54
<b>Outstanding at the end of the year</b>	<b>87,181,042</b>	<b>174.36</b>	<b>84,521,324</b>	<b>169.04</b>

(c) Movement of shares pursuant to the composite scheme of arrangement (Refer Note 2)

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹ in Mn)	No. of shares	Amount (₹ in Mn)
At the beginning of the year	600,442	1.20	-	-
Equity Shares of ₹ 2/- pending issuance pursuant to the Composite scheme of arrangement	-	-	45,600,442	91.20
Less: Equity shares of ₹ 2/- held by IIFL Holdings Limited to be cancelled	-	-	(45,000,000)	(90.00)
Less: Issued during the year	(600,442)	(1.20)		
<b>Incremental shares to be issued</b>	<b>-</b>	<b>-</b>	<b>600,442</b>	<b>1.20</b>

\* Further to the above additional shares of 4,482 equity shares of ₹ 2/- each were issued during the year on account of increase in share capital of IIFL Finance Limited( Formerly known as IIFL Holdings Limited) subsequent to March 31, 2019.

(d) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2020, interim dividend of ₹ 20/- (P.Y. ₹ 10/-) has been paid and recognised as distribution to equity shareholders.

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

**(e) Details of shareholders holding more than 5% shares after giving effect to the Composite scheme of arrangement (Refer note 2)**

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of shares	% holding	No. of shares	% holding
General Atlantic Singapore Fund Pte Ltd	18,619,550	21.4%	18,619,550	21.9%
FIH Mauritius Investments Ltd	12,091,635	13.9%	12,091,635	14.2%
Nirmal Jain	6,228,856	7.1%	6,628,857	7.8%
Karan Bhagat	136,300	0.2%	5,991,875	7.0%

**(f) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note. 35

**(g) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares, except for shares issued under the composite scheme of arrangement (Refer note 2)****NOTE 22. OTHER EQUITY**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Securities premium	18,856.51	18,175.78
General reserve	133.50	133.50
Capital reserve	114.59	114.59
ESOP Reserve	255.40	97.02
Share application money received	0.07	-
Retained earnings	3,725.99	3,511.39
<b>Total</b>	<b>23,086.06</b>	<b>22,032.28</b>

**NOTE 23. FEE AND COMMISSION INCOME**

(₹ in Mn)

Particulars	2019-20	2018-19
Distribution fees, commission and related income	1,918.36	48.06
Asset and portfolio management related fees	6.06	-
<b>TOTAL</b>	<b>1,924.42</b>	<b>48.06</b>

**NOTE 24. OTHER INCOME**

(₹ in Mn)

Particulars	2019-20	2018-19
Interest income	32.38	169.29
Profit/(loss) on cancellation of lease	(0.01)	-
Rent income	130.73	-
Change in fair value of investments - realised	32.01	(130.82)
Change in fair value of investments - unrealised	12.39	237.86
Dividend income	1,737.50	831.41
Distribution income	-	0.44
Miscellaneous income	1.10	0.83
Profit on sale of fixed assets	-	0.09
<b>Total</b>	<b>1,946.10</b>	<b>1,109.10</b>

**NOTE 25. 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	-	476.32	476.32	-	144.71	144.71
Other interest expense	-	1.54	1.54	-	0.16	0.16
<b>Total</b>	<b>-</b>	<b>477.86</b>	<b>477.86</b>	<b>-</b>	<b>144.87</b>	<b>144.87</b>



**NOTE 26. 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 Trade Receivable	-	0.09	-	(2.38)
Investments				
Others (to be specified)				
<b>Total</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>(2.38)</b>

**NOTE 27. EMPLOYEE BENEFIT EXPENSES**

(₹ in Mn)

Particulars	2019-20	2018-19
Salaries and wages	286.74	288.32
Contribution to provident and other funds (Refer Note 27.2)	11.72	12.00
Share based payments to employees	48.92	11.90
Staff welfare expenses	11.09	23.47
Gratuity expense (Refer Note 27.1)	9.66	1.67
Leave encashment	0.05	(5.28)
<b>Total</b>	<b>368.18</b>	<b>332.08</b>

**27.1. GRATUITY ABRIDGED DISCLOSURE STATEMENT AS PER INDIAN ACCOUNTING STANDARD 19 (IND AS 19)**

(₹ in Mn)

Particulars	2019-20	2018-19
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
<b>Assumptions</b>		
Expected return on plan assets	6.04%	NA-7.59%
Rate of discounting	6.04%	7.53%-7.70%
Rate of salary increase	7.50%	5%-10%
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.
<b>Table showing change in the present value of projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the period	119.97	100.40
Interest cost	9.87	7.74
Current service cost	17.38	14.64
Past service cost	-	-
Liability transferred in/ acquisitions	15.68	0.55
(Liability transferred out/ divestments)	(128.88)	(1.43)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-

	(₹ in Mn)	
Particulars	2019-20	2018-19
(Benefit paid from the fund)	(18.11)	(8.01)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	3.09	0.98
Actuarial (gains)/losses on obligations - due to experience	5.50	5.10
<b>Present value of benefit obligation at the end of the period</b>	<b>24.50</b>	<b>119.97</b>
<b>Table showing change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the period	86.26	84.68
Interest income	7.29	6.53
Contributions by the employer	34.28	-
Expected contributions by the employees	-	-
Assets transferred in/acquisitions	13.10	-
(Assets transferred out/ divestments)	(103.21)	-
(Benefit paid from the fund)	(18.11)	(8.01)
(Assets distributed on settlements)	-	-
(Expenses and tax for managing the benefit obligations- paid from the fund)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	1.00	3.07
<b>Fair value of plan assets at the end of the period</b>	<b>20.61</b>	<b>86.27</b>
<b>Amount recognized in the balance sheet</b>		
(Present value of benefit obligation at the end of the period)	(24.50)	(119.97)
Fair value of plan assets at the end of the period	20.61	86.26
Funded status (surplus/ (deficit))	(3.89)	(33.71)
Net (liability)/asset recognized in the balance sheet	(3.89)	(33.71)
<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	119.97	100.40
(fair value of plan assets at the beginning of the period)	(86.26)	(84.68)
Net liability/(asset) at the beginning	33.71	15.72
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Interest cost	9.87	7.74
(Interest income)	(7.29)	(6.53)
Net interest cost for current period	2.58	1.21
<b>Expenses recognized in the statement of profit or loss for current period</b>		
Current service cost	17.38	14.64
Net interest cost	2.58	1.21
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	19.96	15.85
<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	8.59	6.09
Return on plan assets, excluding interest income	(1.00)	(3.07)
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in oci	7.59	3.02
<b>Balance sheet reconciliation</b>		
Opening net liability	33.71	15.72
Expenses recognized in statement of profit or loss - continuing operations	9.66	1.67

	(₹ in Mn)	
Particulars	2019-20	2018-19
Expenses recognized in statement of profit or loss - discontinued operations	10.30	14.18
Expenses recognized in OCI - continuing operations	0.30	(0.12)
Expenses recognized in OCI - discontinued operations	7.29	3.14
Net liability/(asset) transfer in	2.58	0.55
Net (liability)/asset transfer out	(25.67)	(1.43)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	(34.28)	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>3.89</b>	<b>33.71</b>
<b>Category of assets</b>		
Government of India assets	-	-
State government securities	-	-
Special deposits scheme	-	-
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	20.61	86.26
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
<b>Total</b>	<b>20.61</b>	<b>86.26</b>
<b>Other details</b>		
No of active members	108	603
Per month salary for active members	11.13	61.48
Weighted Average Duration of the Projected Benefit Obligation	9	9
Average Expected Future Service	9	9
Projected benefit obligation (pbo)	24.50	122.13
Prescribed contribution for next year (12 months)	9.22	52.48
<b>Maturity analysis of the benefit payments</b>		
1st following year	2.14	9.20
2nd following year	1.82	9.95
3rd following year	1.93	10.76
4th following year	1.92	10.66
5th following year	1.92	12.45
Sum of years 6 to 10	9.32	49.37
Sum of years 11 and above	24.54	151.17
<b>Sensitivity analysis</b>		
PBO on current assumptions	24.50	119.97
Delta effect of +1% change in rate of discounting	(1.82)	(8.70)
Delta effect of -1% change in rate of discounting	2.09	9.99
Delta effect of +1% change in rate of salary increase	1.12	5.40
Delta effect of -1% change in rate of salary increase	(1.09)	(5.37)
Delta effect of +1% change in rate of employee turnover	0.12	1.70
Delta effect of -1% change in rate of employee turnover	(0.14)	(1.99)

## 27.2 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	11.72	12.00
Contribution to ESIC	-	0.00#
Contribution to labour welfare fund	0.00#	0.00#
<b>Total</b>	<b>11.72</b>	<b>12.00</b>
# Amount less than ₹ 10,000	-	-

**NOTE 28. OTHER EXPENSES**

	(₹ in Mn)	
Particulars	2019-20	2018-19
Operations, treasury and fund management expenses	14.15	3.54
Rent and energy cost	3.02	48.21
Insurance	0.81	0.18
Repairs & maintenance	1.29	1.41
Marketing, advertisement and business promotion expenses	17.26	5.78
Travelling & conveyance	28.91	34.08
Legal & professional fees	155.50	116.05
Communication	4.39	0.62
Software charges / Technology cost	8.53	6.54
Office & other expenses	36.92	11.24
Profit/loss on sale of assets	1.49	-
Directors' fees and commission (Refer Note 36)	4.93	2.62
Remuneration to Auditors :		
Audit fees (net of GST input credit)*	9.12	1.51
Goods & Service tax/Swachh Bharat Cess	0.16	0.02
Certification expenses	0.87	0.66
Out Of pocket expenses	0.30	0.29
Corporate social responsibility expenses & donation (Refer Note 32)	36.53	38.25
<b>Total</b>	<b>324.18</b>	<b>271.00</b>

\*Includes fees amounting to ₹ 6.5 Mn for audit of restated financials for listing purpose

**NOTE 29. INCOME TAXES**

Disclosure pursuant to Ind AS 12 "Income Taxes"

Major components of tax expense/ (income) (Total Operations)

	(₹ in Mn)	
Sr. Particulars No.	2019-20	2018-19
Standalone Statement of Profit and Loss:		
(a) Profit and Loss section:		
(i) Current Income tax :		
Current income tax expense	60.27	593.04
Effect of previously unrecognised tax losses and tax offsets used during the current year		
Tax expense in respect of earlier years	(9.23)	-
	51.04	593.04
(ii) Deferred Tax:		
Tax expense on origination and reversal of temporary differences	8.26	(138.52)
Effect on deferred tax balances due to the change in income tax rate	(51.21)	-
	(42.95)	(138.52)
<b>Income tax expense reported in the Standalone Statement of Profit or Loss [(i)+(ii)]</b>	<b>8.09</b>	<b>454.52</b>
(b) Other Comprehensive Income (OCI) Section:		
(i) Items not to be reclassified to profit or loss in subsequent periods:		
(A) Deferred tax expense/(income):		
On re-measurement of defined benefit plans	(1.91)	(1.05)
	(1.91)	(1.05)
<b>Income tax expense reported in the other comprehensive income</b>	<b>(1.91)</b>	<b>(1.05)</b>
(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:		
Sr. Particulars No.	2019-20	2018-19
(a) <b>Profit/(loss) before tax</b>	<b>1,942.85</b>	<b>1,972.35</b>
(b) Income tax expense at tax rates applicable to individual entities	488.98	689.22
(c) (i) Tax on income subject to lower tax rate		
(A) Gains on investments (including fair valuation)	1.01	(82.37)
(d) (ii) Tax on Income exempt from Tax		
(A) Income from Investments (Including tax suffered income on investment in AIF)	(438.60)	(0.15)
(iii) Tax on expense not tax deductible		
(A) Expenses not allowable as tax deductible as per tax laws	4.96	7.01
(vi) Tax on Dividend earned from Offshore subsidiary	-	(145.26)
(v) Effect on deferred tax due to change in Income tax	(51.21)	-
(vi) Tax expense in respect of earlier years	(0.60)	-
(vii) Tax effect on various other items	3.55	(13.93)
<b>Total effect of tax adjustments [(i) to (vii)]</b>	<b>(480.89)</b>	<b>(234.70)</b>
(e) Tax expense recognised during the year	<b>8.09</b>	<b>454.52</b>
Effective tax rate	<b>0.42%</b>	<b>23.04%</b>

**NOTE 30. 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		2.00	2.00
<b>BASIC</b>			
Profit after tax as per Statement of profit and loss before other comprehensive income	A	1,934.76	1,517.83
Weighted average number of shares subscribed*	B	86,108,444	83,915,167
Face value of equity shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	22.47	18.09
<b>DILUTED</b>			
Profit after tax as per Statement of profit and loss before other comprehensive income	A	1,934.76	1,517.83
Weighted number of shares subscribed	B	86,108,444	83,915,167
Add: Potential equity shares on account of conversion of employee stock option	C	2,051,759	2,454,209
Weighted average number of shares outstanding	D=B+C	88,160,203	86,369,376
Diluted EPS (₹)	A/D	21.95	17.57

\*including Nil (PY - 580,199) weighted average no. of shares pending issuance as at the year end as per the Composite Scheme of Arrangement

**NOTE 31. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE****Capital and Other Commitments**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets	34.50	589.38
<b>Total</b>	<b>34.50</b>	<b>589.38</b>

**Contingent Liabilities**

(₹ in Mn)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Corporate guarantee	2,100.00	2,100.00
Disputed income tax demand*	86.23	80.84
<b>Total</b>	<b>2,186.23</b>	<b>2,180.84</b>

31.1 Corporate guarantee issued to a bank towards provision of credit facilities to a subsidiary of the Company.

\* Amount paid under protest with respect to income tax demand ₹ 16.56 Mn (PY - ₹ 16.05 Mn)

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.

**NOTE 32. CORPORATE SOCIAL RESPONSIBILITY**

During the year, the Company has spent ₹ 27.03 Mn (P.Y. ₹ 31.54 Mn) as against ₹ 36.75 Mn (P.Y. ₹ 31.54 Mn) 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.

**NOTE 33. BUSINESS COMBINATION****A. Amalgamation of a subsidiary**

On November 22, 2018, IIFL Wealth Management Limited acquired 100% stake in IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited). Thereafter, on 29 January 2019, the Board of Directors of IIFL Wealth Management Limited (the "Transferee Company") approved a draft scheme of amalgamation of IIFL Wealth Advisors (India) Limited (the "Transferor Company") with the Transferee Company and their respective shareholders in terms of the provisions of Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Scheme").

The National Company Law Tribunal (Tribunal) Bench at Mumbai has approved the aforementioned Scheme on October 24, 2019 and the National Company Law Tribunal Bench at Chennai approved the Scheme on December 20, 2019 under the applicable provisions of the Companies Act, 2013 and the appointed date of the Scheme is fixed as November 22, 2018.

Certified copy of the said order of the Mumbai Bench and Chennai Bench of the Tribunal was received by the Company on December 2, 2019 and December 27, 2019 respectively and filed with the Registrar of Companies on December 27, 2019.

The effect of net profit arising from accounting of amalgamation for the period November 22, 2018 to March 31, 2019 amounting to ₹ 34.01 Mn has been adjusted to the balance of Other Equity as on April 1, 2019.



## B. Transfer of Business

The Company has entered into a business transfer arrangement with its subsidiary companies w.e.f. January 1, 2020 and disposed off the Distribution Business and PMS Business to IIFL Wealth Finance Limited (IIFL WF) and IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited) (IIFL PML). Accordingly, the Company has transferred all its Employees, Assets, Liabilities, Contracts, Intangible Assets, relevant inputs, processes and outputs pertaining to such business for a lump sum consideration, the details of which are given below.

	(₹ in Mn)	
Particulars	In IIFL WF	In IIFL PML
Purchase Consideration	4,190.00	110.00
Net Assets Transferred	4,185.02	109.78
Excess/ (Deficit)	4.98	0.22

This, being a common control business combination within the meaning of IND AS 103, the Standalone financial statements of the Company of previous reported periods have been restated to give effect to the said business transfer arrangement. The net profit/loss in respect of the said businesses transferred has been disclosed as "Profit/Loss on Discontinued Operations in the Standalone Profit and Loss Account".

The following table sets out the summarised standalone financial results of the Company without considering the effects for transfer of business referred to above as discontinued operations for the earlier reported periods.

	(₹ in Mn)	
Particulars	Year ended	
	March 31, 2020	March 31, 2019
Revenue from operations	3,712.88	4,822.70
Other Income	1,971.19	1,109.40
Total Income	5,684.07	5,932.10
Total Expenses	3,741.22	3,959.75
Profit/(loss) before tax	1,942.85	1,972.35
Total Tax Expense	8.09	454.52
Profit/(loss) for the period/year	1,934.76	1,517.83
Other Comprehensive Income/(loss) net of tax	(5.68)	(1.97)
Total Comprehensive Income/(loss) for the period/year (Comprising Profit (Add/Loss) and Other Comprehensive Income for the period/year)	1,929.08	1,515.86

The below table sets out financial results of the discontinued operations included in the Statement of Profit and loss account:

	(₹ in Mn)	
Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Discontinued Operations</b>		
Total Revenue	1,559.76	4,774.93
Total Expenses	2,410.03	3,084.34
Profit/(loss) before tax	(850.27)	1,690.59
Total Tax Expense	(284.56)	593.04
Profit/(loss) for the period/year	(565.71)	1,097.55
Other Comprehensive Income/(loss) net of tax	(5.46)	(2.04)
Total Comprehensive Income/(loss) for the period/year (Comprising Profit (Loss) and Other Comprehensive Income for the period/year)	(571.17)	1,095.51

The below table sets out cashflow from discontinued operations included in the Statement of Cashflow

	(₹ in Mn)	
Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Casflows from Discontinued Operations</b>		
A. Cash flows from operating activities		
Net profit before taxation	(850.27)	1,690.59
Operating profit before working capital changes	(653.55)	1,718.38
Net cash generated from operating activities (A)	151.05	2,701.00
Net cash used in investing activities (B)	(151.05)	(2,701.00)
Net cash (used in)/generated from financing activities (C)	-	-
Net Cash inflows (A+B+C)	-	-

**NOTE 34. DISCLOSURE PURSUANT TO IND AS 107 “FINANCIAL INSTRUMENTS DISCLOSURES”****FINANCIAL RISK MANAGEMENT****34 A.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) Loans**

The Company has outstanding loans to staff and Inter corporate deposits. The company has not made any provision on ECL as credit risk is considered insignificant.

**2) Trade and other Receivables**

The Company's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

**Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :**

(₹ in Mn)		
Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Balance at the beginning of the year	0.47	4.03
On account of merger	0.03	-
Movement in expected credit loss allowances on trade receivable (includes discontinued operations)	0.20	(3.56)
Transferred on account of slump sale	(0.70)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.47</b>

**3) Others**

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

The credit risk in respect of investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

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

**34 B. LIQUIDITY RISK**

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

The following table shows the maturity profile of Financial liabilities:

(₹ in Mn)						
As at 31st March 2020						
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	91.98	85.95	5.64	0.39	-	-
Other financial liabilities	1,672.54	-	1,672.47	0.07	-	-
<b>Total</b>	<b>1,764.52</b>	<b>85.95</b>	<b>1,678.11</b>	<b>0.46</b>	<b>-</b>	<b>-</b>
For Finance Lease Obligation maturity refer note 14						
As at 31st March 2019						
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	165.01	162.96	-	2.05	-	-
Borrowings (Other than Debt Securities)	4,140.06	4,135.97	2.29	1.80	-	-
Other financial liabilities	43.74	43.74	-	-	-	-
<b>Total</b>	<b>4,348.81</b>	<b>4,342.67</b>	<b>2.29</b>	<b>3.85</b>	<b>-</b>	<b>-</b>

### 34 C. 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.

#### 34 C.1 CURRENCY RISK

The Company (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Company has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2019-2020 are as below:

(₹ in Mn)						
Particulars	USD	GBP	MUR	AED	Euro	CHF
Cash and Cash Equivalents	0.10	0.03	0.00#	0.00#	0.00#	0.01
Trade Receivables	2.19	-	-	-	-	-
Trade Payables	22.18	5.71	-	-	-	-

(₹ in Mn)						
Particulars	CAD	HKD	RIYAL	RMB	SGD	OMR
Cash and Cash Equivalents	-	0.01	-	0.01	0.01	-

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2018-2019 are as below:

(₹ in Mn)						
Particulars	USD	GBP	MUR	AED	Euro	CHF
Cash and Cash Equivalents	0.01	0.01	0.00#	0.01	0.00#	0.01
Trade Payables	0.01	-	-	-	-	-

(₹ in Mn)						
Particulars	CAD	HKD	RIYAL	RMB	SGD	OMR
Cash and Cash Equivalents	-	0.01	0.00#	0.01	0.01	-

# Amount less than ₹ 10,000

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

(₹ in Mn)		
	2019-20	2018-19
<b>Increase</b>		
Impact on Profit and Loss after tax	0.23	0.00#
Impact on Equity	0.23	0.00#
<b>Decrease</b>		
Impact on Profit and Loss after tax	(0.23)	(0.00)#
Impact on Equity	(0.23)	(0.00)#

# Amount less than ₹ 10,000

#### 34C.2 INTEREST RATE RISK

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

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

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

(₹ in Mn)		
Particulars	As at 31st March 2020	As at 31st March 2019
Floating Rate Liabilities (Borrowings)	-	481.37

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

(₹ in Mn)		
Impact on Profit and Loss after tax and equity	2019-20	2018-19
Increase of 0.25%	-	(0.78)
Decrease of 0.25%	-	0.78

#### 34C.3 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	(₹ in Mn)	
	As at 31st March 2020	As at 31st March 2019
<b>Financial Assets</b>		
Investments	1,307.52	659.08
	<b>1,307.52</b>	<b>659.08</b>

Sensitivity to change in prices of the above assets and liabilities are measured on the following parameters

Investments in AIFs / MFs / others	1% change in the NAV/price
Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/price movements in the interest bearing securities	0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value

Below is the sensitivity analysis for the year :

	(₹ in Mn)	
	2019-20	2018-19
<b>Increase</b>		
Impact on Profit and Loss after tax	8.09	4.29
Impact on Equity	8.09	4.29
<b>Decrease</b>		
Impact on Profit and Loss after tax	(8.58)	(4.29)
Impact on Equity	(8.58)	(4.29)

### 34 D. 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.

### 34 E. CATEGORY WISE CLASSIFICATION FOR APPLICABLE FINANCIAL ASSETS AND LIABILITIES

(₹ in Mn)						
Sr No.	Particulars	As at 31st March 2020				Total
		Measure at Amortised Cost	Measured at Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>						
(a)	Cash and cash equivalents	224.17	-	-	-	224.17
(b)	Bank balance other than (a) above	11.45	-	-	-	11.45
(c)	Receivables					-
	(I) Trade receivables	723.55	-	-	-	723.55
	(II) Other receivables	0.00#	-	-	-	-
(d)	Loans	62.98	-			62.98
(e)	Investments	-	18,532.79	1,307.52	-	19,840.31
(f)	Other financial assets	981.33	-	-	-	981.33
	<b>Total</b>	<b>2,003.48</b>	<b>18,532.79</b>	<b>1,307.52</b>	<b>-</b>	<b>21,843.79</b>
<b>Financial Liabilities</b>						
(a)	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	91.98	-	-	-	91.98
	(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	-	-			-
(b)	Finance Lease Obligation	3.41	-			3.41
(c)	Borrowings (other than debt securities)	-	-	-	-	-
(d)	Other financial liabilities	1,672.54	-	-	-	1,672.54
	<b>Total</b>	<b>1,767.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,767.93</b>

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2019				Total
		Measure at Amortised Cost	Measured at Cost	Measured At Fair Value through Profit or Loss(P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
<b>Financial Assets</b>						
(a)	Cash and cash equivalents	56.75	-	-	-	56.75
(b)	Bank balance other than (a) above	10.07	-	-	-	10.07
(c)	Receivables					-
	(I) Trade receivables	1,989.79	-	-	-	1,989.79
	(II) Other receivables	-	-	-	-	-
(d)	Loans	114.20	-			114.20
(e)	Investments	-	20,745.27	659.08	-	21,404.35
(f)	Other financial assets	320.94	-	-	-	320.94
	<b>Total</b>	<b>2,491.75</b>	<b>20,745.27</b>	<b>659.08</b>	<b>-</b>	<b>23,896.10</b>
<b>Financial Liabilities</b>						
(a)	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	165.01	-	-	-	165.01
	(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	-	-	-	-	-
(b)	Finance Lease Obligation	-	-			-
(c)	Borrowings (other than debt securities)	4,140.06	-	-	-	4,140.06
(d)	Other financial liabilities	43.74	-	-	-	43.74
	<b>Total</b>	<b>4,348.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,348.81</b>

### 34 E.1. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

### 34 E. 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.



(₹ in Mn)				
Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	1,098.89	-	-	1,098.89
Investments in Debt securities	-	161.42	-	161.42
Investments in Alternate Investment Funds #	-	-	47.21	47.21
<b>Total Assets</b>	<b>1,098.89</b>	<b>161.42</b>	<b>47.21</b>	<b>1,307.52</b>

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

(₹ in Mn)				
Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	578.44	-	-	578.44
Investments in Debt securities	-	-	-	-
Investments in Alternate Investment Funds #	-	-	80.64	80.64
<b>Total Assets</b>	<b>578.44</b>	<b>-</b>	<b>80.64</b>	<b>659.08</b>

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

Reconciliation of Level 3 fair value measurements			(₹ in Mn)
Particulars	As at 31st March 2020	As at 31st March 2019	
Opening Balance	80.64	73.51	
Total gains or losses			
- in profit or loss	238.17	0.44	
MTM Gain / ( Loss )	(23.22)	(3.30)	
Purchases	(0.19)	11.86	
Disposal/ Settlements	(248.19)	(1.87)	
Transfer out of Level 3	-	-	
Closing Balance	47.21	80.64	

### 34 E. 1B FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

(₹ in Mn)				
Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	224.17	224.17	56.75	56.75
Bank balance other than above	11.45	11.45	10.07	10.07
<b>Receivables</b>				
(I) Trade receivables	723.55	723.55	1,989.79	1,989.79
(II) Other receivables	0.00#	0.00#	-	-
Loans	62.98	62.98	114.20	114.20
Investments	-	-	-	-
Other financial assets	981.33	981.33	320.94	320.94
<b>Financial Liabilities</b>				
(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	91.98	91.98	165.01	165.01
(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	-	-	-	-
Finance Lease Obligation	3.41	3.41	-	-
Borrowings (other than debt securities)	-	-	4,140.06	4,140.06
Other financial liabilities	1,672.54	1,672.54	43.74	43.74

**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, borrowings and other financial liabilities are considered to be the same as their fair values due to their short term nature.

# Amount less than ₹ 10,000

**NOTE 35 A**

The Company i.e. IIFL Wealth Management Limited has implemented equity settled Employee Stock Options Scheme 2012 (ESOP 2012) and Employee Stock Options Scheme 2015 (ESOP 2015) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Nomination and Remuneration Committee and ESOP Schemes. Similarly, the ESOPs were granted to employees in November 2019 by implementing Employee Stock Options Scheme 2019 (ESOP 2019).

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

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
No. of options granted upto March 31, 2020	2,731,935 (A - 1,240,900; B - 752,550; C - 607,500; D - 117,100; E - 13,885)	9,242,941 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827; F - 170,028)	2,338,909 (A - 1,242,909; B - 1,096,000)
Grant dates	A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014; E - January 28, 2018	A - July 02, 2015; B - November 10, 2016; C - July 21, 2017; D - January 13, 2018; E - January 28, 2018; F - January 29, 2019	A - November 15, 2019; B - November 15, 2019
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options
Exercise period	Seven years from the date of grant	Seven years from the date of grant	Seven years from the date of grant
Grant price (₹ Per Share)	A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, E - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D, E - ₹ 417.00, F - ₹ 1661.00	A - ₹ 861.00, B - ₹ 861.00
Fair value on the date of grant of option (₹ Per Share)	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00	₹ 1223.80

**Movement of options granted:**

As at March 31, 2020

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Options outstanding at the beginning of April 01, 2019	19,195	3,472,436	-
Granted during the year	-	-	2,338,909
Exercised during the year	4,950	1,968,337	-
Lapsed during the year	-	183,904	39,583
Options outstanding as at March 31, 2020	14,245	1,320,195	2,299,326
Exercisable at the end of the year March 31, 2020	5,914	386,221	-
Weighted average exercise price for the options exercised during the year FY 19-20	₹ 340.19	₹ 309.28	NA
Range of exercise price for the options outstanding at the end of the year March 31, 2020	₹ 16.00 to ₹ 417.00	₹ 282.00 to ₹ 1661.00	₹ 861.00

As at March 31, 2019			
Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Options outstanding at the beginning of April 01, 2018	24,975	3,740,357	-
Granted during the year	-	170,028	-
Exercised during the year	4,390	273,971	-
Lapsed during the year	1,390	163,978	-
Options outstanding as at March 31, 2019	19,195	3,472,436	-
Exercisable at the end of the year March 31, 2019	5,310	872,067	-
Weighted average exercise price for the options exercised during the year FY 18-19	₹ 17.54	₹ 325.02	-
Range of exercise price for the options outstanding at the end of the year March 31, 2019	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 1661.00	-

**Fair Value Assumptions:**

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

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

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Risk free interest rate	6.67%-9.09%	6.19%-7.86%	5.48%-5.99%
Expected average life	2-5 years	2-5 years	2-4 years
Expected volatility of Share Price	10.00%	10.00%	12.24% - 13.34%
Dividend yield	3%-23.19%	1.5% - 3%	1.95%
Fair value on the date of the grant	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00	₹ 1223.80

**NOTE 35 B**

In terms of the Composite Scheme of Arrangement (Scheme) amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), the Company ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which was approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013, the equity options holders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (Options holders) shall be granted 1 stock option by the Company for every 7 stock options held in IIFL Finance Limited, on terms and conditions similar to the ESOP Scheme of IIFL Finance Limited. Accordingly, 1,27,912 options of IIFL Wealth Management Limited were granted on August 21, 2019.

Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
No. of options granted upto March 31, 2020	127,912 A - 127,912
Grant dates	A - 31st May 2019 (i.e. effective date of Demerger)
Method of accounting	NA*
Vesting plan	Options granted would vest as per the vesting schedule as determined under each series of grant of IIFL Holdings Limited after taking the effect of demerger dated May 31, 2019 and as approved by Nomination & Remuneration Committee subject to minimum period of one year from the original date of grant of such options
Exercise period	Five years from the Original date of grant
Grant price (₹ Per Share)	₹ 82.02, ₹ 218.71, ₹ 25.79, ₹ 26.47, ₹ 31.05, ₹ 61.40, ₹ 82.73
Fair value on the date of grant of option (₹ Per Share)	NA*

\* the scheme has been implemented on account of Composite Scheme of Arrangement as mentioned above in lieu of existing ESOP scheme of IIFL Finance Limited (formerly Known as IIFL Holdings Ltd.). This, being in the nature of modification of erstwhile ESOP scheme of IIFL Finance Ltd., no separate fair-valuation is required to be carried out by the Company.

**Movement of options granted:**

As at March 31, 2020	
Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
Options outstanding at the beginning of April 01, 2019	-
Granted during the year	127,912
Exercised during the year	81,507
Lapsed during the year	2,718
Options outstanding as at March 31, 2020	43,687
Exercisable at the end of the year March 31, 2020	41,255
Weighted average exercise price for the options exercised during the year FY 19-20	₹ 43.28
Range of exercise price for the options outstanding at the end of the year March 31, 2020	₹ 82.02 to ₹ 218.71

As at March 31, 2019	
Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
Options outstanding at the beginning of April 01, 2018	-
Granted during the year	-
Exercised during the year	-
Lapsed during the year	-
Options outstanding as at March 31, 2019	-
Exercisable at the end of the year March 31, 2019	-
Weighted average exercise price for the options exercised during the year FY 18-19	-
Range of exercise price for the options outstanding at the end of the year March 31, 2019	-

## NOTE 36. RELATED PARTY DISCLOSURES

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

### a) List of Related Parties:

Nature of relationship	Name of party
<b>Director/ Key Managerial Personnel</b>	Mr. Karan Bhagat, Managing Director
	Mr. Yatin Shah, Whole-time Director
	Mr. Amit Shah, Non-Executive Director (resigned w.e.f. January 24, 2019)
	Mr. Nirmal Jain, Director
	Mr. Venkataraman Rajamani, Director
	Mr. Nilesh Vikamsey, Independent Director
	Mr. Geeta Mathur, Independent Director
	Mr. Sandeep Achyut Naik, Director
	Mr. Shantanu Rastogi, Director
	Mr. Pankaj Vaish, Independent Director (appointed w.e.f Jan 22, 2020)
	Mr. Gopalkrishnan Soundarajan, Independent Director (appointed w.e.f Jan 22, 2020)
	Mr. Subbaraman Narayan, Independent Director (appointed w.e.f Jun, 25, 2019)
<b>Subsidiaries including step down subsidiaries</b>	IIFL Wealth Finance 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 Wealth Distribution Services Limited (Formerly 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 December 27, 2019)
	IIFL Altiore Advisors Limited (w.e.f November 05, 2018) (Formerly IIFL Altiore Advisors Private Limited)
	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 Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Capital Pte. Limited
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)

Nature of relationship	Name of party
Other Related Parties	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
	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
	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)
	India Infoline Foundation
	Mr. Varun Bhagat (Relative of Mr. Karan Bhagat)
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	Kyrush Trading & Investments Private Limited
	Yatin Investments
	CDE Real Estate Private Limited
	Financial advisors (India)Private Limited
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	5paisha Capital Limited
	5paisha P2P Limited
	5paisha Insurance Brokers Limited
	5paisha Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Khimji Kunverji & Co. (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
	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



## b) Significant Transactions With Related parties

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
<b><u>Share Capital Issued:</u></b>				
General Atlantic Singapore Fund Pte Ltd	-	-	-	-
	-	-	(1.13)	(1.13)
<b><u>Securities Premium Received:</u></b>				
General Atlantic Singapore Fund Pte Ltd	-	-	-	-
	-	-	(939.82)	(939.82)
<b><u>Investment</u></b>				
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	-	-
	-	(2,000.00)	-	(2,000.00)
IIFL Wealth Finance Limited	-	-	-	-
	-	(5,000.00)	-	(5,000.00)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	299.95	-	299.95
	-	-	-	-
IIFL Wealth Securities IFSC Limited	-	-	-	-
	-	(1.00)	-	(1.00)
IIFL Altire Advisors Limited	-	12.50	-	12.50
	-	-	-	-
<b><u>Slump Sale/Business Transfer</u></b>				
IIFL Wealth Finance Limited	-	4,190.00	-	4,190.00
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	110.00	-	110.00
	-	-	-	-
<b><u>Amount received/ receivable on account of reimbursement of Expenses for transition period and creditors paid</u></b>				
IIFL Wealth Finance Limited	-	167.12	-	167.12
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	3.34	-	3.34
	-	-	-	-
<b><u>Amount paid / payable on account of Transfer of Revenue for transition period &amp; realisation of debtors</u></b>				
IIFL Wealth Finance Limited	-	1,117.53	-	1,117.53
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	89.34	-	89.34
	-	-	-	-
<b><u>Subscription of NCD</u></b>				
IIFL Wealth Finance Limited	-	-	-	-
	-	(12.52)	-	(12.52)
<b><u>Sale of Investments</u></b>				
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	33.52	-	33.52
	-	(140.41)	-	(140.41)
IIFL Wealth Finance Limited	-	274.78	-	274.78
	-	(4,705.08)	-	(4,705.08)
<b><u>Purchase of Property</u></b>				
IIFL Facility Services Limited	-	-	2,250.00	2,250.00
	-	-	-	-
<b><u>Advances Towards Capital Asset Given</u></b>				
IIFL Facility Services Limited	-	-	-	-
	-	-	(1,700.00)	(1,700.00)

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
<b><u>ICD taken</u></b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	2,036.10	-	2,036.10
	-	(364.96)	-	(364.96)
IIFL Asset Management Limited	-	7,354.30	-	7,354.30
	-	(2,870.70)	-	(2,870.70)
IIFL Trustee Limited	-	-	-	-
	-	(6.60)	-	(6.60)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	8,562.15	-	8,562.15
	-	(2,299.61)	-	(2,299.61)
IIFL Wealth Finance Limited	-	47,961.40	-	47,961.40
	-	(22,684.25)	-	(22,684.25)
IIFL Investment Adviser and Trustee Services Limited	-	1,474.10	-	1,474.10
	-	(4,183.00)	-	(4,183.00)
<b><u>ICD Repaid</u></b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	2,094.00	-	2,094.00
	-	(354.31)	-	(354.31)
IIFL Asset Management Limited	-	7,240.50	-	7,240.50
	-	(1,484.50)	-	(1,484.50)
IIFL Trustee Limited	-	-	-	-
	-	(6.60)	-	(6.60)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	10,093.75	-	10,093.75
	-	(118.01)	-	(118.01)
IIFL Wealth Finance Limited	-	46,712.60	-	46,712.60
	-	(22,390.99)	-	(22,390.99)
IIFL Investment Adviser and Trustee Services Limited	-	1,600.80	-	1,600.80
	-	(3,936.30)	-	(3,936.30)
<b><u>ICD Given</u></b>				
IIFL Investment Adviser and Trustee Services Limited	-	383.20	-	383.20
	-	(674.80)	-	(674.80)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	6,119.10	-	6,119.10
	-	(8,715.90)	-	(8,715.90)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	2,216.60	-	2,216.60
	-	(48.20)	-	(48.20)
IIFL Asset Management Limited	-	-	-	-
	-	(224.10)	-	(224.10)
IIFL Wealth Finance Limited	-	11,116.52	-	11,116.52
	-	(44,978.07)	-	(44,978.07)
IIFL Trustee Limited	-	4.80	-	4.80
	-	(1.00)	-	(1.00)
IIFL Wealth Securities IFSC Limited	-	0.05	-	0.05
	-	(0.50)	-	(0.50)
IIFL Altire Advisors Limited	-	25.91	-	25.91
	-	(11.10)	-	(11.10)
IIFL Wealth Employee Welfare Benefit Trust	-	0.24	-	0.24
	-	(48.83)	-	(48.83)
IIFL Management Services Limited	-	-	-	-
	-	-	(65.00)	(65.00)
<b><u>ICD Received back</u></b>				
IIFL Investment Adviser and Trustee Services Limited	-	383.20	-	383.20
	-	(674.80)	-	(674.80)

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	6,119.10	-	6,119.10
	-	(8,715.90)	-	(8,715.90)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	2,216.60	-	2,216.60
	-	(48.20)	-	(48.20)
IIFL Trustee Limited	-	4.80	-	4.80
	-	(1.00)	-	(1.00)
IIFL Asset Management Limited	-	-	-	-
	-	(249.10)	-	(249.10)
IIFL Wealth Finance Limited	-	11,116.52	-	11,116.52
	-	(44,978.07)	-	(44,978.07)
IIFL Altire Advisors Limited	-	18.82	-	18.82
	-	-	-	-
IIFL Wealth Employee Welfare Benefit Trust	-	-	-	-
	-	(15.99)	-	(15.99)
IIFL Management Services Limited	-	-	65.00	65.00
	-	-	-	-
<b><u>Dividend Income</u></b>				
IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd)	-	-	-	-
	-	(831.41)	-	(831.41)
IIFL Wealth Finance Limited	-	1,344.17	-	1,344.17
	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	193.74	-	193.74
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	199.58	-	199.58
	-	-	-	-
<b><u>Fees Earned For Services (including Brokerage) rendered</u></b>				
IIFL Securities Limited	-	-	60.82	60.82
	-	-	-	-
IIFL Home Finance Limited	-	-	-	-
	-	-	(53.64)	(53.64)
Samasta Microfinance Limited	-	-	-	-
	-	-	(81.72)	(81.72)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	114.63	114.63
	-	-	(18.87)	(18.87)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	19.48	-	19.48
	-	-	-	-
IIFL Asset Management Limited	-	26.61	-	26.61
	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	1.49	-	1.49
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	2.26	-	2.26
	-	-	-	-
IIFL Wealth Finance Limited	-	15.94	-	15.94
	-	-	-	-
<b><u>Interest Income on ICD Given</u></b>				
IIFL Altire Advisors Limited	-	1.04	-	1.04
	-	(0.36)	-	(0.36)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	8.83	-	8.83

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
	-	(74.87)	-	(74.87)
IIFL Investment Adviser and Trustee Services Limited	-	0.48	-	0.48
	-	(0.57)	-	(0.57)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	2.75	-	2.75
	-	(0.17)	-	(0.17)
IIFL Asset Management Limited	-	-	-	-
	-	(0.70)	-	(0.70)
IIFL Trustee Limited	-	-	-	-
	-	-	-	-
IIFL Wealth Finance Limited	-	9.63	-	9.63
	-	(68.89)	-	(68.89)
IIFL Wealth Securities IFSC Limited	-	0.05	-	0.05
	-	(0.01)	-	(0.01)
IIFL Wealth Employee Welfare Benefit Trust	-	3.49	-	3.49
	-	(1.31)	-	(1.31)
IIFL Management Services Limited	-	-	3.15	3.15
	-	-	-	-
<b><u>Income on Investment</u></b>				
IIFL Wealth Finance Limited	-	-	-	-
	-	(5.83)	-	(5.83)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	-	-
	-	(1.24)	-	(1.24)
<b><u>Interest Expense on ICD</u></b>				
	-	-	-	-
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	20.81	-	20.81
	-	(3.46)	-	(3.46)
IIFL Asset Management Limited	-	132.76	-	132.76
	-	(24.64)	-	(24.64)
IIFL Investment Adviser and Trustee Services Limited	-	40.39	-	40.39
	-	(30.51)	-	(30.51)
IIFL Trustee Limited	-	-	-	-
	-	(0.01)	-	(0.01)
IIFL Wealth Finance Limited	-	132.80	-	132.80
	-	(74.97)	-	(74.97)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	144.71	-	144.71
	-	(2.86)	-	(2.86)
<b><u>Fees/Expenses incurred/Reimbursed For Services Procured</u></b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	51.66	-	51.66
	-	(87.89)	-	(87.89)
IIFL Investment Adviser and Trustee Services Limited	-	36.25	-	36.25
	-	(24.00)	-	(24.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	15.00	-	15.00
	-	(45.00)	-	(45.00)
IIFL Altior Advisors Limited	-	19.22	-	19.22
	-	-	-	-
IIFL INC	-	101.12	-	101.12
	-	-	-	-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	-	-
	-	-	(79.51)	(79.51)

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
IIFL Securities Limited	-	-	-	-
	-	-	(0.20)	(0.20)
IIFL Facility Services Limited	-	-	-	-
	-	-	(232.34)	(232.34)
<b>CORPORATE SOCIAL RESPONSIBILITY EXP</b>				
India Infoline Foundation Limited	-	-	26.68	26.68
	-	-	(15.21)	(15.21)
<b>REMUNERATION PAID TO DIRECTORS/KMP</b>				
Karan Bhagat	50.06	-	-	50.06
	(50.18)	-	-	(50.18)
Yatin Shah	28.17	-	-	28.17
	(40.08)	-	-	(40.08)
Varun Bhagat	-	-	2.28	2.28
	-	-	-	-
<b>GRATUITY EXPENSE</b>				
Karan Bhagat	0.06	-	-	0.06
	-	-	-	-
<b>SITTING FEE/COMMISSION PAID TO DIRECTORS</b>				
Geeta Mathur	1.85	-	-	1.85
	(1.07)	-	-	(1.07)
Nilesh Vikamsey	2.01	-	-	2.01
	(1.54)	-	-	(1.54)
Pankaj Vaish	0.24	-	-	0.24
	-	-	-	-
S Narayan	0.84	-	-	0.84
	-	-	-	-
<b>DIVIDEND PAID</b>				
IIFL Holdings Limited	-	-	-	-
	-	-	(450.00)	(450.00)
Karan Bhagat	6.42	-	-	6.42
	(59.92)	-	-	(59.92)
Yatin Shah	66.28	-	-	66.28
	(33.11)	-	-	(33.11)
Amit Shah	-	-	-	-
	-	-	(15.68)	(15.68)
General Atlantic Singapore Fund Pte Ltd	-	-	372.39	372.39
	-	-	(186.20)	(186.20)
Shilpa Bhagat	-	-	22.52	22.52
	-	-	-	-
Aditi Athavankar	-	-	0.57	0.57
	-	-	-	-
Ami Shah	-	-	0.01	0.01
	-	-	-	-
Madhu Jain	-	-	34.50	34.50
	-	-	-	-
Nirmal Jain	-	-	132.58	132.58
	-	-	-	-
Prakash C. Shah	-	-	0.20	0.20
	-	-	-	-
Venkataraman R.	-	-	31.38	31.38
	-	-	-	-
Yatin Prakash Shah (HUF)	-	-	0.23	0.23
	-	-	-	-
Ardent Impex Pvt Ltd	-	-	7.71	7.71



				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
	-	-	-	-
Orpheus Trading Pvt Ltd	-	-	3.71	3.71
	-	-	-	-
<b>REIMBURSEMENT OF INTEREST EXPENSES*</b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	126.35	-	126.35
	-	(117.40)	-	(117.40)
<b>ALLOCATION / REIMBURSEMENT OF EXPENSES RECEIVED</b>				
IIFL Asset Management Limited	-	37.15	-	37.15
	-	(36.27)	-	(36.27)
IIFL Investment Adviser and Trustee Services Limited	-	16.01	-	16.01
	-	(35.87)	-	(35.87)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	4.49	-	4.49
	-	(5.46)	-	(5.46)
IIFL Wealth Finance Limited	-	30.33	-	30.33
	-	(25.16)	-	(25.16)
<b>ALLOCATION / REIMBURSEMENT OF EXPENSES PAID</b>				
IIFL Securities Limited	-	-	3.21	3.21
	-	-	(14.06)	(14.06)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	5.63	5.63
	-	-	(25.63)	(25.63)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	18.27	-	18.27
	-	(51.48)	-	(51.48)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	0.42	-	0.42
	-	(0.48)	-	(0.48)
IIFL Facility Services Limited	-	-	1.37	1.37
	-	-	(0.01)	(0.01)
<b>Other funds received</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	0.99	0.99
	-	-	(0.13)	(0.13)
IIFL Securities Limited	-	-	0.38	0.38
	-	-	(0.12)	(0.12)
IIFL Trustee Limited	-	0.88	-	0.88
	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	12.16	-	12.16
	-	(11.93)	-	(11.93)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	10.87	-	10.87
	-	(1.37)	-	(1.37)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	7.90	-	7.90
	-	(8.84)	-	(8.84)
IIFL Wealth Securities IFSC Limited	-	0.59	-	0.59
	-	(0.47)	-	(0.47)
IIFL Asset Management Limited	-	111.19	-	111.19
	-	(5.84)	-	(5.84)
IIFL Wealth Finance Limited	-	603.59	-	603.59
	-	(9.31)	-	(9.31)
IIFL Altire Advisors Limited	-	4.03	-	4.03
	-	0.00#	-	0.00#

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
IIFL Management Services Limited	-	-	-	-
	-	-	(0.71)	(0.71)
IIFL Home Finance Limited	-	-	0.13	0.13
	-	-	-	-
IIFL Facility Services Limited	-	-	-	-
	-	-	(17.01)	(17.01)
IIFL Insurance Brokers Limited	-	-	0.06	0.06
	-	-	-	-
<b>OTHER FUNDS PAID</b>				
IIFL Securities Limited	-	-	1.60	1.60
	-	-	(1.27)	(1.27)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	0.14	0.14
	-	-	(0.07)	(0.07)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	0.09	-	0.09
	-	-	-	-
IIFL Asset Management Limited	-	1.70	-	1.70
	-	(0.21)	-	(0.21)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	0.29	-	0.29
	-	(0.09)	-	(0.09)
IIFL Wealth Finance Limited	-	431.91	-	431.91
	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	0.71	-	0.71
	-	(0.08)	-	(0.08)
IIFL Altire Advisors Limited	-	0.01	-	0.01
	-	-	-	-
IIFL Facility Services Limited	-	-	-	-
	-	-	-	-
IIFL Insurance Brokers Limited	-	-	0.03	0.03
	-	-	-	-
5 Paisa Capital Limited	-	-	-	-
	-	-	(0.02)	(0.02)
<b>(c) Amount due to / from related parties (Closing Balances):</b>				
<b>Sundry payables</b>				
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	-	-
	-	(34.98)	-	(34.98)
IIFL Investment Adviser and Trustee Services Limited	-	29.31	-	29.31
	-	-	-	-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	0.63	0.63
	-	-	(4.87)	(4.87)
IIFL Securities Limited	-	-	0.05	0.05
	-	-	-	-
IIFL Facilities Services Limited	-	-	-	-
	-	-	(0.00)#	(0.00)#
<b>Sundry receivables</b>				
IIFL Wealth Finance Limited	-	225.62	-	225.62
	-	(10.31)	-	(10.31)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	9.32	-	9.32
	-	-	-	-

				(₹ in Mn)
Nature of Transaction	Director/Key Managerial Personnel	Subsidiary	Other Related Parties	Total
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-
	-	(7.17)	-	(7.17)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	237.89	-	237.89
	-	(171.74)	-	(171.74)
IIFL Asset Management Limited	-	79.19	-	79.19
	-	(19.63)	-	(19.63)
IIFL Altire Advisors Limited	-	3.31	-	3.31
	-	(0.07)	-	(0.07)
IIFL Wealth Securities IFSC Limited	-	0.64	-	0.64
	-	(0.00)#	-	(0.00)#
IIFL Wealth Advisors (India) Limited	-	-	-	-
	-	(1.87)	-	(1.87)
IIFL Wealth Employee Welfare Benefit Trust	-	4.32	-	4.32
	-	(1.18)	-	(1.18)
IIFL Securities Limited	-	-	-	-
	-	-	(0.45)	(0.45)
IIFL Management Limited	-	-	-	-
	-	-	(0.03)	(0.03)
IIFL Facilities Services Limited	-	-	-	-
	-	-	(17.00)	(17.00)
<b>ICD Taken</b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	-	-
	-	(57.90)	-	(57.90)
IIFL Investment Adviser and Trustee Services Limited	-	270.00	-	270.00
	-	(396.70)	-	(396.70)
IIFL Asset Management Limited	-	1,500.00	-	1,500.00
	-	(1,386.20)	-	(1,386.20)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	650.00	-	650.00
	-	(2,181.60)	-	(2,181.60)
IIFL Wealth Finance Limited	-	1,830.90	-	1,830.90
	-	(582.10)	-	(582.10)
<b>ICD Given</b>				
IIFL Management Services Ltd	-	-	-	-
	-	-	(65.00)	(65.00)
IIFL Wealth Securities IFSC Limited	-	0.55	-	0.55
	-	(0.50)	-	(0.50)
IIFL Altire Advisors Limited	-	18.19	-	18.19
	-	(11.10)	-	(11.10)
IIFL Wealth Employee Welfare Benefit Trust	-	35.70	-	35.70
	-	(35.47)	-	(35.47)
<b><u>Allocation of borrowing to demerged broking business*</u></b>				
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	4,250.90	-	4,250.90
	-	(950.34)	-	(950.34)

Note:

Amounts in brackets represents previous year's figures

\* Represents allocation to demerged Broking operations

# Amount less than ₹ 10,000

**NOTE 37.1. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020**

				(₹ in Mn)
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	224.17	-	224.17
(b)	Bank balance other than (a) above	-	11.45	11.45
(c)	Derivative financial instruments	-	-	-
(d)	Receivables			
(I)	Trade receivables	723.55	-	723.55
(II)	Other receivables	0.00#	-	0.00#
(e)	Loans	62.64	0.34	62.98
(f)	Investments	1,307.52	18,532.79	19,840.31
(g)	Other financial assets	979.49	1.84	981.33
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Inventories	-	-	-
(b)	Current tax assets (net)	-	380.37	380.37
(c)	Deferred tax assets (net)	-	27.08	27.08
(d)	Property, plant and equipment	-	2,862.04	2,862.04
(e)	Capital work-in-progress	-	10.31	10.31
(f)	Other intangible assets	-	11.06	11.06
(g)	Right to use Assets	-	3.22	3.22
(h)	Other non-financial assets	34.66	8.81	43.47
<b>Total Assets</b>		<b>3,332.03</b>	<b>21,849.31</b>	<b>25,181.34</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	-	-	-
(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	91.98	-	91.98
(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)	Finance Lease Obligation	1.63	1.78	3.41
(d)	Borrowings (other than debt securities)	-	-	-
(e)	Other financial liabilities	1,672.54	-	1,672.54
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	2.04	-	2.04
(b)	Provisions	3.89	-	3.89
(c)	Other non-financial liabilities	147.06	-	147.06
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	174.36	174.36
(b)	Incremental shares pending issuance	-	-	-
(c)	Other equity	-	23,086.06	23,086.06
<b>Total Liabilities and Equity</b>		<b>1,919.14</b>	<b>23,262.20</b>	<b>25,181.34</b>

# Amount less than ₹ 10,000

## NOTE 37.2. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

				(₹ in Mn)
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	56.75	-	56.75
(b)	Bank balance other than (a) above	-	10.07	10.07
(c)	Derivative financial instruments	-	-	-
(d)	Receivables			
(I)	Trade receivables	1,989.79	-	1,989.79
(II)	Other receivables	-	-	-
(e)	Loans	113.89	0.31	114.20
(f)	Investments	578.44	20,825.91	21,404.35
(g)	Other financial assets	237.40	83.54	320.94
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Inventories	-	-	-
(b)	Current tax assets (net)	-	158.48	158.48
(c)	Deferred tax assets (net)	-	78.77	78.77
(d)	Property, plant and equipment	-	594.06	594.06
(e)	Capital work-in-progress	-	1,725.46	1,725.46
(f)	Other intangible assets	-	19.45	19.45
(g)	Right to use Assets	-	-	-
(h)	Other non-financial assets	209.99	16.59	226.58
	<b>Total Assets</b>	<b>3,186.26</b>	<b>23,512.64</b>	<b>26,698.90</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	-	-	-
(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	165.01	-	165.01
(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)	Finance Lease Obligation	-	-	-
(d)	Borrowings (other than debt securities)	4,140.06	-	4,140.06
(e)	Other financial liabilities	43.74	-	43.74
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	2.12	-	2.12
(b)	Provisions	33.71	-	33.71
(c)	Other non-financial liabilities	111.74	-	111.74
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	169.04	169.04
(b)	Incremental shares pending issuance	-	1.20	1.20
(c)	Other equity	-	22,032.28	22,032.28
	<b>Total Liabilities and Equity</b>	<b>4,496.38</b>	<b>22,202.52</b>	<b>26,698.90</b>



**NOTE 38. SEGMENT REPORTING**

The Company's main business is Wealth Management Services comprising of, inter-alia, distribution of financial products, portfolio management services, advisory services and all other activities revolve around the same. All activities of the Company are carried out in India. As such there are no separate reportable segments as per the Indian Accounting Standard 108 (IND AS 108) on Operating Segments.

**NOTE 39. EVENTS AFTER REPORTING PERIOD**

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

**NOTE 40.**

The spread of COVID-19 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 full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are as yet unknown. The Company has continued to engage with clients and employees through extensive business continuity planning and robust technology platform with minimal disruption on any business activity during the lockdown phase. Further, the Company has assessed that it would be able to navigate currently prevailing uncertain economic conditions based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic will impact the Company's operations and results will depend on future developments, which remain uncertain. Accordingly, the Company has undertaken extensive scenario planning to better prepare itself and will continue to actively monitor any material changes to the future economic conditions.

**NOTE 41. APPROVAL OF FINANCIAL STATEMENTS**

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

**NOTE 42.**

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

**MIHIR NANAVATI**

Chief Financial Officer

**ASHUTOSH NAIK**

Company Secretary

Place : Mumbai

Date: June 11, 2020

# Independent Auditor's Report

**To The Members of  
IIFL Wealth Management Limited**

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of IIFL Wealth Management Limited ("the Parent"/ "the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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, and based on the consideration of reports of the other auditors on separate financial statements/financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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><b>Impairment of carrying value of loans and advances:</b></p> <p>The Group 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 Group'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 Group and a key audit matter.</p> <p>As at 31 March 2020, the Group's gross loans and advances amounted to Rs. 36,486.13 million and the impairment provision amounted to Rs. 167.20 million.</p> <p>Refer note 8 to the Consolidated Financial Statements.</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>• We read the Group's impairment provisioning policy;</li> <li>• We gained understanding of the Group's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes.</li> <li>• We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31<sup>st</sup> March, 2020;</li> <li>• For data from external sources, we understood the process of choosing such data, its relevance for the Group, and the controls and governance over such data;</li> <li>• Where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report;</li> <li>• For a sample of exposures, we tested the appropriateness of staging into Stage 1, 2 and 3;</li> <li>• For provision against exposures, we obtained an understanding of the Group'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;</li> <li>• For a sample of exposures, we tested the appropriateness of determining Exposure at Default (EAD);</li> <li>• For Probability of Default (PD) used in the ECL calculations we checked the basis of determining PDs used for a sample of exposures;</li> <li>• 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;</li> <li>• Reviewed and tested on a sample basis the management's evaluation and assessment of the NIL ECL provision required on account of anticipated impacts of COVID -19 pandemic.</li> </ul>
2	<p><b>Business Combination:</b></p> <p>The Parent acquired 100% stake in IIFL Wealth Advisors (India) Limited (the Transferee Company) on November 22, 2018. Thereafter, on January 29, 2019 the Board of Directors of the Parent approved a draft scheme of amalgamation with the Transferee Company in terms of the provisions of Section 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Scheme"). Such Scheme was approved by the NCLT Mumbai and Chennai benches on October 24, 2019 and December 27, 2019 respectively.</p> <p>Accounting for this amalgamation was done in accordance with Ind AS 103 which requires the Management to account for such transaction using the acquisition method.</p> <p>Accounting for business amalgamation is considered to be a key audit matter because the transaction and its accounting is non-routine and involves significant management judgements.</p> <p>Refer Note 46A of the Consolidated Financial Statements.</p>	<p><b>Principal audit procedure performed</b></p> <ul style="list-style-type: none"> <li>• We obtained and read the Scheme.</li> <li>• We obtained and read the NCLT order of Mumbai and Chennai benches on October 24, 2019 and December 27, 2019 respectively, approving the Scheme.</li> <li>• We obtained management's workings for accounting of amalgamation.</li> <li>• We evaluated the management's conclusions on the accounting for the amalgamation of IIFL Wealth Advisors (India) Limited with the Parent.</li> <li>• We performed procedures to verify the amalgamation accounting done by the Parent, including the measurement and presentation is in accordance with IND AS 103 and the Scheme.</li> </ul>

Sr. No.	Key Audit Matter	Auditors' Response
3	<p data-bbox="339 163 874 185"><b>Information Technology and General Controls</b></p> <p data-bbox="339 208 874 297">The Group is highly dependent on technology due to significant number of transactions that are processed electronically daily.</p> <p data-bbox="339 320 874 454">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.</p> <p data-bbox="339 477 874 566">Our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations.</p> <p data-bbox="339 589 874 678">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 data-bbox="339 701 874 813">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 data-bbox="882 163 1493 185"><b>Principal audit procedures performed:</b></p> <p data-bbox="882 208 1493 264">For the key IT systems used to prepare accounting and financial information:</p> <ul data-bbox="882 286 1493 1216" style="list-style-type: none"> <li data-bbox="882 286 1493 454">• We obtained an understanding of the Group'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;</li> <li data-bbox="882 477 1493 813">• We tested the design, implementation and operating effectiveness of the Group's General IT controls over the information systems that are critical to financial reporting. This included evaluation of Group'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;</li> <li data-bbox="882 835 1493 947">• 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;</li> <li data-bbox="882 969 1493 1104">• We tested the controls over network segmentation, restriction of remote access to the Group's network, controls over firewall configurations and mechanisms implemented by the Group to prevent, detect and respond to network security incidents;</li> <li data-bbox="882 1126 1493 1216">• We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy.</li> </ul>
	<p data-bbox="339 1249 874 1305"><b>Information Other than the Financial Statements and Auditor's Report Thereon</b></p> <ul data-bbox="339 1328 874 2094" style="list-style-type: none"> <li data-bbox="339 1328 874 1552">• The Parent'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, but does not include the consolidated financial statements and our auditor's report thereon. The Directors' report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.</li> <li data-bbox="339 1574 874 1686">• Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.</li> <li data-bbox="339 1709 874 2094">• In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.</li> </ul>	<ul data-bbox="882 1249 1493 1417" style="list-style-type: none"> <li data-bbox="882 1249 1493 1417">• When we read the Directors' report including Annexures to Directors' report, 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'.</li> </ul> <p data-bbox="882 1440 1493 1496"><b>Management's Responsibility for the Consolidated Financial Statements</b></p> <p data-bbox="882 1518 1493 2094">The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements</p>

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of eight subsidiaries, whose financial statements / financial information reflect total assets of Rs.1,282.81 million as at 31st March, 2020, total revenues of Rs.873.40 million and net cash (outflows) amounting to Rs. 28.33 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.



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

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The consolidated financial statements include the financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited consequent to its amalgamation into the Parent. The NCLT order for the same was filed with the Registrar of Companies on 27 December 2019 with appointed date of 22 November 2018 (Refer Note 46A to the consolidated financial statements). We did not audit the financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited, included in the consolidated financial statements of the Parent, whose financial information reflect total revenues of Rs. 176.79 million for the period from 1 April 2019 to 27 December 2019 as considered in the consolidated financial statements. This financial information of erstwhile subsidiary IIFL Wealth Advisors (India) Limited has been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this erstwhile subsidiary IIFL Wealth Advisors (India) Limited, is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/financial information of the subsidiaries referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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 Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies incorporated in India.

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

**PALLAVI A. GORAKSHAKAR**  
(Partner)  
(Membership No.105035)  
(UDIN: 20105035AAAAFR8224)

Place: Mumbai  
Date: 07 July 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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of IIFL Wealth Management Limited (hereinafter referred to as “Parent”) and its subsidiary companies which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by 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 internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**PALLAVI A. GORAKSHAKAR**  
(Partner)  
(Membership No.105035)

Place: Mumbai  
Date: 07 July 2020

## Consolidated Balance Sheet as at March 31, 2020

		(₹ in Mn)	
PARTICULARS	NOTE NO.	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash and cash equivalents	4	9,363.13	1,646.23
(b) Bank balance other than (a) above	5	2,423.92	1,127.95
(c) Derivative financial instruments	6	1,315.86	960.95
(d) Receivables			
(I) Trade receivables	7	2,420.49	2,960.74
(II) Other receivables	7	1,180.00	4,244.56
(e) Loans	8	36,318.93	49,664.60
(f) Investments	9	65,124.39	30,525.66
(g) Other financial assets	10	4,384.03	524.06
<b>2 Non-Financial Assets</b>			
(a) Inventories	11	-	197.51
(b) Current tax assets (net)		730.44	267.42
(c) Deferred tax assets (net)	12	52.92	174.33
(d) Property, plant and equipment	13	2,988.03	616.30
(e) Capital work-in-progress	14	11.00	1,734.33
(f) Goodwill on acquisition	15	1,878.51	1,878.51
(g) Other intangible assets	16	876.89	871.23
(h) Right to use asset	17	338.19	-
(i) Other non-financial assets	18	801.09	409.07
<b>Total Assets</b>		<b>130,207.82</b>	<b>97,803.45</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Derivative financial instruments	6	2,488.37	2,516.09
(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	19	694.45	514.73

		(₹ in Mn)	
PARTICULARS	NOTE NO.	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
(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	19	2,347.59	846.42
(c) Finance Lease Obligation	17	354.39	-
(d) Debt securities	20	54,261.48	43,495.46
(e) Borrowings (other than debt securities)	21	28,499.19	11,834.03
(f) Subordinated liabilities	22	5,620.34	5,701.34
(g) Other financial liabilities	23	5,115.96	2,873.97
<b>2 Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)		170.36	294.20
(b) Provisions	24	92.77	85.64
(c) Deferred tax liabilities (net)	12	322.97	278.10
(d) Other non-financial liabilities	25	324.92	259.32
<b>3 Equity</b>			
(a) Equity share capital	26	174.29	168.97
(b) Incremental shares pending issuance	26	-	1.20
(c) Other equity	27	29,740.74	28,933.98
<b>Total Liabilities and Equity</b>		<b>130,207.82</b>	<b>97,803.45</b>

**See accompanying Notes to the Consolidated Financial Statements**

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PALLAVI A. GORAKSHAKAR**

Partner

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

Place : Mumbai

Date: July 07, 2020

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**ASHUTOSH NAIK**

Company Secretary

## Consolidated Statement Profit and Loss for the year ended March 31, 2020

		(₹ in Mn)	
PARTICULARS	NOTE NO.	2019-20	2018-19
<b>1 Revenue from operations</b>			
(a) Interest income	28	7,799.25	6,537.89
(b) Dividend & Distribution income on investments	29	45.50	293.83
(c) Fees and commission income	30	6,775.63	8,062.51
(d) Net gain on fair value changes	31	-	613.11
(e) Sale of products(including Excise Duty)		410.41	4.10
<b>Total revenue from operations</b>		<b>15,030.79</b>	<b>15,511.44</b>
<b>2 Other income</b>	32	243.97	282.65
<b>3 Total income (1+2)</b>		<b>15,274.76</b>	<b>15,794.09</b>
<b>Expenses</b>			
(a) Finance costs	33	5,015.84	4,310.82
(b) Fees and commission expenses		900.74	662.59
(c) Net loss on fair value changes	31	330.93	-
(d) Impairment on financial instruments	34	(53.01)	(76.66)
(e) Purchases of Stock-in-trade		222.25	205.62
(f) Changes in Inventories of stock-in-trade		197.51	(197.51)
(g) Employee benefits expenses	35	3,729.32	3,311.71
(h) Depreciation, amortization and impairment	13,16,17	410.22	215.06
(i) Others expenses	36	1,656.75	1,983.15
<b>4 Total expenses</b>		<b>12,410.55</b>	<b>10,414.78</b>
<b>5 Profit before tax (3-4)</b>		<b>2,864.21</b>	<b>5,379.31</b>
<b>6 Tax expense:</b>			
(a) Current tax	37	693.56	1,643.72
(b) Deferred tax	37	159.01	(9.88)
<b>7 Profit for the year (5-6)</b>		<b>2,011.64</b>	<b>3,745.47</b>
<b>8 Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of Employee Benefits		(22.43)	(4.66)



		(₹ in Mn)	
PARTICULARS	NOTE NO.	2019-20	2018-19
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.65	2.42
Subtotal (a)		(16.78)	(2.24)
(b) (i) Items that will be reclassified to profit or loss			
- Foreign currency translation reserve		69.60	100.34
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (b)		69.60	100.34
Other comprehensive income (a+b)		52.82	98.10
<b>9 Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the year)</b>		<b>2,064.46</b>	<b>3,843.57</b>
<b>10 Earnings per equity share</b>			
Basic (Rs.)	38	23.37	44.63
Diluted (Rs.)	38	22.83	43.37

**See accompanying Notes to the Consolidated Financial Statements**

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PALLAVI A. GORAKSHAKAR**

Partner

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

Place : Mumbai

Date: July 07, 2020

**MIHIR NANAVATI**

Chief Financial Officer

Date: June 11, 2020

**ASHUTOSH NAIK**

Company Secretary

## Consolidated Cashflow Statement for the year ended March 31, 2020

	(₹ in Mn)	
PARTICULARS	2019-20	2018-19
<b>A. Cash flows from operating activities</b>		
Net profit before taxation and extraordinary item	2,864.21	5,379.31
Adjustments for:		
Depreciation, amortization and impairment	410.22	215.06
Provisions for Employee benefits	35.14	(17.35)
Net changes in Fair value through Profit and loss of Investments - Realised	(1,874.76)	(586.33)
Net changes in Fair value through Profit and loss of Investments - Unrealised	(506.02)	(303.92)
Impairment on financial instruments - Loans	(60.80)	(75.56)
Impairment on financial instruments - Financial assets	7.79	(1.10)
Net change in fair value of Derivative Financial Instruments - unrealised	930.43	62.71
Net change in fair value of Borrowings	2,691.77	(40.23)
Share based payments to employees	230.49	28.38
Interest Income	(7,892.66)	(6,636.61)
Interest expenses	4,933.62	4,259.46
Dividend Income from Investments	-	(0.52)
Distribution income from investments	-	(249.95)
Net Gain on Sale of Property, plant and equipment	-	0.75
Interest Paid	(4,196.37)	(3,527.09)
Interest received	7,385.57	6,442.18
<b>Operating profit before working capital changes</b>	<b>4,958.63</b>	<b>4,949.19</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in Financial/Non-financial Assets	(2,453.51)	(3,699.70)
Increase/ (Decrease) in Financial/Non-financial Liabilities	3,782.69	(2,238.56)
<b>Cash generated from/(used in) operations</b>	<b>6,287.81</b>	<b>(989.07)</b>
Decrease in Loans	13,397.02	21,038.24
<b>Cash generated from operating activities</b>	<b>19,684.83</b>	<b>20,049.17</b>
<b>Cash flow before extraordinary item</b>		
Net income tax(paid) / refunds	(1,267.04)	(1,526.52)
<b>Net cash generated from operating activities (A)</b>	<b>18,417.79</b>	<b>18,522.65</b>

	(₹ in Mn)	
PARTICULARS	2019-20	2018-19
<b>B. Cash flows from investing activities</b>		
Purchase of investments	(1,265,131.68)	(1,316,941.27)
Sale of investments	1,233,347.55	1,298,963.16
Sale of Subsidiary	-	3.40
Interest received	84.66	100.89
Acquisition of subsidiaries	-	(2,613.54)
Fixed Deposit (placed)/matured	(989.65)	1,061.50
Inter-Corporate Deposits given	500.00	(65.00)
Inter-Corporate Deposits returned back	(500.00)	-
Distribution income from investments	-	249.97
Dividend income	-	0.52
Purchase/sale of Property, plant and equipment (includes intangible assets)	(908.46)	(2,094.31)
<b>Net cash used in investing activities (B)</b>	<b>(33,597.58)</b>	<b>(21,334.68)</b>
<b>C. Cash flows from financing activities</b>		
Issuance of share capital	4.12	9.54
Securities premium received	609.16	7,536.65
Dividend paid (including dividend distribution tax)	(2,096.47)	(847.66)
Treasury stock	(0.12)	(34.58)
Borrowings - raised	5,712,623.96	279,374.22
Borrowings - repaid	(5,695,959.87)	(309,287.74)
Debt Securities and Subordinated Liabilities- taken	189,862.52	29,016.97
Debt Securities and Subordinated Liabilities - repaid	(182,011.06)	(6,343.79)
Others	-	2.02
Share issue expenses paid	(0.83)	(79.62)
Shares pending issuance	-	0.06
Interest Paid	(134.79)	(150.37)
Shares application money received	0.07	-
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>22,896.69</b>	<b>(804.30)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>7,716.90</b>	<b>(3,616.33)</b>
Opening Cash & cash equivalents	1,646.23	5,262.56
<b>Closing Cash &amp; cash equivalents</b>	<b>9,363.13</b>	<b>1,646.23</b>

**See accompanying Notes to the Consolidated Financial Statements**

In terms of our report attached

**FOR DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**PALLAVI A. GORAKSHAKAR**  
Partner

Place : Mumbai  
Date: July 07, 2020

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**KARAN BHAGAT**  
Managing Director  
(DIN: 03247753)

**MIHIR NANAVATI**  
Chief Financial Officer  
Date: June 11, 2020

**YATIN SHAH**  
Director  
(DIN: 03231090)

**ASHUTOSH NAIK**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(₹ in Mn)													
Particulars	Equity attributable to owners of the Company												Total
	Equity Share Capital	Equity Share pending issuance	Other Equity										
			Securities Premium Account	General Re-serve	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Share application money	Capital Re-serve	Deben-ture Re-demp-tion Reserve (DRR)	ESOP Re-serve	Retained Earnings	Foreign cur-rency trans-lation reserve	Total Other Equity	
Balance at the beginning of the period April 01,2019	168.97	1.20	18,124.02	183.50	879.25	-	111.00	12.50	97.02	9,393.55	133.14	28,933.98	29,104.15
Shares issued during the year	4.12	-	609.16	-	-	-	-	-	-	-	-	609.16	613.28
Share issue expenses	-	-	(0.83)	-	-	-	-	-	-	-	-	(0.83)	(0.83)
Addition during the year	-	-	-	-	-	0.07	-	-	-	-	-	0.07	0.07
Profit for the year	-	-	-	-	-	-	-	-	-	2,011.64	-	2,011.64	2,011.64
Other comprehensive income	-	-	-	-	-	-	-	-	-	(16.78)	69.60	52.82	52.82
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	(2,096.47)	-	(2,096.47)	(2,096.47)
Transfer to DRR	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer (to)/from other reserves	-	-	72.11	12.50	239.49	-	-	(12.50)	(72.11)	(239.49)	-	-	-
Addition/ (deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 3)	1.20	(1.20)	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	(0.12)	-	-	-	-	-	-	-	-	(0.12)	(0.12)
Employee share based payment	-	-	-	-	-	-	-	-	230.49	-	-	230.49	230.49
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the March 31,2020	174.29	-	18,804.34	196.00	1,118.74	0.07	111.00	-	255.40	9,052.45	202.74	29,740.74	29,915.03

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Mn)

Particulars	Equity attributable to owners of the Company												Total
	Equity Share Capital	Equity Share pending issuance	Securities Premium Account	General Reserve	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Share application money	Capital Reserve	Debt-ure Re-demp-tion Reserve (DRR)	ESOP Re-serve	Retained Earnings	Foreign cur-ency trans-lation reserve	Total Other Equity	
<b>Balance at the beginning of the period April 01, 2018</b>	159.50	1.14	10,692.33	133.50	516.29	-	97.25	-	74.68	6,921.44	32.80	18,468.29	18,628.93
Shares issued during the year	9.54	-	7,536.65	-	-	-	-	-	-	-	-	7,536.65	7,546.19
Share issue expenses	-	-	(79.62)	-	-	-	-	-	-	-	-	(79.62)	(79.62)
Profit for the year	-	-	-	-	-	-	-	-	-	3,745.47	-	3,745.47	3,745.47
Other comprehensive income	-	-	-	-	-	-	-	-	-	(2.24)	100.34	98.10	98.10
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	(847.66)	-	(847.66)	(847.66)
Transfer to DRR	-	-	-	-	-	-	-	62.50	-	(62.50)	-	-	-
Transfer (to)/from other reserves	-	-	9.17	50.00	362.96	-	-	(50.00)	(9.17)	(362.96)	-	-	-
Addition/ (deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 3)	-	0.06	-	-	-	-	13.75	-	3.12	-	-	16.87	16.93
Treasury stock	(0.07)	-	(34.51)	-	-	-	-	-	-	-	-	(34.51)	(34.58)
Employee share based payment	-	-	-	-	-	-	-	-	28.39	-	-	28.39	28.39
Others	-	-	-	-	-	-	-	-	-	2.00	-	2.00	2.00
<b>Balance at the end of the March 31, 2019</b>	<b>168.97</b>	<b>1.20</b>	<b>18,124.02</b>	<b>183.50</b>	<b>879.25</b>	<b>-</b>	<b>111.00</b>	<b>12.50</b>	<b>97.02</b>	<b>9,393.55</b>	<b>133.14</b>	<b>28,933.98</b>	<b>29,104.15</b>

**Securities Premium Account**

Securities premium account 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. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities premium account.

**General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to Statement of profit or loss.

**Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934**

One of the subsidiary of the Group is registered with Reserve Bank of India as Non-Banking Finance company, which is required to transfer at least 20% of its net profits each year before declaration of dividend as per Section 45-IC of the Reserve Bank of India Act, 1934.

**Capital Reserve**

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" in accordance with the composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders. (Refer Note 3)

**Debt-ure Redemption Reserve (DRR)**

One of the subsidiary of the group had issued Non-convertible debentures and created DRR in terms of the Companies (Share capital and Debt-ure) Rules, 2014 (as amended). The amounts credited to DRR may not be utilised except to redeem the debentures. The subsidiary had created debt-ure redemption reserve for the Listed Secured Non-Convertible Debentures for ₹ 12.5 Mn out of Surplus in Statement of Profit & Loss.

**ESOP Reserve**

It relates to share options granted to the employees by the Holding Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

**Retained Earnings**

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

**Foreign currency translation reserve**

This reserve represents exchange difference arising from translation of assets and liabilities of the foreign subsidiaries from their respective reporting currency into Indian rupees for the purpose of consolidation.



# Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

## NOTE 1. CORPORATE INFORMATION

The Consolidated Financial Statements of IIFL Wealth Management Limited (the Parent Company) consist of IIFL Wealth Management Limited including Wealth Business Undertaking transferred from IIFL Holdings Limited under the Composite Scheme of Arrangement (refer Note 3) and its subsidiaries namely: IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited), IIFL Investment Advisers and Trustee Services Limited, IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited), IIFL Asset Management Limited, IIFL Trustee Limited, IIFL Wealth Finance Ltd, IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018), IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited) (w.e.f November 22, 2018) (amalgamated with IIFL Wealth Management Ltd w.e.f November 2018), IIFL Altior Advisors Private Limited (Formerly known as Altior Advisors Private Limited) (w.e.f November 05, 2018), IIFL Wealth Employee Welfare Benefit Trust (w.e.f August 01, 2018), IIFL Private Wealth (Suisse) SA (up to February 27, 2019), IIFL (Asia) Pte. Ltd, IIFL Securities Pte. Ltd, IIFL Capital Pte. Ltd, IIFL Private Wealth Management (Dubai) Ltd, IIFL Private Wealth Hongkong Ltd, IIFL Inc., IIFL Capital (Canada) Ltd. and IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd) (the Parent Company including Wealth Business Undertaking and its subsidiaries, collectively referred to as "the Group"). The Group mainly acts as wealth manager and provides financial products distribution, advisory, asset management, portfolio management, lending; credit and investment, trustee services by mobilizing funds and assets of various classes of investors including High Networth Individuals.

## NOTE 2. SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of Compliance

The Group'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. These financial statements have been approved for issuance by the Board of Directors of IIFL Wealth Management at their meeting held on June 11, 2020.

### b) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company (including the Wealth Business Undertaking) and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns Generally. There is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
  - The contractual arrangement with the other vote holders of the investee
  - Rights arising from other contractual arrangements
  - The Parent Company's voting rights and potential voting rights
  - The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and

expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial statements of the subsidiary, unless it is impracticable to do so.

#### Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, if any.

#### 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.

The following is a description of principal activities from which the Group generates its revenue.

- **Distribution Services and Commissions:** Fees and commissions with respect to distribution services are recognised at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.

- **Investment/Fund Management and Trustee fees:** The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- **Advisory fees:** Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements.
- **Lending / Investments related Income:**
  - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
  - Dividend income is accounted in the period in which the right to receive the same is established.
- Other items of income are accounted as and when the 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.

#### d) Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### e) 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 Group'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 Group.

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 Group recognise 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.

#### f) 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 Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and

rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

##### Capital work in progress and Capital advances

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

##### Depreciation

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Consolidated 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 considered as depreciable assets having regard to its infinite useful life. Leasehold land and 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. Lease hold land is depreciated on a straight line basis over the lease hold period.

##### Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Computers*	3
Electrical Equipment*	5-10
Office equipment	5
Furniture and fixtures* #	5-10
Vehicles*	5
Air conditioners*	5
Building	51

\* For these class of assets, based on internal assessment 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 derecognised 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 recognised in the Consolidated Statement of Profit and Loss when the item is derecognised.

## g) Intangible assets

### Measurement at recognition

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

### Amortization

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognised in the Consolidated 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
Asset Management Rights	10

### Derecognition

The carrying amount of an intangible asset is derecognised 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 recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

## h) 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 recognised 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 recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Consolidated 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 recognised.

## i) Financial Instruments

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

### Financial assets

#### Initial recognition and measurement

The Group recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised 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 Group classifies a financial asset in accordance with the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group 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 Group'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 Group. 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 Group'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 recognised in the Consolidated statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognised 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 Consolidated 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 Group excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and Loss.

#### Derecognition

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

- The contractual rights to cash flows from the financial asset expires;
- The Group 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 Group 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 Group 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 recognised in the Consolidated Statement of Profit and Loss.

#### Impairment of financial assets

The Group recognises 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 Group in accordance with the contract and all

the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group 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 Group 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 Group 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 Group 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 Group 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 within the scope of Ind AS 115 the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group 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 Group 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 Group recognises 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:

- recognised at amortised costs
- recognised 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 Group are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the group 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 derecognised when the obligation under the liability is discharged or cancelled or expires.

#### j) Derivative financial instruments

The Group enters into derivative financial contracts, which are initially recognised 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 recognised in profit or 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 recognised at fair value and is subsequently measured at fair value at the each reporting period and the resulting gain or loss is recognised in the Statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

#### k) Fair Value

The Group 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 Consolidated 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 recognised in the Consolidated financial statements at fair value on a recurring basis, the Group 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.

#### l) Foreign Currency Translation

These Consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency.

#### Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

#### Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Group 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 recognised in the Consolidated Statement of Profit and Loss.

#### Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates for the period unless the exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising, if any, on translation are recognised in Other Comprehensive Income and accumulated equity. On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that foreign operation is reclassified to Consolidated Statement of Profit and Loss.

#### m) 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 Consolidated 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 recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognised 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 recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 recognised.

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.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group 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 recognised as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised 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 Group 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 Group. 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.

#### n) Provisions and Contingencies

The Group recognises 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.

#### o) 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.

#### p) 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 recognised in the period in which the employee renders the related service. The Group recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

##### Post-Employment Benefits

##### i. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group 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 Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

## Recognition and measurement of defined contribution plans

The Group recognises contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services to the Group 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 recognised 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 recognised 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 scheme: The Parent Company, an Indian subsidiary and its foreign subsidiary operates a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

## 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 recognised 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 recognised 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 recognised in the Consolidated 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 recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods.

### q) Lease accounting

The Group 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 Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

#### As a lessee

The Group 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 Group's incremental borrowing rate. Generally, the Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group 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 Group 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 Group 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 Group 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 Group recognizes income on operating leases based on the contractual arrangements.

## 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 Group 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 Group 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 (o) – 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 Group as a lessee

As a lessee, the Group leases assets which includes office premises and vehicles to employees. The Group 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 Group. Under Ind AS 116, the Group 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 Group'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 Group 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.

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 Group as a lessor

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

### r) 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.

### s) Segment Reporting

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

### t) Share-based Compensation

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

### u) 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.

### v) Key Accounting Estimates and Judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported



amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Critical accounting estimates and assumptions

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

##### – Property, Plant and Equipment

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

##### – Defined Benefit Obligation

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

##### – Fair value measurement of Financial Instruments

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

##### – Expected Credit Loss

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

### 3. Basis of Preparation and Presentation

#### Transfer of “Wealth Business Undertaking” under composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited (“IIFL M&R”), IIFL Securities Limited (“IIFL Securities”), IIFL Wealth Management Limited (“IIFL Wealth”) and IIFL Distribution Services Limited (“IIFL Distribution”), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”) which inter-alia, envisages the following:

- i. amalgamation of IIFL M&R with IIFL Finance Limited;
- ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Finance Limited into IIFL Securities;

- iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of the IIFL Finance Limited into the IIFL Wealth;
- iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and
- v. amalgamation of India Infoline Finance with IIFL Finance Limited.

The Appointed Date for the amalgamation of IIFL M&R with IIFL Finance Limited is opening hours of April 01, 2017 and for all the other parts of the scheme, the Appointed Date is opening hours of April 01, 2018.

The shareholders of respective Companies had approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of India Infoline Finance Limited with IIFL Finance Limited shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Finance Limited from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Finance Limited, the Board of Directors at its meeting held on May 13, 2019 had decided to give effect to the Scheme in the following manner:

- a. Merger of IIFL M&R with IIFL Finance Limited with effect from the Appointed Date i.e. April 01, 2017;
- b. Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Finance Limited with effect from the Appointed Date i.e. April 01, 2018; and
- c. Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.
- d. Merger of India Infoline Finance Limited with IIFL Finance Limited to be given effect after receipt of necessary registration from the RBI. May 31, 2019 was fixed as the Record date for determining the eligibility of the shareholders of IIFL Finance Limited for allotting shares of the Company in the ratio of 1 (One) fully paid up new equity share of ₹ 2/- of the Company for every 7 (seven) equity shares of ₹ 2/- each of IIFL Finance Limited. Accordingly, the Company allotted 4,56,04,924 shares respectively to eligible shareholders of IIFL Finance Limited on June 06, 2019.

The Company had filed its Listing Application with Stock exchange(s) and got approval for the same on August 19, 2019 and August 21, 2019 from respective Stock exchange(s). Post which Listing and commencement of trading took place from September 19, 2019.



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Mn)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b>		
Cash on hand	0.36	0.40
Cheques in hand	-	5.14
Balance with banks		
- In client account	2,618.73	404.65
- Others	3,643.71	835.58
In Deposit accounts (with original maturity of three months or less)	3,100.33	400.46
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>9,363.13</b>	<b>1,646.23</b>

### NOTE 5. BANK BALANCE OTHER THAN NOTE 4 ABOVE

(₹ in Mn)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Bank Balances</b>		
In Earmarked Accounts	301.40	-
In Deposit accounts (with original maturity of more than 3 months)	2,122.52	1,127.95
<b>Total</b>	<b>2,423.92</b>	<b>1,127.95</b>

### OUT OF THE FIXED DEPOSITS SHOWN ABOVE

(₹ in Mn)		
Particulars	As at March 31, 2020	As at March 31, 2019
Lien marked against bank guarantee	1,037.35	815.46
Lien marked against overdraft facility	50.80	50.01
Collateral with exchange	60.84	111.40
Lien marked against derivative transactions	910.95	-
Other deposits	62.58	151.08
<b>Total</b>	<b>2,122.52</b>	<b>1,127.95</b>

**NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS (REFER NOTE 39)**

(₹ in Mn)

Part I	As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value – Assets	Fair value – Liabilities	Notional amounts	Fair value – Assets	Fair value – Liabilities
<b>(i) Interest rate derivatives</b>						
Interest rate swaps	26,000.00	-	1,143.59	11,000.00	-	46.85
<b>Subtotal(i)</b>	<b>26,000.00</b>	<b>-</b>	<b>1,143.59</b>	<b>11,000.00</b>	<b>-</b>	<b>46.85</b>
<b>(ii) Equity linked derivatives (Nifty Linked)</b>						
Option premium paid	5,524.85	469.40	-	3,851.54	883.27	-
Option premium received	3,759.74	-	871.43	1,616.54	-	90.49
Derivative component of liabilities	-	846.46	473.35	2,456.43	77.68	2,378.75
<b>Subtotal (ii)</b>	<b>9,284.59</b>	<b>1,315.86</b>	<b>1,344.78</b>	<b>7,924.51</b>	<b>960.95</b>	<b>2,469.24</b>
<b>Total Derivative Financial Instruments (i) + (ii)</b>	<b>35,284.59</b>	<b>1,315.86</b>	<b>2,488.37</b>	<b>18,924.51</b>	<b>960.95</b>	<b>2,516.09</b>

Part II	As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value – Assets	Fair value – Liabilities	Notional amounts	Fair value – Assets	Fair value – Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
<b>(i) Fair value hedging</b>	-	-	-	-	-	-
<b>(ii) Cash flow hedging</b>	-	-	-	-	-	-
<b>(iii) Net investment hedging</b>	-	-	-	-	-	-
<b>(iv) Undesignated derivatives</b>	35,284.59	1,315.86	2,488.37	18,924.51	960.95	2,516.09
<b>Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)</b>	<b>35,284.59</b>	<b>1,315.86</b>	<b>2,488.37</b>	<b>18,924.51</b>	<b>960.95</b>	<b>2,516.09</b>

**NOTE 7. RECEIVABLES (REFER NOTE 39)**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(i) Trade receivables</b>		
Receivables considered good - Unsecured	2,420.49	2,960.74
Receivables - credit impaired	10.49	3.19
<b>Total (i)- Gross</b>	<b>2,430.98</b>	<b>2,963.93</b>
Less: Provision for Doubtful debts	(10.49)	(3.19)
<b>Total (i)- Net</b>	<b>2,420.49</b>	<b>2,960.74</b>
<b>(ii) Other receivables</b>		
Receivables considered good - Secured	619.33	407.10
Receivables considered good - Unsecured	560.67	3,837.46
<b>Total (ii)- Gross</b>	<b>1,180.00</b>	<b>4,244.56</b>
Less: Impairment loss allowance	-	-
<b>Total (ii)- Net</b>	<b>1,180.00</b>	<b>4,244.56</b>

- 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.
- Other receivables include receivables on sale of Investments aggregating to ₹ 360.66 Mn (PY - ₹ 3,785.78 Mn)
- Other receivables are generally secured by margin money received from clients and/or securities held on behalf of the clients pending settlement.
- No trade receivables and other receivables are interest bearing.

## NOTE 8. LOANS (REFER NOTE 39)

(₹ in Mn)

Loans	As at March 31, 2020						As at March 31, 2019					
	Am- ortised cost	At Fair value			Subtotal	Total	Am- ortised cost	At Fair value			Subtotal	Total
		Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss				Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss		
(A)												
(i) Term loans	36,469.11	-	-	-	-	36,469.11	49,107.60	-	-	-	-	49,107.60
(ii) CBLO Lending	-	-	-	-	-	-	700.00	-	-	-	-	700.00
(iii) Inter Corporate Deposits	9.47					9.47	77.96	-	-	-		77.96
(iii) Others - Staff loan	7.55	-	-	-	-	7.55	7.04	-	-	-	-	7.04
Total (A) -Gross	36,486.13	-	-	-	-	36,486.13	49,892.60	-	-	-	-	49,892.60
Less:Impairment loss allowance	(167.20)	-	-	-	-	(167.20)	(228.00)	-	-	-	-	(228.00)
Total (A) - Net	36,318.93	-	-	-	-	36,318.93	49,664.60	-	-	-	-	49,664.60
(B)												
(i) Secured by tangible assets	34,958.79	-	-	-	-	34,958.79	47,755.41	-	-	-	-	47,755.41
(ii) Unsecured	1,527.34	-	-	-	-	1,527.34	2,137.19	-	-	-	-	2,137.19
Less: Impairment loss allowance	(167.20)	-	-	-	-	(167.20)	(228.00)	-	-	-	-	(228.00)
Total (B)-Gross	36,318.93	-	-	-	-	36,318.93	49,664.60	-	-	-	-	49,664.60
(C )												
(I) Loans in India	36,486.13					36,486.13	49,892.60					49,892.60
Less: Impairment loss allowance	(167.20)					(167.20)	(228.00)					(228.00)
Total(C) (I)-Net	36,318.93	-	-	-	-	36,318.93	49,664.60	-	-	-	-	49,664.60
(II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C(I) and C(II)	36,318.93	-	-	-	-	36,318.93	49,664.60	-	-	-	-	49,664.60

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

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

## NOTE 9. INVESTMENTS (REFER NOTE 39)

(₹ in Mn)

Investments	As at March 31, 2020						As at March 31, 2019					
	Amortised cost	At Fair value			Subtotal	Total	Amor- tised cost	At Fair value			Subtotal	Total
		Through Other Compre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss				Through Other Com- pre- hensive Income	Through profit or loss	Desig- nated at fair value through profit or loss		
(A)												
Mutual funds	-	-	12,436.24	-	12,436.24	12,436.24	-	-	1,566.65	-	1,566.65	1,566.65
Debt securities	-	-	12,716.44	-	12,716.44	12,716.44	-	-	13,008.00	-	13,008.00	13,008.00
Govt securities	-	-	32,164.29	-	32,164.29	32,164.29	-	-	10,352.03	-	10,352.03	10,352.03
Equity instruments	-	-	107.46	-	107.46	107.46	-	-	2.68	-	2.68	2.68
Alternate investment funds	-	-	7,699.96	-	7,699.96	7,699.96	-	-	5,011.25	-	5,011.25	5,011.25
Others	-	-	-	-	-	-	-	-	585.05	-	585.05	585.05
Total (A)	-	-	65,124.39	-	65,124.39	65,124.39	-	-	30,525.66	-	30,525.66	30,525.66

Investments	As at March 31, 2020						As at March 31, 2019					
	Amortised cost	At Fair value			Subtotal	Total	Amortised cost	At Fair value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
<b>(B)</b>												
i) Investments outside India	-	-	85.40	-	85.40	85.40	-	-	82.35	-	82.35	82.35
ii) Investments in India	-	-	65,038.99	-	65,038.99	65,038.99	-	-	30,443.31	-	30,443.31	30,443.31
<b>Total (B)</b>	-	-	<b>65,124.39</b>	-	<b>65,124.39</b>	<b>65,124.39</b>	-	-	<b>30,525.66</b>	-	<b>30,525.66</b>	<b>30,525.66</b>
<b>(C)</b>												
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total- Net (D) = A-C</b>	-	-	<b>65,124.39</b>	-	<b>65,124.39</b>	<b>65,124.39</b>	-	-	<b>30,525.66</b>	-	<b>30,525.66</b>	<b>30,525.66</b>

Note:

Out of the above investments ₹46,356.09 Mn (PY - ₹ 17,450.03 Mn) are kept as collateral

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Mutual Funds include :</b>						
ADITYA BIRLA SUN LIFE LIQUID FUND - G	-	-	-	10.00	186,487.92	55.76
ADITYA BIRLA SL CREDIT RISK DIRECT-GROWTH	10.00	7,183,010.00	54.39	-	-	-
ADITYA BIRLA SL MEDIUM TERM DIRECT-GROWTH	10.00	6,325,644.03	77.44	-	-	-
AXIS LIQUID FUND -G	-	-	-	1,000.00	54,941.52	113.46
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 - GROWTH (REGULAR)	-	-	-	1,000.00	77,201.46	282.78
HDFC MUTUAL FUND FMP 1124D JU 18 (1) SR 41 DIR GROWTH 26JL21	10.00	10,245,000.00	117.28	-	-	-
HDFC MUTUAL FUND EOF II 1126D MAY 17(1) REG DIVPAY 14JL20	-	-	-	10.00	18,100,000.00	195.28
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) SR30 REG QTLYDIVPY 06JU23	10.00	5,001,000.00	51.19	10.00	5,000,000.00	50.02
HDFC MUTUAL FUND LIQUID FUND DIRECT GROWTH OPEN ENDED	1,000.00	94,758.99	370.19	1,000.00	68,363.00	251.46
HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED	1,000.00	171,786.76	667.15	1,000.00	5,815.00	21.28
HDFC MUTUAL FUND SHORT TERM DBT FD DIRECT GROWTH OPEN ENDED	10.00	12,228,707.00	279.89	10.00	14,675,072.00	305.69
HDFC SHORT TERM DEBT FUND - REGULAR	10.00	2,243,540.00	50.79	-	-	-

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
ICICI PRUDENTIAL MUTUAL FUND VALUE FD SR 4 DIV PAY 08MY19	-	-	-	10.00	2,100,000.00	21.55
ICICI PRULIQUID -G	100.00	6,841,482.51	2,001.14	100.00	42,488.57	11.70
ICICI PRUDENTIAL MUTUAL FUND FMP SR 82-1136D PL P CUM 30AP21	10.00	5,420,000.00	63.26	-	-	-
ICICI PRU MEDIUM TERM BOND DIRECT-GROWTH	10.00	1,522,332.00	50.56	-	-	-
ICICI PRUDENTIAL OVERNIGHT FUND GROWTH	100.00	133,725.35	39.11	-	-	-
IDFC CASH FUND -G	-	-	-	10.00	22,533.66	50.87
IDFC MUTUAL FUND EQ OPR SR 5 REGULAR PLAN GROWTH 15MR21	-	-	-	10.00	7,563,345.00	74.73
IIFL CAPITAL ENCHANCER FUND - SERIES 1 - DIRECT - GROWTH	-	-	-	10.00	500,000.00	5.27
IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH	10.00	563,624.61	9.29	10.00	563,624.61	8.58
IIFL FOCUSED EQUITY FUND - DIRECT PLAN - GROWTH	10.00	826,539.44	12.02	10.00	533,063.45	8.89
IIFL LIQUID FUND - DIRECT PLAN - GROWTH	1,000.00	4,769.07	7.36	1,000.00	4,769.07	6.98
IIFL LIQUID FUND - REGULAR PLAN - GROWTH	1,000.00	8.08	0.01	1,000.00	8.08	0.01
IIFL MUTUAL FUND INDIA GROWTH FD DIR GROWTH OPEN	10.00	6,467,210.37	94.01	-	-	-
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 MEDIUM TERM FD DIR GROWTH OP	10.00	2,854,225.00	49.06	-	-	-
KOTAK MAHINDRA MUTUAL FUND CREDIT RISK FUND DIR GROWTH ENED	10.00	4,838,106.01	113.50	-	-	-
L&T RESURGENT INDIA BOND DIRECT-GROWTH	10.00	2,829,354.55	43.57	-	-	-
L & T MUTUAL FUND FMP SR XIV SCHEME A(1233D) GROWTH 15MY20	10.00	8,758,338.00	105.92	-	-	-
RELIANCE MUTUAL FUND LIQUID FD-GRW PL-GROWTH	1,000.00	41,000.00	197.72	-	-	-
SBI LIQUID FUND - REGULAR PLAN -GROWTH	1,000.00	1,532,405.55	4,740.68	-	-	-
SBI MUTUAL FUND LIQUID FD-DIRECT GROWTH	1,000.00	161,704.89	502.74	-	-	-
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	-	-	-
			<b>12,436.24</b>			<b>1,566.65</b>
<b>Investment in Government Securities include :</b>						
07.32% GOVERNMENT OF INDIA FVRS100 28JAN2024	100.00	162,500,000.00	17,414.61	100.00	72,500,000.00	7,455.23
07.37% GOVERNMENT OF INDIA FVRS100 16APR2023	-	-	-	100.00	13,000,000.00	1,367.44
08.24% GOVERNMENT OF INDIA GOVT. STOCK 2027	100.00	7,500,000.00	830.17	100.00	14,500,000.00	1,529.36
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	-	-	-
07.35% GOVT. STOCK 2024	100.00	53,500,000.00	5,784.00	-	-	-
08.40% GOVT. STOCK 2024	100.00	50,000,000.00	5,556.28	-	-	-
07.72% GOVT. STOCK 2025	100.00	16,500,000.00	1,805.68	-	-	-
09.15% GOVT. STOCK 2024	100.00	1,500,000.00	174.13	-	-	-
			<b>32,164.29</b>			<b>10,352.03</b>



Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
<b>Investment in Debt Securities include :</b>						
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	-	-	-	-	15.00	15.62
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	155.70	-	-	-
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 25JN27 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-OB 17 OPT IV NCD 27FB25 FVRS10LAC	1,000,000.00	98.00	94.99	-	-	-
8.54% NHPC LTD TAX FREE BOND 15 YRS TR-I SR2-A ANNUAL	1,000.00	1,685.00	2.14	-	-	-
8.55% IIFCL TRANCHE III SERIES 2A 15YRS	-	-	-	-	-	0.50
8.70% BANK OF BARODA SERIES X NCD PERPATUAL 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	10.00	-	100.00	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	-	-	-

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
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	-	-	-
10.50% INDUSIND BANK LIMITED SERIES III-2019 NCD PERPEUAL FVRS10LAC	1,000,000.00	377.00	369.54	1,000,000.00	1,000.00	992.09
15.75% MANIPAL HEALTHCARE PRIVATE LIMITED SERIES A NCD 25MR24 FVRS10LAC	-	-	-	1,000,000.00	1,170.00	1,175.03
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
ANDHRA BANK SR-III 10.99 LOA PERPETUAL FVRS10LAC	-	-	-	-	-	-
ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000	10,000.00	11,436.00	-	10,000.00	10,814.00	-
ECL FINANCE LIMITED SR-I9J603A BR NCD 05FB20 FVRS1LAC	-	-	-	100,000.00	1.00	0.16
EDELWEISS FINANCE & INVESTMENTS LTD G7K503B 04-APRIL-19	-	-	-	-	150.00	20.05
EDELWEISS FINVEST PRIVATE LIMITED SR-A0A702A NCD 26MAY20 FVRS1LAC	-	-	-	100,000.00	500.00	65.40
EMAMI INFRASTRUCTURE LIMITED NCD 25MR21 FVRS10LAC	-	-	-	1,000,000.00	500.00	540.53
HDB FINANCIAL SERVICES LIMITED SERIES A/0(ZC)/124 NCD 29OT21 FVRS10LAC	1,000,000.00	50.00	58.55	-	-	-
HDB FINANCIAL SERVICES LIMITED SR-A/0/104 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	-	-	-
INDIAN RAILWAY FINANCE CORPORATION LIMITED 8 / 8.15 BD 23FB22 FVRS1000 LOA UPTO 22FB12	1,000.00	150,000.00	161.42	-	-	-
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-IX9.21BDPERPETU ALFVRS10LACLOAUPTO27AP17	1,000,000.00	451.00	444.86	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	781.00	774.95	1,000,000.00	85.00	82.69

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
PUNJAB NATIONAL BANK SR-XI 8.98 BD PERPETUAL FVRS10LACLOA UPTO 03SP17	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	437.00	452.20	1,000,000.00	300.00	305.61
STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC	1,000,000.00	1,650.00	1,717.20	-	-	-
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	376.46	1,000,000.00	381.00	368.02
			<b>12,716.44</b>			<b>13,008.00</b>
<b>Investment in Equity Instrument include :</b>						
FINEWORTHY SOFTWARE SOLUTION PRIVATE LIMITED	10.00	489,904.00	106.86	10.00	10,000.00	2.18
MF UTILITIES INDIA PRIVATE LIMITED	1.00	500,000.00	0.50	1.00	500,000.00	0.50
IIFLW CSR FOUNDATION	10.00	-	0.10	-	-	-
			<b>107.46</b>			<b>2.68</b>
<b>Investment in Alternate investment funds include :</b>						
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	10.64
ABAKKUS GROWTH FUND - 1 - CLASS E	1,000.00	10,000.00	7.35	-	-	-
ASK SELECT FOCUS FUND - CLASS E	1,000.00	10,597.22	8.50	1,000.00	10,597.22	10.04
BLUME VENTURES (OPPORTUNITIES) FUND IIA	100.00	400,045.84	43.40	100.00	260,000.00	25.60
BLUME VENTURES FUND	10,000.00	910.00	22.09	10,000.00	910.00	25.98
BOV CAPITAL FUND	1.00	500,000.00	41.78	1.00	500,000.00	45.02
CERRACAP II LP FUND	-	-	43.62	-	-	-
DSP BLACKROCK AIF PHARMA FUND - CLASS C	-	-	-	100,000.00	100,000.00	9.62
EDELWEISS CATALYST OPPORTUNITIES FUND - CLASS A1	10.00	5,595,834.69	41.75	-	-	-
GREENLAND SUB-FUND A	-	-	-	1,000.00	500.00	37.33
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

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
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 - CARRY	4.00	673.84	-	-	-	-
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CLASS B	4.00	1,899,242.10	4.15	-	-	-

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
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 - CARRY	4.00	1,010.77	-	4.00	1,684.61	0.01
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 - CARRY	-	-	-	10.00	2,500.00	0.03
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 - CARRY	6.06	2,139.00	0.02	7.01	2,370.00	0.02
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 - CARRY	9.13	2,500.00	0.02	9.69	2,500.00	0.03
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 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 - CARRY	9.75	1,500.00	0.01	10.00	2,500.00	0.03
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



Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount (₹ in Mn)	Face Value	No. of Units	Total Amount (₹ in Mn)
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CARRY	9.17	2,500.00	0.02	10.00	2,500.00	0.03
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 - CARRY	9.25	2,500.00	0.02	10.00	2,500.00	0.03
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 - CARRY	9.44	2,500.00	0.02	10.00	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS A1	9.44	1,008,589.44	8.72	-	-	-
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	107,192.25	0.31	10.00	88,134.75	0.81
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S	10.00	387,868.73	3.08	10.00	319,008.57	3.22

Name of Investment	As at March 31, 2020			As at March 31, 2019		
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IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S	10.00	1,252,756.36	12.96	10.00	894,851.80	8.94
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S	10.00	1,065,906.51	8.20	10.00	876,860.33	8.72
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NORTHERN ARC CAPITAL LTD - CLASS S	10.00	85,723.40	0.57	-	-	-
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	10.00	910,753.70	8.93	10.00	748,840.80	6.17
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CARRY	10.00	2,500.00	0.03	10.00	2,500.00	0.03
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 - CARRY	10.00	2,500.00	0.03	10.00	2,500.00	0.03
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 - CARRY	10.00	2,500.00	0.03	10.00	2,500.00	0.03

Name of Investment	As at March 31, 2020			As at March 31, 2019		
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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 - CARRY	2.24	2,500.00	0.01	2.57	2,500.00	0.01
IIFL YIELD ENHANCER FUND - CLASS A	2.24	21,089,660.16	41.99	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 - CARRY	9.92	2,500.00	0.02	10.00	2,500.00	0.03
INDIA HOUSING FUND - CLASS A	9.92	2,511,105.04	27.50	-	-	-
INDIA HOUSING FUND - CLASS B	9.92	3,696,285.65	40.54	-	-	-
INDIA HOUSING FUND - CLASS E	9.92	51,788,853.56	570.61	10.00	25,390,775.90	264.39
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	-	-	-
INDIAREIT FUND SCHEME I	100,000.00	188.91	0.81	100,000.00	188.91	0.81
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
MALABAR VALUE FUND	100.00	855,837.93	61.17	100.00	855,837.93	99.43
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS B	10.00	726,967.36	7.37	10.00	726,967.36	10.50
MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS C	10.00	16,858.22	0.35	10.00	16,858.22	0.49
PEGASUS INDIA EVOLVING OPPORTUNITIES FUND	100,000.00	363.57	35.79	100,000.00	123.53	11.30
PIRAMAL INDIAREIT FUND V	100,000.00	45.75	4.73	100,000.00	45.75	6.86
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES 1 - CLASS E	100,000.00	147.02	7.16	100,000.00	147.02	14.39
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS E	100,000.00	153.83	6.12	100,000.00	153.83	13.80
SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS I	100,000.00	0.91	0.04	100,000.00	0.91	0.08
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 - CLASS I	10.00	1,293,392.79	12.85	10.00	1,293,392.79	14.87
WHITE OAK INDIA EQUITY FUND II - CLASS J	10.00	1,000,000.00	9.40	10.00	1,000,000.00	10.40
XPONENTIA OPPORTUNITIES FUND I - CLASS B2	100,000.00	800.00	80.56	100,000.00	800.00	80.00
YOURNEST ANGEL FUND – SCHEME 1 - CARRY	1.00	1,575.00	-	1.00	1,575.00	-
ZERODHA AIF SCHEME 1	100.00	480,646.76	48.75	-	-	-
			<b>7,699.96</b>			<b>5,011.25</b>
<b>Investment in Others include :</b>						
IRB INVIT FUND	-	-	-	100.00	8,815,000.00	585.05
			-			<b>585.05</b>
<b>Total</b>			<b>65,124.39</b>			<b>30,525.66</b>

**NOTE 10. OTHER FINANCIAL ASSETS**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit with exchange	3,367.28	67.20
Deposit with Clearing Corporation of India Limited (CCIL)	31.60	143.90
Other deposits	426.56	86.67
Income accrued & due	385.69	23.55
Advances to group company	1.13	20.50
Receivable from Employees	1.90	3.68
Advance for purchase of Investments in units of AIF	-	175.00
Others	169.87	3.56
<b>Total</b>	<b>4,384.03</b>	<b>524.06</b>

**NOTE 11. INVENTORIES - (AT LOWER OF COST AND NET REALISABLE VALUE)**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Stock in trade	-	197.51
<b>Total</b>	<b>-</b>	<b>197.51</b>
<b>Aggregate Market Value- Stock in hand – Quoted</b>	<b>-</b>	<b>197.51</b>

**NOTE 12. DEFERRED TAXES**

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

(₹ in Mn)

	Opening balance	Addition on acquisition/ merger	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised/ Created	Recognised in/ reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment and intangible assets	58.24	-	(27.68)	-	-	-	30.56
Carried forward tax losses	7.26	-	(2.66)	0.49	-	-	5.09
Expenses deductible in future years:							
Impairment of Assets	80.61	-	(37.77)	-	-	-	42.84
Retirement benefits for employees	24.75	-	(8.02)	-	-	5.64	22.37
Impact of IndAS 116	-	-	3.95	-	-	-	3.95
Unutilised MAT credit	16.51	-	(3.12)	-	(13.40)	-	(0.01)
Provision for expenses	-	-	3.91	-	-	-	3.91
<b>Total deferred tax assets (A)</b>	<b>187.37</b>	<b>-</b>	<b>(71.39)</b>	<b>0.49</b>	<b>(13.40)</b>	<b>5.64</b>	<b>108.71</b>
Offsetting of deferred tax (assets) with deferred tax liabilities	(13.04)	-	-	-	-	-	(55.79)
<b>Net Deferred tax (assets)</b>	<b>174.33</b>						<b>52.92</b>
<b>Deferred tax liabilities:</b>							
Unrealised profit on investments etc.	11.68	-	179.63	-	-	-	191.31
Goodwill on acquisition	279.46	-	(92.01)	-	-	-	187.45
<b>Total deferred tax liabilities (B)</b>	<b>291.14</b>	<b>-</b>	<b>87.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.76</b>
Offsetting of deferred tax liabilities with deferred tax (assets)	(13.04)	-	-	-	-	-	(55.79)
<b>Net Deferred tax liabilities</b>	<b>278.10</b>	<b>-</b>	<b>87.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322.97</b>
<b>Deferred tax assets/liabilities (A - B)</b>	<b>(103.77)</b>	<b>-</b>	<b>(159.01)</b>	<b>0.49</b>	<b>(13.40)</b>	<b>5.64</b>	<b>(270.05)</b>

\* Includes reduction of tax expenses amounting to ₹ 36.03 Mn 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:

	(₹ in Mn)						
	Opening balance	Addition on acquisition/ merger	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised/ Created	Recognised in/ reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>							
Difference between book base and tax base of property, plant & equipment and intangible assets	26.57	(0.22)	31.89	-	-	-	58.24
Carried forward tax losses	10.09	-	(3.49)	0.66	-	-	7.26
Expenses deductible in future years:							
Impairment of Assets	107.55	-	(26.94)	-	-	-	80.61
Retirement benefits for employees	24.98	0.38	(3.03)	-	-	2.42	24.75
Unutilised MAT credit	14.79	-	1.51	-	0.21	-	16.51
Unrealised profit on investments etc.	0.89	-	(0.89)	-	-	-	-
<b>Total deferred tax assets (A)</b>	<b>184.87</b>	<b>0.16</b>	<b>(0.95)</b>	<b>0.66</b>	<b>0.21</b>	<b>2.42</b>	<b>187.37</b>
Offsetting of deferred tax (assets) with deferred tax liabilities	0.90						(13.04)
<b>Net Deferred tax (assets)</b>	<b>184.77</b>	<b>0.16</b>	<b>(0.95)</b>	<b>0.66</b>	<b>0.21</b>	<b>2.42</b>	<b>174.33</b>
<b>Deferred tax liabilities:</b>							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.23	-	(0.23)	-	-	-	-
Unrealised profit on investments etc.	14.33	0.83	(3.48)	-	-	-	11.68
Goodwill on acquisition	-	286.58	(7.12)	-	-	-	279.46
<b>Total deferred tax liabilities (B)</b>	<b>14.56</b>	<b>287.41</b>	<b>(10.83)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291.14</b>
Offsetting of deferred tax liabilities with deferred tax (assets)	(14.56)	-	-	-	-	-	(13.04)
<b>Net Deferred tax liabilities</b>	<b>-</b>	<b>287.41</b>	<b>(10.83)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278.10</b>
<b>Deferred tax assets/liabilities (A - B)</b>	<b>170.21</b>	<b>(287.25)</b>	<b>9.88</b>	<b>0.66</b>	<b>0.21</b>	<b>2.42</b>	<b>(116.81)</b>

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 and some of its subsidiaries have 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 Group has, during the year ended March 31, 2020, 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 Consolidated Statement of Profit and Loss Account under "Tax expense" for the year ended March 31, 2020.



## NOTE 13. PROPERTY PLANT AND EQUIPMENT

(₹ in Mn)

Particulars	Furniture Fixture	Vehicles	Office Equip- ment	Air Con- ditioner	Comput- ers	Electrical Equip- ment	Land	Building	Total
<b>Gross Block as on April 01, 2019</b>	<b>638.04</b>	<b>18.92</b>	<b>58.92</b>	<b>28.29</b>	<b>112.66</b>	<b>28.70</b>	<b>1.00</b>	<b>-</b>	<b>886.53</b>
Additions	109.48	22.00	6.14	0.69	6.98	2.20	1,487.51	897.63	2,532.63
Deductions/ adjustments during the year	15.04	14.56	3.37	0.13	0.69	0.49	-	-	34.28
Foreign Currency translation	0.33	-	0.13	-	0.11	-	-	-	0.57
<b>As at March 31, 2020</b>	<b>732.81</b>	<b>26.36</b>	<b>61.82</b>	<b>28.85</b>	<b>119.06</b>	<b>30.41</b>	<b>1,488.51</b>	<b>897.63</b>	<b>3,385.45</b>
<b>Depreciation</b>									
<b>Upto April 01, 2019</b>	<b>154.27</b>	<b>10.92</b>	<b>17.40</b>	<b>3.51</b>	<b>78.60</b>	<b>5.53</b>	<b>-</b>	<b>-</b>	<b>270.23</b>
Depreciation for the year (Refer Note 13.1)	86.15	5.63	12.88	5.93	22.08	4.16	-	13.45	150.28
Deductions/ Adjustments during the year	7.12	12.34	2.63	0.09	0.66	0.41	-	-	23.25
Foreign Currency translation	0.05	-	0.04	-	0.07	-	-	-	0.16
<b>Upto March 31, 2020</b>	<b>233.35</b>	<b>4.21</b>	<b>27.69</b>	<b>9.35</b>	<b>100.09</b>	<b>9.28</b>	<b>-</b>	<b>13.45</b>	<b>397.42</b>
<b>Net Block as at March 31, 2020</b>	<b>499.46</b>	<b>22.15</b>	<b>34.13</b>	<b>19.50</b>	<b>18.97</b>	<b>21.13</b>	<b>1,488.51</b>	<b>884.18</b>	<b>2,988.03</b>

(₹ in Mn)

Particulars	Furniture Fixture	Vehicles	Office Equip- ment	Air Con- ditioner	Comput- ers	Electrical Equip- ment	Land	CWIP	Total
<b>Gross Block as on April 01, 2018</b>	<b>214.39</b>	<b>18.92</b>	<b>27.91</b>	<b>7.01</b>	<b>84.94</b>	<b>6.75</b>	<b>1.00</b>	<b>-</b>	<b>360.92</b>
Additions	417.06	-	28.45	21.31	21.34	21.12	-	-	509.28
Additions related to acquisitions	6.30	1.88	3.42	-	6.48	0.84	-	-	18.92
Deductions/ adjustments during the year	0.05	1.88	0.87	0.03	0.15	0.01	-	-	2.99
Foreign Currency translation	0.34	-	0.01	-	0.05	-	-	-	0.40
<b>As at March 31, 2019</b>	<b>638.04</b>	<b>18.92</b>	<b>58.92</b>	<b>28.29</b>	<b>112.66</b>	<b>28.70</b>	<b>1.00</b>	<b>-</b>	<b>886.53</b>
<b>Depreciation</b>									
<b>Upto April 01, 2018</b>	<b>50.02</b>	<b>4.77</b>	<b>3.95</b>	<b>0.64</b>	<b>34.70</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>94.16</b>
Op. Dep. On acquisition	5.03	0.52	2.12	-	3.34	0.83	-	-	11.84
Depreciation for the year	99.24	6.36	11.10	2.89	40.64	4.63	-	-	164.86
Deductions/ Adjustments during the year	0.03	0.73	(0.23)	0.02	0.11	0.01	-	-	0.67
Foreign Currency translation	0.01	-	-	-	0.03	-	-	-	0.04
<b>Upto March 31, 2019</b>	<b>154.27</b>	<b>10.92</b>	<b>17.40</b>	<b>3.51</b>	<b>78.60</b>	<b>5.53</b>	<b>-</b>	<b>-</b>	<b>270.23</b>
<b>Net Block as at March 31, 2019</b>	<b>483.77</b>	<b>8.00</b>	<b>41.52</b>	<b>24.78</b>	<b>34.06</b>	<b>23.17</b>	<b>1.00</b>	<b>-</b>	<b>616.30</b>

13.1. The Company has revised its estimate of useful life of Furniture and Fixtures and Electrical Equipment used in the office premise acquired during the period, which was earlier on lease, and has recomputed the depreciation on the same on prospective basis. As a result, depreciation for the year ended March 31, 2020 is lower by ₹ 14.27 Mn and ₹ 56.06 Mn respectively and the profit before tax for the year ended March 31, 2020 is higher by ₹ 14.27 Mn and ₹ 56.06 Mn respectively.

**NOTE 14. CAPITAL WORK-IN-PROGRESS**

(₹ in Mn)

<b>As at March 31, 2020</b>	
Particulars	As at March 31, 2020
<b>As at April 01, 2019</b>	1,734.33
Additions	6.97
Deductions	1,730.30
<b>As at March 31, 2020</b>	<b>11.00</b>
<b>As at March 31, 2019</b>	
Particulars	As at March 31, 2019
<b>As at April 01, 2018</b>	217.34
Additions	1,714.68
Deductions	197.69
<b>As at March 31, 2019</b>	<b>1,734.33</b>

**NOTE 15. GOODWILL ON ACQUISITION**

A summary of changes in the carrying amount of goodwill is as follows:

(₹ in Mn)

Particulars	As at March 31, 2020
Carrying value at the beginning of the year	1,878.51
Goodwill on business acquisition	-
<b>Carrying value at the end of the year</b>	<b>1,878.51</b>
Particulars	As at March 31, 2019
Carrying value at the beginning of the year	-
Goodwill on business acquisition (Refer Note 46)	1,878.51
<b>Carrying value at the end of the year</b>	<b>1,878.51</b>

**NOTE 16. OTHER INTANGIBLE ASSETS**

(₹ in Mn)

Particulars	Software	Customer Relations	Asset Management Rights	Total
<b>Softwares/Customer Relations/Asset management rights acquired</b>				
<b>Gross Block as on April 01, 2019</b>	<b>224.66</b>	<b>728.20</b>	<b>23.96</b>	<b>976.82</b>
Additions	109.32	-	-	109.32
Foreign Currency translation	0.05	-	1.09	1.14
<b>As at March 31, 2020</b>	<b>334.03</b>	<b>728.20</b>	<b>25.05</b>	<b>1,087.28</b>
<b>Amortisation</b>				
<b>Upto April 01, 2019</b>	<b>92.21</b>	<b>12.97</b>	<b>0.41</b>	<b>105.59</b>
Amortisation for the year	65.53	36.51	2.63	104.67
Foreign Currency translation	0.04	-	0.09	0.13
<b>Upto March 31, 2020</b>	<b>157.78</b>	<b>49.48</b>	<b>3.13</b>	<b>210.39</b>
<b>Net Block as at March 31, 2020</b>	<b>176.25</b>	<b>678.72</b>	<b>21.92</b>	<b>876.89</b>

	(₹ in Mn)			
Particulars	Software	Customer Relations	Asset Management Rights	Total
<b>Softwares/Customer Relations/Asset management rights acquired</b>				
<b>Gross Carrying value as on April 01, 2018</b>	<b>73.10</b>	-	-	<b>73.10</b>
Additions	33.24	-	23.96	57.20
Additions related to acquisition	118.30	728.20	-	846.50
Deductions / adjustments during the year	-	-	-	-
Foreign Currency Translation	0.02	-	-	0.02
<b>As at March 31, 2019</b>	<b>224.66</b>	<b>728.20</b>	<b>23.96</b>	<b>976.82</b>
<b>Amortisation</b>				
<b>Upto April 01, 2018</b>	<b>33.94</b>	-	-	<b>33.94</b>
Accumulated Depreciation On Acquisition	21.45	-	-	21.45
Amortisation for the year	36.82	12.97	0.41	50.20
Deductions / adjustments during the year	-	-	-	-
Foreign Currency Translation	-	-	-	-
<b>Upto March 31, 2019</b>	<b>92.21</b>	<b>12.97</b>	<b>0.41</b>	<b>105.59</b>
<b>Net Block as at March 31, 2019</b>	<b>132.45</b>	<b>715.23</b>	<b>23.55</b>	<b>871.23</b>

## NOTE 17. DISCLOSURE PURSUANT TO IND AS 116 “LEASES”

### Change in Accounting Policy

The Group 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 ₹ 435.70 Mn 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”.

	(₹ in Mn)		
Particular	Premises	Vehicles	Total
Lease commitments as at 31 March 2019	-	-	-
Add/(less): contracts reassessed as lease contracts	372.49	63.21	435.70
Add/(less): adjustments on account of extension/termination	-	-	-
<b>Lease liabilities as on 1 April 2019</b>	<b>372.49</b>	<b>63.21</b>	<b>435.70</b>

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

	(₹ in Mn)		
Particulars	Premises	Vehicles	Total
<b>Balance as at 01 April, 2019</b>	<b>372.49</b>	<b>63.21</b>	<b>435.70</b>
Additions during the year	151.14	21.45	172.59
Depreciation charge for the year	(130.46)	(24.73)	(155.19)
Deletions during the year	(100.83)	(13.80)	(114.63)
Foreign Currency Translation Reserve	(0.28)	-	(0.28)
<b>Balance as at March 31, 2020</b>	<b>292.06</b>	<b>46.13</b>	<b>338.19</b>

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

	(₹ in Mn)	
Particulars	As at March 31, 2020	
Current lease liabilities	117.56	
Non-current lease liabilities	236.83	
<b>Total</b>	<b>354.39</b>	

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

	(₹ in Mn)		
Particulars	Premises	Vehicles	Total
Balance as at 01 April, 2019	372.49	63.21	435.70
Additions	150.87	21.45	172.32
Deletion	(102.61)	(13.95)	(116.56)
Finance cost accrued during the period	27.51	5.43	32.94
Payment of lease liabilities	(142.72)	(27.22)	(169.94)
Foreign Currency Translation Reserve	(0.07)	-	(0.07)
<b>Balance as at March 31, 2020</b>	<b>305.47</b>	<b>48.92</b>	<b>354.39</b>

Maturity analysis – contractual undiscounted cash flows

	(₹ in Mn)		
Particulars	Premises	Vehicles	Total
Less than one year	113.81	26.91	140.72
One to five years	230.71	27.50	258.21
More than five years	9.67	-	9.67
<b>Total undiscounted lease liabilities at 31 March 2020</b>	<b>354.19</b>	<b>54.41</b>	<b>408.60</b>
<b>Lease liabilities included in the statement of financial position at 31 March 2020</b>	<b>305.47</b>	<b>48.92</b>	<b>354.39</b>

#### Amounts recognised in profit or loss

	(₹ in Mn)
Particulars	As at March 31, 2020
Interest on lease liabilities	32.94
Expenses relating to short-term leases	61.43
Depreciation relating to leases	155.19
<b>Total</b>	<b>249.56</b>

#### Amounts recognised in the statement of cash flows

	(₹ in Mn)
Particulars	As at March 31, 2020
Total cash outflow for leases	169.94

## NOTE 18. OTHER NON FINANCIAL ASSETS

	(₹ in Mn)	
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Prepaid expenses	764.74	304.85
Advances recoverable in cash or in kind or for value to be received – Unsecured	32.55	100.33
Employee advance against expenses	2.30	3.13
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) - Receivable	1.12	0.25
Others	0.38	0.51
<b>Total</b>	<b>801.09</b>	<b>409.07</b>

## NOTE 19. 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 19.1)	-	-
-(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	694.45	514.73
<b>Total</b>	<b>694.45</b>	<b>514.73</b>
Other payables		
-(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
-(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,347.59	846.42
<b>Total</b>	<b>2,347.59</b>	<b>846.42</b>

**19.1. 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, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

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	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.

**NOTE 20. DEBT SECURITIES**

(₹ in Mn)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
Liability component of compound financial instruments - Secured	8,297.51	-	-	8,297.51	6,241.42	-	-	6,241.42
Bonds/ Debentures - Secured	22,405.16	23,196.23	-	45,601.39	18,188.13	15,239.13	-	33,427.26
Commercial papers - Unsecured	372.50	-	-	372.50	3,978.50	-	-	3,978.50
Less: Prepaid Discount	(9.92)	-	-	(9.92)	(151.72)	-	-	(151.72)
<b>Total</b>	<b>31,065.25</b>	<b>23,196.23</b>	<b>-</b>	<b>54,261.48</b>	<b>28,256.33</b>	<b>15,239.13</b>	<b>-</b>	<b>43,495.46</b>
Debt securities in India	31,065.25	23,196.23	-	54,261.48	28,256.33	15,239.13	-	43,495.46
Debt securities outside India	-	-	-	-	-	-	-	-
<b>Total</b>	<b>31,065.25</b>	<b>23,196.23</b>	<b>-</b>	<b>54,261.48</b>	<b>28,256.33</b>	<b>15,239.13</b>	<b>-</b>	<b>43,495.46</b>

(₹ in Mn)

Residual maturity	As at March 31, 2020		As at March 31, 2019	
At Amortised cost	Balance outstanding	Interest rate % (p.a)*	Balance outstanding	Interest rate % (p.a)*
Less than 1 year	5,940.11	6.75% - 10.00%	15,361.97	8.00% - 10.00%
1-5 years	20,964.16	8.50% - 10.25%	10,180.17	7.97% - 9.75%
Above 5 years	4,160.98	9.16% - 10.05%	2,714.19	9.16% - 11.18%
	<b>31,065.25</b>		<b>28,256.33</b>	
<b>At Fair value through profit or loss</b>				
Less than 1 year	5,560.61	Market linked	-	-
1-5 years	5,652.29	Market linked	1,779.17	Market linked
Above 5 years	11,983.33	Market linked	13,459.96	Market linked
	<b>23,196.23</b>		<b>15,239.13</b>	

\* Indicates Effective Interest Rate



The Secured Listed Non-Convertible Debentures of the Company are Secured by pari passu mortgage and charge over the Company's Identified 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.(PY 8% to 10% p.a)

(₹ in Mn)		
Debentures include :	Interest rates	As at March 31, 2020
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-05-2020	9.25% to 9.60%	1,155.08
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04-08-2020	8.50% to 9.00%	2,026.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16-10-2020	8.50% to 10.00%	1,296.44
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-02-2021	Market Linked	330.43
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02-03-2021	Market Linked	2,683.81
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-03-2021	9.25%	1,000.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18-03-2021	8.50%	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22-03-2021	Market Linked	2,546.37
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-04-2021	Market Linked	1,622.65
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-05-2021	8.50% to 10.00%	10,193.70
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-06-2021	9.42%	5,048.98
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09-08-2021	9.25%	583.67
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25-10-2021	8.50% to 9.25%	361.62
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-05-2022	9.35%	1,374.07
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-05-2022	9.35%	1,470.89
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-06-2022	Market Linked	42.88
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 02-08-2022	9.00% to 10.25%	1,569.94
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20-10-2022	8.88%	331.28
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12-07-2023	9.00%	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-12-2023	Market Linked	178.15
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28-12-2023	Market Linked	12.69
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18-01-2024	Market Linked	63.67
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07-02-2024	Market Linked	25.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14-02-2024	Market Linked	3,706.91
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26-06-2025	Market Linked	454.66

(₹ in Mn)		
Debentures include :	Interest rates	As at March 31, 2020
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-07-2025	Market Linked	581.61
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12-03-2026	Market Linked	5,049.22
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12-04-2026	Market Linked	2,453.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-04-2026	Market Linked	2,389.01
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10-11-2026	Market Linked	13.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13-11-2026	Market Linked	13.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23-11-2026	Market Linked	110.30
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-11-2026	Market Linked	45.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04-12-2026	Market Linked	25.75
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08-12-2026	Market Linked	12.84
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10-12-2026	Market Linked	12.94
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16-12-2026	Market Linked	64.56
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31-12-2026	Market Linked	25.94
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-02-2027	Market Linked	25.86
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11-12-2028	9.48%	502.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22-01-2029	9.16%	706.89
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15-03-2030	10.00%	1,032.47
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22-03-2029	10.00%	1,037.70
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27-03-2029	10.00%	650.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05-04-2029	Market Linked	705.91
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29-03-2030	10.00%	231.00
		<b>53,898.90</b>
(₹ in Mn)		
Commercial Papers include	Interest rates	As at March 31, 2020
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 13-05-2020	8.25%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 15-05-2020	8.50%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 18-05-2020	6.75%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 10-07-2020	8.50%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 10-07-2020	8.50%	62.50
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 28-12-2020	7.25%	60.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 25-02-2021	7.25%	50.00
		<b>372.50</b>

		(₹ in Mn)
Debentures include :	Interest rates	As at March 31, 2020
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2019	8.00% to 8.48%	2,067.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	9.50%	106.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 19/06/2019	9.73%	55.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/06/2019	8.00% to 8.45%	280.02
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/06/2019	9.50%	44.20
Market Linked Non Convertible Debenture of Face Value Rs. 10,00,000 Each Redeemable on 25/06/2019	8.50%	750.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2019	9.47%	75.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 03/07/2019	9.50%	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/07/2019	9.50%	161.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/07/2019	9.50%	4.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	8.50%	300.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/07/2019	9.50%	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 06/08/2019	8.50%	60.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/08/2019	8.54%	3.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/08/2019	8.72%	720.35
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/08/2019	9.50%	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/08/2019	8.50%	125.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/09/2019	9.35%	54.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/09/2019	9.35%	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/09/2019	9.35%	10.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/09/2019	9.35%	23.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/10/2019	9.35%	63.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 21/10/2019	8.88%	146.60
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2019	8.88%	164.10
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/10/2019	9.35%	20.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019	8.25% to 9.20%	2,584.09
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/11/2019	8.90%	78.20
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/11/2019	8.50%	27.50
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/11/2019	9.16%	31.70

		(₹ in Mn)
Debentures include :	Interest rates	As at March 31, 2020
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/11/2019	9.10%	14.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2019	9.51%	3,406.51
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 20/12/2019	9.65%	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 30/04/2020	9.50%	128.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2020	8.25% to 9.60%	3,041.18
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/05/2020	9.45%	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/08/2020	8.50% to 8.89%	430.53
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/03/2021	8.50%	100.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/05/2021	8.50% to 9.75%	1,803.45
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 09/08/2021	7.97% to 8.79%	994.60
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 25/10/2021	8.02% to 8.50%	476.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/05/2022	9.35%	1,441.31
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/05/2022	9.35%	1,684.18
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/07/2023	9.00%	30.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 15/12/2023	Market Linked	301.65
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 28/12/2023	Market Linked	11.57
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/01/2024	Market Linked	11.54
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/01/2024	Market Linked	58.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 07/02/2024	Market Linked	57.74
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 14/02/2024	Market Linked	1,338.68
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/10/2024	Market Linked	2,186.60
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 18/11/2024	Market Linked	2,182.20
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 26/06/2025	Market Linked	1,024.49
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/07/2025	Market Linked	838.53
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/12/2025	11.16% to 11.18%	1,504.37
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	Market Linked	1,688.06
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/03/2026	Market Linked	1,714.78
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 12/04/2026	Market Linked	2,296.78
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/04/2026	Market Linked	970.76

(₹ in Mn)		
Debentures include :	Interest rates	As at March 31, 2020
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/11/2026	Market Linked	72.47
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 13/11/2026	Market Linked	12.06
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 23/11/2026	Market Linked	102.34
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 27/11/2026	Market Linked	54.10
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	Market Linked	23.72
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 04/12/2026	Market Linked	11.85
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 08/12/2026	Market Linked	11.84
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 10/12/2026	Market Linked	11.88
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/12/2026	Market Linked	64.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 24/12/2026	Market Linked	35.66
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 31/12/2026	Market Linked	47.14
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 05/02/2027	Market Linked	23.63
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 29/12/2027	Market Linked	87.07
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 11/12/2028	9.48%	502.92
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/01/2029	9.16%	706.89
		<b>39,668.68</b>
(₹ in Mn)		
Commercial Papers include	Interest rates	As at March 31, 2019
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/04/2019	10.00%	500.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/04/2019	10.00%	250.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 16/04/2019	8.50%	80.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019	8.40%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019	9.25%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 22/04/2019	8.00%	100.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 07/05/2019	8.60%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 07/05/2019	8.00%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 13/05/2019	8.50%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 20/05/2019	8.50%	250.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 30/05/2019	8.60%	60.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 20/06/2019	9.25%	60.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 03/07/2019	9.25%	50.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 15/07/2019	8.45%	270.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019	9.50%	18.50
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019	9.50%	34.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019	9.50%	34.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 11/11/2019	9.50%	22.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 02/01/2020	9.50%	1,000.00
Commercial Paper of Face Value Rs. 5,00,000 Each Redeemable on 02/01/2020	9.50%	1,000.00
		<b>3,978.50</b>



## NOTE 21. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Mn)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amor- tised Cost	At Fair Value Through profit or loss	Desig- nated at fair value through profit or loss	Total	At Amor- tised Cost	At Fair Value Through profit or loss	Desig- nated at fair value through profit or loss	Total
(a) Term loans - secured								
-(i)from other parties	-	-	-	-	4.54	-	-	4.54
(b) Loans repayable on demand - secured	-	-	-	-	-	-	-	-
-(i)from banks	-	-	-	-	1,981.36	-	-	1,981.36
(c) Borrowings from Collateralized Borrowing and Lending Obligation (CBLO) - secured	28,500.00	-	-	28,500.00	9,850.00	-	-	9,850.00
Less: Prepaid Discount	(0.81)	-	-	(0.81)	(1.87)	-	-	(1.87)
<b>Total</b>	<b>28,499.19</b>	<b>-</b>	<b>-</b>	<b>28,499.19</b>	<b>11,834.03</b>	<b>-</b>	<b>-</b>	<b>11,834.03</b>

(₹ in Mn)

Residual maturity	As at March 31, 2020		As at March 31, 2019	
At Amortised cost	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
Less than 1 year	28,499.19	0.51%	11,834.03	8.00% - 10.40%
1-5 years	-	-	-	-
Above 5 years	-	-	-	-

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.

Borrowings from CBLO are secured against Investments in Government Securities.

Loans from other parties are secured against hypothecation of vehicles.

## Explanatory Notes

(₹ in Mn)

Particulars	As at March 31, 2020
Collateralized Borrowing and Lending Obligation Repayable on 03/04/2020	28,500.00
Particulars	As at March 31, 2019
Term Loan from Other parties includes	
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.54
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.64
Car Loan taken is repayable in monthly installment. Balance Tenure is of 9 months as on balance sheet date	0.91
Car Loan taken is repayable in monthly installment. Balance Tenure is of 10 months as on balance sheet date	0.53
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.74
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.26
Car Loan taken is repayable in monthly installment. Balance Tenure is of 12 months as on balance sheet date	0.28
	<b>4.54</b>
Working Capital Demand Loan Repayable on 30/08/2019	1,500.00
Working Capital Demand Loan Repayable on 02/04/2019	481.36
	<b>1,981.36</b>
Collateralized Borrowing and Lending Obligation Repayable on 02/04/2019	9,850.00

## NOTE 22. SUBORDINATED LIABILITIES

(₹ in Mn)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amor- tised cost	At Fair value through profit or loss	Desig- nated at fair value through profit or loss	Total	At Amor- tised cost	At Fair value through profit or loss	Desig- nated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3
<b>(A)</b>								
Perpetual Debt Instruments to the extent that do not qualify as equity (unsecured)	1,500.00	-	-	1,500.00	1,500.00	-	-	1,500.00
Subordinated debt (unsecured)	4,120.34	-	-	4,120.34	4,201.34	-	-	4,201.34
<b>Total (A)</b>	<b>5,620.34</b>	<b>-</b>	<b>-</b>	<b>5,620.34</b>	<b>5,701.34</b>	<b>-</b>	<b>-</b>	<b>5,701.34</b>
<b>(B)</b>								
Subordinated liabilities in India	5,620.34	-	-	5,620.34	5,701.34	-	-	5,701.34
Subordinated liabilities outside India	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>5,620.34</b>	<b>-</b>	<b>-</b>	<b>5,620.34</b>	<b>5,701.34</b>	<b>-</b>	<b>-</b>	<b>5,701.34</b>

(₹ in Mn)

Residual maturity At Amortised cost	As at March 31, 2020		As at March 31, 2019	
	Balance outstanding	Interest rate % (p.a)*	Balance outstanding	Interest rate % (p.a)*
Less than 1 year	-	-	-	-
1-5 years	4,120.34	8.8 % to 9.36%	4,201.34	8.8 % to 9.36%
Above 5 years	1,500.00	10.00 %	1,500.00	10.00 %
<b>Total</b>	<b>5,620.34</b>		<b>5,701.34</b>	

\* 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.

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Perpetual Debt Instruments include		
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 22/02/2027	1,000.00	1,000.00
10.00% Subordinated Perpetual Debt of Face Value Rs. 5,00,000 Each Redeemable on 02/03/2027	500.00	500.00
	<b>1,500.00</b>	<b>1,500.00</b>
Subordinated debt include		
	<b>Issue price</b>	<b>Issue price</b>
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 06/06/2022	2,000.00	2,000.00
11.42% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	721.00	750.00
9.10% Subordinated Debt of Face Value Rs. 10,00,000 Each Redeemable on 13/06/2022	25.36	25.36
9.10% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 24/06/2022	100.00	100.00
11.42% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 24/06/2022	36.00	55.00
11.42% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 30/06/2022	30.00	30.00
9.10% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 12/07/2022	10.00	10.00
9.10% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 22/07/2022	150.00	150.00
11.11% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	175.00	175.00
11.18% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	69.22	69.22
11.25% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	10.00	10.00
11.25% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	230.43	230.43
Subordinated debt include		
	<b>Issue price</b>	<b>Issue price</b>
11.30% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	70.05	70.05
11.33% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	79.76	79.76
11.37% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	111.21	111.21
11.40% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	20.25	20.25
11.45% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	10.25	10.25
11.62% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	82.54	82.54
12.18% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	49.06	49.06
12.28% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 02/05/2023	115.21	115.21
11.11% Subordinated Debt of Face Value Rs. 1000000 Each Redeemable on 10/01/2024	25.00	58.00
	<b>4,120.34</b>	<b>4,201.34</b>

**NOTE 23. OTHER FINANCIAL LIABILITIES**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due	2,876.24	2,434.72
Payable on account of purchase of investments	174.42	269.10
Margin money	2.27	-
Payable to companies under common control and other related parties (Refer Note 43)	5.33	5.69
Security deposit	0.30	0.30
Deposits from customers	1,622.99	-
Others	434.41	164.16
<b>Total</b>	<b>5,115.96</b>	<b>2,873.97</b>

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

**NOTE 24. PROVISIONS**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 35.1)	92.77	85.64
<b>Total</b>	<b>92.77</b>	<b>85.64</b>

**NOTE 25. OTHER NON FINANCIAL LIABILITIES**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue received in advance	1.21	-
Statutory remittances	322.31	258.35
Others	1.40	0.97
<b>Total</b>	<b>324.92</b>	<b>259.32</b>

**NOTE 26. SHARE CAPITAL**

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

(₹ in Mn)

Authorised :	As at March 31, 2020	As at March 31, 2019
132,650,000 (PY - 100,000,000) Equity shares of ₹ 2/- each with voting rights	265.30	200.00
<b>Issued, Subscribed and Paid Up:</b> 871,81,042 (PY - 84,521,324) Equity shares of ₹ 2/- each fully paidup with voting rights	174.36	169.04
Less: Treasury stock 36,040 (PY - 35,840) Equity shares of ₹ 2/- each	(0.07)	(0.07)
<b>Total</b>	<b>174.29</b>	<b>168.97</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹ in Mn)	No. of shares	Amount (₹ in Mn)
At the beginning of the year	84,521,324	169.04	79,753,463	159.50
Add: Issued during the year	2,659,718	5.32	4,767,861	9.54
<b>Subtotal</b>	<b>87,181,042</b>	<b>174.36</b>	<b>84,521,324</b>	<b>169.04</b>
<b>Less: Treasury stock</b>				
At the beginning of the year	(35,840)	(0.07)	(1,789)	-
Movement during the year	(200)	-	(34,051)	(0.07)
<b>At the end of the year</b>	<b>(36,040)</b>	<b>(0.07)</b>	<b>(35,840)</b>	<b>(0.07)</b>
<b>Outstanding at the end of the year</b>	<b>87,145,002</b>	<b>174.29</b>	<b>84,485,484</b>	<b>168.97</b>

**(c) Movement of shares pursuant to the composite scheme of arrangement (Refer Note 3)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹ in Mn)	No. of shares	Amount (₹ in Mn)
At the beginning of the year	600,442	1.20	-	-
Equity Shares of ₹ 2/- pending issuance pursuant to the Composite scheme of arrangement	-	-	45,600,442	91.20
Less: Equity shares of ₹ 2/- held by IIFL Holdings Limited to be cancelled	-	-	(45,000,000)	(90.00)
Less: Issued during the year	(600,442)	(1.20)	-	-
<b>Incremental shares to be issued*</b>	<b>-</b>	<b>-</b>	<b>600,442</b>	<b>1.20</b>

\* Further to the above additional shares of 4,482 equity shares of ₹ 2/- each were issued during the year on account of increase in share capital of IIFL Finance Limited( Formerly known as IIFL Holdings Limited) subsequent to March 31, 2019.

**(d) Terms/rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2020, interim dividend of ₹ 20/- (PY - ₹ 10/-)has been paid and recognised as distribution to equity shareholders.

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

**(e) Details of shareholders holding more than 5% shares after giving effect to the Composite scheme of arrangement (Refer note 3):**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
General Atlantic Singapore Fund Pte Ltd	18,619,550	21.4%	18,619,550	21.9%
FIH Mauritius Investments Ltd	12,091,635	13.9%	12,091,635	14.2%
Nirmal Jain	6,228,856	7.1%	6,628,857	7.8%
Karan Bhagat	136,300	0.2%	5,991,875	7.0%

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding company, please refer note. 40

**(f) During the period of 5 years immediately preceding the Balance Sheet date, the Holding company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares other than those issued under the composite scheme of arrangement (Refer Note 3)****NOTE 27. OTHER EQUITY**

Particulars	(₹ in Mn)	
	As at March 31, 2020	As at March 31, 2019
Securities premium	18,804.34	18,124.02
General reserve	196.00	183.50
Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934	1,118.74	879.25
Capital reserve	111.00	111.00
Share application money	0.07	-
ESOP Reserve	255.40	97.02
Retained earnings	9,052.45	9,393.55
Debenture Redemption Reserve	-	12.50
Foreign exchange fluctuation reserve	202.74	133.14
<b>Total</b>	<b>29,740.74</b>	<b>28,933.98</b>

**NOTE 28. 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	-	4,651.97	-	4,651.97	-	5,909.38	-	5,909.38
Interest income from investments	-	-	3,126.24	3,126.24	-	-	574.72	574.72
Interest on deposits with banks	-	13.48	-	13.48	-	53.28	-	53.28
Other interest income	-	7.56	-	7.56	-	0.51	-	0.51
<b>Total</b>	<b>-</b>	<b>4,673.01</b>	<b>3,126.24</b>	<b>7,799.25</b>	<b>-</b>	<b>5,963.17</b>	<b>574.72</b>	<b>6,537.89</b>

**NOTE 29. DIVIDEND & DISTRIBUTION INCOME ON INVESTMENTS**

(₹ in Mn)

Particulars	2019-20	2018-19
Dividend Income	17.71	13.50
Distribution income on investments	27.79	280.33
<b>TOTAL</b>	<b>45.50</b>	<b>293.83</b>

**NOTE 30. FEES AND COMMISSION INCOME**

Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The fees are recognised as per the terms and periodicity defined in the respective contracts. The table also includes a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

(₹ in Mn)

Particulars	2019-20	2018-19
Distribution fees, commission and related income	3,921.32	5,634.05
Brokerage income	350.02	295.46
Advisory fees and related income	55.29	328.01
Trustee fees	81.57	71.71
Asset and portfolio management related fees	2,367.43	1,733.28
<b>TOTAL</b>	<b>6,775.63</b>	<b>8,062.51</b>

**NOTE 31. 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	2,300.40	716.31
- Derivatives	60.44	(143.43)
- Borrowings	(2,691.77)	40.23
(B) Others	-	-
<b>Total net gain/(loss) on fair value changes (C)</b>	<b>(330.93)</b>	<b>613.11</b>
(D) Fair value changes:		
-Realised	2,636.82	752.00
-Unrealised	(2,967.75)	(138.89)
<b>Total net gain/(loss) on fair value changes</b>	<b>(330.93)</b>	<b>613.11</b>



**NOTE 32. OTHER INCOME**

	(₹ in Mn)	
Particulars	2019-20	2018-19
Profit/ (Loss) on cancellation of lease	(1.17)	-
Rent income	60.82	-
Interest Income	98.70	98.83
Change in fair value of investments - realised	61.13	(82.88)
Change in fair value of investments - unrealised	19.25	256.79
Dividend Income	0.41	0.52
Distribution income	0.00#	0.44
Miscellaneous income	4.83	8.95
<b>Total</b>	<b>243.97</b>	<b>282.65</b>

# Amount less than ₹ 10,000

**NOTE 33. 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	-	2,038.56	2,038.56	-	2,222.52	2,222.52
Interest on debt securities	1.40	2,288.86	2,290.26	5.99	1,463.52	1,469.51
Interest on subordinated liabilities	-	605.65	605.65	-	567.52	567.52
Other finance Costs	-	81.37	81.37	-	51.27	51.27
<b>Total</b>	<b>1.40</b>	<b>5,014.44</b>	<b>5,015.84</b>	<b>5.99</b>	<b>4,304.83</b>	<b>4,310.82</b>

**NOTE 34. IMPAIRMENT ON FINANCIAL INSTRUMENTS (REFER NOTE 39)**

	(₹ 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 financial assets	-	7.79	-	(1.10)
<b>Total</b>	<b>-</b>	<b>(53.01)</b>	<b>-</b>	<b>(76.66)</b>

**NOTE 35. EMPLOYEE BENEFIT EXPENSES**

	(₹ in Mn)	
Particulars	2019-20	2018-19
Salaries and wages	3,290.19	3,056.77
Contribution to provident and other funds (Refer Note 35.2)	103.37	90.97
Share based payments to employees	230.00	28.38
Staff welfare expenses	70.62	152.94
Gratuity expense (Refer Note 35.1)	35.10	27.66
Leave encashment	0.04	(45.01)
<b>Total</b>	<b>3,729.32</b>	<b>3,311.71</b>

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

	(₹ in Mn)	
Particulars	2019-20	2018-19
Type of benefit	Gratuity	Gratuity
Country	India /Dubai	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Funded/Unfunded	Funded/Unfunded
Starting period	01-Apr-19	01-Apr-18
Date of reporting	31-Mar-20	31-Mar-19
	12 Months	12 Months
<b>Assumptions</b>		
Expected return on plan assets	6.04%	7.53%-7.64%
Rate of discounting	6.04%-6.56%	7.53%-7.70%
Rate of salary increase	7.50%	5%-10%
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.
<b>Table showing change in the present value of projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the period	185.00	136.13
Interest cost	13.04	10.50
Current service cost	29.35	24.05
Past service cost	-	-
Liability transferred in/ acquisitions	134.42	17.68
(Liability transferred out/ divestments)	(138.52)	(2.14)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	(12.25)	(0.44)
(Benefit paid from the fund)	(18.11)	(8.43)
The effect of changes in foreign exchange rates	0.23	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.61
Actuarial (gains)/losses on obligations - due to change in financial assumptions	25.23	2.28
Actuarial (gains)/losses on obligations - due to experience	(0.99)	4.76
Present value of benefit obligation at the end of the period	217.40	185.00
<b>Table showing change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the period	99.36	84.68
Interest income	7.29	6.89
Contributions by the employer	34.28	-
Expected contributions by the employees	-	-
Assets transferred in/acquisitions	103.21	13.23
(assets transferred out/ divestments)	(103.21)	-
(benefit paid from the fund)	(18.11)	(8.43)
(assets distributed on settlements)	-	-
(expenses and tax for managing the benefit obligations- paid from the fund)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	1.81	2.99
Fair value of plan assets at the end of the period	124.63	99.36

	(₹ in Mn)	
Particulars	2019-20	2018-19
<b>Amount recognized in the balance sheet</b>		
(Present value of benefit obligation at the end of the period)	(217.40)	(185.00)
Fair value of plan assets at the end of the period	124.63	99.36
Funded status (surplus/ (deficit))	(92.77)	(85.64)
Net (liability)/asset recognized in the balance sheet	(92.77)	(85.64)
<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	185.00	136.13
(fair value of plan assets at the beginning of the period)	(99.36)	(84.68)
Net liability/(asset) at the beginning	85.64	51.45
Interest cost	13.04	10.50
(Interest income)	(7.29)	(6.89)
Net interest cost for current period	5.75	3.61
Particulars	2019-20	2018-19
<b>Expenses recognized in the statement of profit or loss for current period</b>		
Current service cost	29.35	24.05
Net interest cost	5.75	3.61
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	35.10	27.66
<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	24.24	7.65
Return on plan assets, excluding interest income	(1.81)	(2.99)
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in oci	22.43	4.66
<b>Balance sheet reconciliation</b>		
Opening net liability	85.64	51.45
Expenses recognized in statement of profit or loss	35.10	27.66
Expenses recognized in OCI	22.43	4.66
Net liability/(asset) transfer in	31.21	4.45
Net (liability)/asset transfer out	(35.31)	(2.14)
(Benefit paid directly by the employer)	(12.25)	(0.44)
(Employer's contribution)	(34.28)	-
The Effect Of Changes in Foreign Exchange Rates	0.23	-
Net liability/(asset) recognized in the balance sheet	92.77	85.64
<b>Category of assets</b>		
Government of india assets	-	-
State government securities	-	-
Special deposits scheme	-	-
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	124.64	99.36
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
Total	124.64	99.36
<b>Other details</b>		
No of active members	873	975
Per month salary for active members	81.53	87.98
Weighted average duration of pbo	76	69
Average expected future service	62	60
Projected benefit obligation (pbo)	217.40	185.00
Prescribed contribution for next year (12 months)	63.64	54.93

	(₹ in Mn)	
Particulars	2019-20	2018-19
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	217.40	185.00
(Fair Value of Plan Assets at the End of the Period)	(124.63)	(99.36)
Net Liability/(Asset) at the End of the Period	92.77	85.64
Interest Cost	12.90	13.31
(Interest Income)	(7.53)	(7.54)
Net Interest Cost for Next Year	5.37	5.77
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>	-	-
Current Service Cost	28.77	26.26
Net Interest Cost	5.37	5.77
(Expected Contributions by the Employees)	-	-
Expenses Recognized	34.14	32.02
<b>Maturity analysis of the benefit payments</b>		
1st following year	14.54	14.59
2nd following year	12.81	13.90
3rd following year	13.22	15.14
4th following year	13.87	15.73
5th following year	13.51	17.22
Sum of years 6 to 10	62.18	73.73
Sum of years 11 and above	180.53	222.47
<b>Sensitivity analysis</b>		
PBO on current assumptions	210.19	(12.77)
Delta effect of +1% change in rate of discounting	(16.32)	14.67
Delta effect of -1% change in rate of discounting	18.84	8.56
Delta effect of +1% change in rate of salary increase	10.35	(8.42)
Delta effect of -1% change in rate of salary increase	(10.29)	2.03
Delta effect of +1% change in rate of employee turnover	0.58	(2.40)
Delta effect of -1% change in rate of employee turnover	(0.78)	-

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

### 35.2 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	103.23	90.53
Contribution to ESIC	0.14	0.44
Contribution to labour welfare fund	0.00#	0.00#
<b>Total</b>	<b>103.37</b>	<b>90.97</b>
# Amount less than ₹ 10,000		

### NOTE 36. OTHER EXPENSES

	(₹ in Mn)	
Particulars	2019-20	2018-19
Operations and fund management expenses	264.02	169.19
Rent and energy cost	42.65	446.52
Insurance	9.23	5.94
Repairs & maintenance	13.37	14.90
Marketing, advertisement and business promotion expenses	274.36	449.84
Travelling & conveyance	178.39	236.88
Legal & professional fees	358.76	265.89
Communication	37.59	43.54
Software charges / Technology cost	163.76	130.65
Office & other expenses	172.60	118.16
Directors' fees and commission	14.77	15.22
Remuneration to Auditors :		
Audit fees (net of GST input credit)*	22.14	12.93
Goods & Service tax	0.46	0.15
Certification expenses	2.05	0.13
Out Of pocket expenses	0.59	0.69
Corporate social responsibility expenses & donation (Refer Note 44) [Includes Donation amounting to ₹ 1.31 Mn (P.Y 4.98 Mn)]	92.66	71.68
Loss on sale of assets	9.35	0.84
<b>Total</b>	<b>1,656.75</b>	<b>1,983.15</b>

\*Includes fees amounting to ₹6.5 Mn for audit of restated financials for listing purpose

**NOTE 37. 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
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
(i)	Current Income tax :		
	Current income tax expense	683.37	1,643.73
	Effect of previously unrecognised tax losses and tax offsets used during the current year	-	-
	Tax expense in respect of earlier years	10.19	(0.01)
		693.56	1,643.72
(ii)	Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	195.04	(9.88)
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	-	-
	Effect on deferred tax balances due to the change in income tax rate	(36.03)	-
		159.01	(9.88)
	<b>Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)]</b>	<b>852.57</b>	<b>1,633.84</b>

Sr. No.	Particulars	2019-20	2018-19
(b)	Other Comprehensive Income (OCI) Section:		
(i)	Items not to be reclassified to profit or loss in subsequent periods:		
(A)	Current tax expense/(income):		
	On re-measurement of defined benefit plans	-	-
(B)	Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	5.65	2.42
	<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>5.65</b>	<b>2.42</b>

(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)	<b>Profit/(loss) before tax</b>	<b>2,864.21</b>	<b>5,379.31</b>
(b)	Income tax expense at tax rates applicable to individual entities	1,261.37	1,986.71
(c)	(i) Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	39.16	(125.77)
(d)	(ii) Tax on Income exempt from Tax		
	(A) Income from Investments (Including tax suffered income on investment in AIF)	(443.06)	(95.93)
	(B) Income exempt on account of Merger	0.01	-
	(iii) Tax on expense not tax deductible		
	Expenses not allowable as tax deductible as per tax laws	11.90	12.87
(iv)	Tax effect of losses of current year on which no deferred tax benefit is recognised	13.60	30.46
(v)	Tax effect of losses/ provisions of previous year on which deferred tax benefit is recognised in current year	(0.92)	-
(vi)	Tax on Dividend earned from Offshore subsidiary	-	(145.26)
(vii)	Effect on deferred tax due to change in Income tax	(36.03)	-
(viii)	Tax expense in respect of earlier years	10.19	(0.01)
(ix)	Tax effect on various other items	(3.65)	(29.23)
	<b>Total effect of tax adjustments [(i) to (vi)]</b>	<b>(408.80)</b>	<b>(352.87)</b>
(e)	Tax expense recognised during the year	<b>852.57</b>	<b>1,633.84</b>



**NOTE 38. 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		2.00	2.00
<b>BASIC</b>			
Profit after tax as per consolidated statement of profit and loss before Other Comprehensive Income (₹ in Mn)	A	2,011.64	3,745.47
Weighted average number of shares subscribed*	B	86,072,427	83,915,167
Face value of equity shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	23.37	44.63
<b>DILUTED</b>			
Profit after tax as per consolidated statement of profit and loss before Other Comprehensive Income (₹ in Mn)	A	2,011.64	3,745.47
Weighted average number of shares subscribed*	B	86,072,427	83,915,167
Add: Potential equity shares on account of conversion of employee stock option	C	2,051,759	2,454,209
Weighted average number of shares outstanding	D=B+C	88,124,186	86,369,376
Diluted EPS (₹)	A/D	22.83	43.37

\*including Nil (PY - 580,199) weighted average no. of shares pending issuance as at the year end as per the Composite Scheme of Arrangement

**NOTE 39. DISCLOSURE PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS: DISCLOSURES"****FINANCIAL RISK MANAGEMENT****39A.1. CREDIT RISK**

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

**1) Lending operations – Loans**

The Lending Operations of the Group have a well-defined framework within which credit risk is assumed, managed and monitored. Credit 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 carrying amount of Loans arising from lending business which may be subject to credit risk are as per table below:

(₹ in Mn)

Particulars	Apr 2019- Mar 2020				
	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 to Customers *	36,469.11	-	-	-	36,469.11
<b>Total gross carrying amount</b>	36,469.11	-	-	-	36,469.11
Loss allowance	(167.20)				(167.20)
Carrying amount	36,301.91	-	-	-	36,301.91

\* Excludes loans to staff, loans under CBLO and Inter corporate Deposits.

(₹ in Mn)

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

\* Excludes loans to staff, loans under CBLO and Inter corporate Deposits.

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

(₹ in Mn)

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
<b>Loss allowance as at 01.04.2019</b>	<b>228.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.00</b>
Provision on loans originated during the year	44.53	-	-	-	<b>44.53</b>
Net change in provision on continuing loans	48.75	-	-	-	<b>48.75</b>
Provision on loans derecognised during the year	(154.08)				<b>(154.08)</b>
<b>Loss allowance as at 31.03.2020</b>	<b>167.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.20</b>

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

(₹ in Mn)

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
<b>Loss allowance as at 01.04.2018</b>	<b>303.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303.56</b>
Provision on loans originated during the year	67.12	-	-	-	<b>67.12</b>
Net change in provision on continuing loans	(73.59)	-	-	-	<b>(73.59)</b>
Provision on loans derecognised during the year	(69.09)				<b>(69.09)</b>
<b>Loss allowance as at 31.03.2019</b>	<b>228.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.00</b>

In addition to loans from lending business, the Group has outstanding loans under CBLO arrangement, staff and Inter corporate deposits. The Group has not made any provision for ECL on these loans as credit risk is considered insignificant.

**Credit concentration and gradation**

The Group provides loans mainly to High Net Worth Individuals (HNIs) against securities/collaterals in 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 Group 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. As such the Group has not implemented the system for credit grading of borrowers since most of its loans are against collaterals in from underlying financial instruments.

## 2) Trade receivables, Other receivables and Other Financial Assets

The Group's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Group has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

**Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :**

(₹ in Mn)		
Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Balance at the beginning of the year	3.19	4.27
Movement in expected credit loss allowances on trade receivable	6.79	(1.08)
Foreign Currency Translation	0.51	-
<b>Balance at the end of the year</b>	<b>10.49</b>	<b>3.19</b>

## 3) Others

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds, derivative financial instruments and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

The credit risk in respect of Derivative Financial instruments and investments in bonds, debt securities, government securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments. Derivative transactions are transacted on exchanges with central counterparties or entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. Considering the above, the credit risk on such instruments is considered to be insignificant.

Credit Risk on Other Receivables and Other Financial assets is considered very low as the counterparty is mainly stock exchanges.

## 39B. LIQUIDITY RISK

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group 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 Group 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 Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

(₹ in Mn)						
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	694.45	318.58	372.16	3.71	-	-
Other Payables	2,347.59	2,347.59	-	-	-	-
Debt Securities	54,261.48	-	3,439.78	8,060.94	26,616.45	16,144.31
Borrowings (Other than Debt Securities)	28,499.19	28,499.19	-	-	-	-
Subordinated Liabilities	5,620.34	-	-	-	4,120.34	1,500.00
Other financial liabilities	5,115.96	2,237.44	323.33	104.42	2,300.12	150.65
<b>Total</b>	<b>99,027.38</b>	<b>33,402.80</b>	<b>4,184.32</b>	<b>8,279.89</b>	<b>35,365.41</b>	<b>17,794.96</b>

For Finance Lease Obligation maturity refer note 17

(₹ in Mn)

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	178.21
Trade Payables	514.73	475.32	-	39.41	-	-
Other Payables	846.42	846.42	-	-	-	-
Debt Securities	43,495.46	3,096.31	3,708.49	8,557.17	11,959.34	16,174.15
Borrowings (Other than Debt Securities)	11,834.03	10,329.94	1,502.29	1.80	-	-
Subordinated Liabilities	5,701.34	-	-	-	4,201.34	1,500.00
Other financial liabilities	2,873.97	588.97	442.43	437.71	1,247.73	157.13
<b>Total</b>	<b>67,782.04</b>	<b>15,336.96</b>	<b>5,653.21</b>	<b>9,367.18</b>	<b>19,415.20</b>	<b>18,009.49</b>

### 39C. 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.

#### 39C.1 CURRENCY RISK

The Group (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Group has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2019-2020 are as below:

(₹ in Mn)						
Particulars	USD	MUR	INR	Euro	CHF	GBP
Cash and Cash Equivalents	93.68	0.45	-	0.00#	0.03	0.03
Trade Receivables	274.30	-	31.86	-	-	-
Other Receivables	-	-	-	0.98	-	-
Other Financial Assets	0.39	-	-	-	-	-
Trade Payables	54.38	-	0.17	-	0.27	18.30

Particulars	AED	CAD	HKD	OMR	QAR	RMB
Cash and Cash Equivalents	0.00#	0.01	0.03	0.09	0.00#	0.03

Particulars	SGD
Cash and Cash Equivalents	0.02

# Amount less than ₹ 10,000

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2018-2019 are as below:

(₹ in Mn)					
Particulars	USD	MUR	INR	Euro	CHF
Cash and Cash Equivalents	125.75	0.22	-	-	-
Trade Receivables	20.13	-	-	-	-
Other Financial Assets	0.30	-	-	-	-
Trade Payables	18.90	0.18	-	1.14	0.67

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

	2019-20	2018-19
<b>Increase</b>		
Impact on Profit and Loss after tax	2.78	1.26
Impact on Equity	2.78	1.26
<b>Decrease</b>		
Impact on Profit and Loss after tax	(2.78)	(1.26)
Impact on Equity	(2.78)	(1.26)

### 39C.2 INTEREST RATE RISK

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

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

The carrying amount of floating rate liabilities and related interest rate sensitivity is as below: (₹ in Mn)

Particulars	As at 31st March 2020	As at 31st March 2019
Floating Rate Liabilities (Debt Securities and Borrowings)	5,049.18	5,387.98

A hypothetical 0.25% shift in underlying benchmark rates will have the below impact : (₹ in Mn)

Impact on Profit and Loss after tax and equity	2019-20	2018-19
Increase of 0.25%	(9.45)	(8.76)
Decrease of 0.25%	9.45	8.76

The loans arising from lending operations generally provide for reset of the interest rates based on its Prime lending Rate (PLR). The Group 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 Group to mitigate interest risk on revision/ repricing of interest bearing liabilities. As such the Group 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
<b>Impact on Profit and Loss after tax and equity</b>	<b>2019-20</b>	<b>2018-19</b>
Increase of 0.25%	68.23	79.87
Decrease of 0.25%	(68.23)	(79.87)

### 39C.3 OTHER PRICE RISK

Other price risk is related to the change in market reference price of the derivative financial instruments, investments, government securities and debt securities which are fair valued and exposes the Group 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
<b>Financial Assets</b>		
Derivative financial instruments	1,315.86	960.95
Investments	65,124.39	30,525.66
	<b>66,440.25</b>	<b>31,486.61</b>
<b>Financial Liabilities</b>		
Derivative financial instruments	2,488.37	2,516.09
Debt securities	23,196.23	15,239.13
	<b>25,684.60</b>	<b>17,755.22</b>

Sensitivity to change in prices of the above assets and liabilities are measured on the following parameters

Investments in AIFs / MFs / others	1% change in the NAV/price
Financial assets and liabilities including derivative assets and liabilities linked to equity index/ others	1% change in the underlying index or in value of the instruments as the case may be
Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/price movements in the interest bearing securities	0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value

Below is the sensitivity analysis for the year :

	2019-20	2018-19
<b>Increase</b>		
Impact on Profit and Loss after tax	349.37	65.23
Impact on Equity	349.37	65.23
<b>Decrease</b>		
Impact on Profit and Loss after tax	(349.37)	(65.23)
Impact on Equity	(349.37)	(65.23)



### 39D. CAPITAL MANAGEMENT

The Group'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 Group and regulatory capital requirements of its businesses and constituent entities.

### 39E. CATEGORY WISE CLASSIFICATION FOR APPLICABLE FINANCIAL ASSETS AND LIABILITIES

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2020			
		Measure at Amoris 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	9,363.13	-	-	9,363.13
(b)	Bank balance other than (a) above	2,423.92	-	-	2,423.92
(c)	Derivative financial instruments	-	1,315.86	-	1,315.86
(d)	Receivables				-
	(I) Trade receivables	2,420.49	-	-	2,420.49
	(II) Other receivables	1,180.00	-	-	1,180.00
(e)	Loans	36,318.93			36,318.93
(f)	Investments	-	65,124.39	-	65,124.39
(g)	Other financial assets	4,384.03	-	-	4,384.03
Total		56,090.50	66,440.25	-	122,530.75
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	694.45	-	-	694.45
	(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	2,347.59			2,347.59
(c)	Finance Lease Obligations	354.39			354.39
(d)	Debt securities	31,065.25	23,196.23	-	54,261.48
(e)	Borrowings (other than debt securities)	28,499.19	-	-	28,499.19
(f)	Subordinated liabilities	5,620.34	-	-	5,620.34
(g)	Other financial liabilities	5,115.96	-	-	5,115.96
Total		73,697.17	25,684.60	-	99,381.77

(₹ in Mn)

Sr. No.	Particulars	As at 31st March 2019			Total
		Measure at Amorisied Cost	Measured At Fair Value through Profit or Loss(P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	
Financial Assets					
(a)	Cash and cash equivalents	1,646.23	-	-	1,646.23
(b)	Bank balance other than (a) above	1,127.95	-	-	1,127.95
(c)	Derivative financial instruments	-	960.95	-	960.95
(d)	Receivables				-
	(I) Trade receivables	2,960.74	-	-	2,960.74
	(II) Other receivables	4,244.56	-	-	4,244.56
(e)	Loans	49,664.60			49,664.60
(f)	Investments	-	30,525.66	-	30,525.66
(g)	Other financial assets	524.06	-	-	524.06
	Total	60,168.14	31,486.61	-	91,654.75
Financial Liabilities					
(a)	Derivative financial instruments	-	2,516.09	-	2,516.09
(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	514.73	-	-	514.73
	(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	846.42			846.42
(c)	Finance Lease Obligations	-			-
(d)	Debt securities	28,256.33	15,239.13	-	43,495.46
(e)	Borrowings (other than debt securities)	11,834.03	-	-	11,834.03
(f)	Subordinated liabilities	5,701.34	-	-	5,701.34
(g)	Other financial liabilities	2,873.97	-	-	2,873.97
	Total	50,026.82	17,755.22	-	67,782.04

### 39E.1. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group 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.

### 39E. 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.

(₹ in Mn)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	12,436.24			12,436.24
Investments in Debt securities		12,716.44		12,716.44
Investments in Government Securities		32,164.29		32,164.29
Investments in Equity Shares *			107.46	107.46
Investments in Alternate Investment Funds #			7,699.96	7,699.96
Investments in Others	-			-
Derivatives financial Assets		1,315.86		1,315.86
<b>Total Assets</b>	<b>12,436.24</b>	<b>46,196.59</b>	<b>7,807.42</b>	<b>66,440.25</b>
<b>Financial Liabilities measured at Fair values</b>				
Bonds/ Debentures		23,196.23		23,196.23
Derivative financial liabilities		2,488.37		2,488.37
<b>Total Liabilities</b>	<b>-</b>	<b>25,684.60</b>	<b>-</b>	<b>25,684.60</b>

\* The fair values of unlisted equity are determined basis the independent third party valuations.

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

(₹ in Mn)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	1,566.65			1,566.65
Investments in Debt securities		13,008.00		13,008.00
Investments in Government Securities		10,352.03		10,352.03
Investments in Equity Shares *			2.68	2.68
Investments in Alternate Investment Funds #			5,011.25	5,011.25
Investments in Others	585.05			585.05
Derivatives financial Assets		960.95		960.95
<b>Total Assets</b>	<b>2,151.70</b>	<b>24,320.98</b>	<b>5,013.93</b>	<b>31,486.61</b>
<b>Financial Liabilities measured at Fair values</b>				
Bonds/ Debentures		15,239.13		15,239.13
Derivative financial liabilities		2,516.09		2,516.09
<b>Total Liabilities</b>	<b>-</b>	<b>17,755.22</b>	<b>-</b>	<b>17,755.22</b>

\* The fair values of unlisted equity are determined basis the independent third party valuations.

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

#### Reconciliation of Level 3 fair value measurements

(₹ in Mn)

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Balance	5,013.93	3,783.56
Total gains or losses		
- in profit or loss	320.89	7.17
MTM Gain / ( Loss )	(506.00)	5.56
Purchases	10,440.90	10,400.19
Disposal/ Settlements	(7,462.30)	(9,182.55)
Transfer out of Level 3	-	-
Closing Balance	7,807.42	5,013.93

**39E. 1B. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST**

(₹ in Mn)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2020		As at 31st March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	9,363.13	9,363.13	1,646.23	1,646.23
Bank balance other than above	2,423.92	2,423.92	1,127.95	1,127.95
<b>Receivables</b>				
(I) Trade receivables	2,420.49	2,420.49	2,960.74	2,960.74
(II) Other receivables	1,180.00	1,180.00	4,244.56	4,244.56
Loans	36,318.93	36,318.93	49,664.60	49,664.60
Other financial assets	4,384.03	4,384.03	524.06	524.06
<b>Financial Liabilities</b>				
(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	694.45	694.45	514.73	514.73
(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	2,347.59	2,347.59	846.42	846.42
Finance Lease Obligations	354.39	354.39	-	-
Debt securities	31,065.25	31,123.79	28,256.33	28,111.23
Borrowings (other than debt securities)	28,499.19	28,499.19	11,834.03	11,834.03
Subordinated liabilities	5,620.34	4,972.04	5,701.34	5,694.12
Other financial liabilities	5,115.96	5,115.96	2,873.97	2,873.97

**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 nature of assets.

**Financial liabilities measured at amortised cost:**

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

(₹ in Mn)

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
<b>Financial Liabilities</b>				
Debt securities		31,123.79		31,123.79
Subordinated liabilities		4,972.04		4,972.04

(₹ in Mn)

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
<b>Financial Liabilities</b>				
Debt securities		28,111.23		28,111.23
Subordinated liabilities		5,694.12		5,694.12

**NOTE 40 A**

The Parent Company i.e. IIFL Wealth Management Limited has implemented equity settled Employee Stock Options Scheme 2012 (ESOP 2012) and Employee Stock Options Scheme 2015 (ESOP 2015) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Nomination and Remuneration Committee and ESOP Schemes. Similarly, the ESOPs were granted to employees in November 2019 by implementing Employee Stock Options Scheme 2019 (ESOP 2019).

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

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
No. of options granted up to March 31, 2020	2,731,935 (A - 1,240,900; B - 752,550; C - 607,500; D - 117,100; E - 13,885)	9,242,941 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827; F - 170,028)	2,338,909 (A - 1,242,909; B - 1,096,000)
Grant dates	A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014, E - January 28, 2018	A - July 02, 2015, B - November 10, 2016 C- July 21, 2017; D - January 13, 2018; E - January 28, 2018; F - January 29, 2019	A - November 15, 2019, B - November 15, 2019
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options
Exercise period	Seven years from the date of grant	Seven years from the date of grant	Seven years from the date of grant
Grant price (₹ Per Share)	A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, E - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D E - ₹ 417.00, F - ₹ 1661.00	A - ₹ 861.00, B - ₹ 861.00
Fair value on the date of grant of option (₹ Per Share)	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00	₹ 1223.80

**(B) Movement of options granted:**

**As at March 31, 2020**

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Options outstanding at the beginning of April 01, 2019	19,195	3,472,436	0
Granted during the year	0	0	2,338,909
Exercised during the year	4,950	1,968,337	0
Lapsed during the year	0	183,904	39,583
Options outstanding as at March 31, 2020	14,245	1,320,195	2,299,326
Exercisable at the end of the year March 31, 2020	5,914	386,221	0
Weighted average exercise price for the options exercised during the year FY 19-20	₹ 340.19	₹ 309.28	NA
Range of exercise price for the options outstanding at the end of the year March 31, 2020	₹ 16.00 to ₹ 417.00	₹ 282.00 to ₹ 1661.00	₹ 861.00

**As at March 31, 2019**

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Options outstanding at the beginning of April 01, 2018	24,975	3,740,357	-
Granted during the year	0	170,028	-
Exercised during the year	4,390	273,971	-
Lapsed during the year	1,390	163,978	-
Options outstanding as at March 31, 2019	19,195	3,472,436	-
Exercisable at the end of the year March 31, 2019	5,310	872,067	-
Weighted average exercise price for the options exercised during the year FY 18-19	₹ 17.54	₹ 325.02	-
Range of exercise price for the options outstanding at the end of the year March 31, 2019	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 1661.00	-

**Fair Value Assumptions:**

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

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

Particulars	ESOP 2012	ESOP 2015	ESOP 2019
Risk free interest rate	6.67%-9.09%	6.19%-7.86%	5.48%-5.99%
Expected average life	2-5 years	2-5 years	2-4 years
Expected volatility of Share Price	10.00%	10.00%	12.24% - 13.34%
Dividend yield	3%-23.19%	1.5% - 3%	1.95%
Fair value on the date of the grant	₹ 11.80 - ₹ 409.00	₹ 274.00 - ₹ 1297.00	₹ 1223.80



**NOTE 40B**

In terms of the Composite Scheme of Arrangement (Scheme) amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), the Company ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which was approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013, the equity options holders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (Options holders) shall be granted 1 stock option by the Company for every 7 stock options held in IIFL Finance Limited, on terms and conditions similar to the ESOP Scheme of IIFL Finance Limited. Accordingly, 1,27,912 options of IIFL Wealth Management Limited were granted on August 21, 2019.

Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
No. of options granted up to March 31, 2020	127,912 A - 127,912
Grant dates	A - 31st May 2019 (i.e. effective date of Demerger)
Method of accounting	NA*
Vesting plan	Options granted would vest as per the vesting schedule as determined under each series of grant of IIFL Holdings Limited after taking the effect of demerger dated May 31, 2019 and as approved by Nomination & Remuneration Committee subject to minimum period of one year from the original date of grant of such options
Exercise period	Five years from the Original date of grant
Grant price (₹ Per Share)	₹ 82.02, ₹218.71, ₹25.79, ₹26.47, ₹31.05, ₹61.40, ₹82.73
Fair value on the date of grant of option (₹ Per Share)	NA*

\* the scheme has been implemented on account of Composite Scheme of Arrangement as mentioned above in lieu of existing ESOP scheme of IIFL Finance Limited (formerly Known as IIFL Holdings Ltd.). This, being in the nature of modification of erstwhile ESOP scheme of IIFL Finance Ltd., no separate fair-valuation is required to be carried out by the Parent Company.

**(B) Movement of options granted:****As at March 31, 2020**

Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
Options outstanding at the beginning of April 01, 2019	0
Granted during the year	127,912
Exercised during the year	81,507
Lapsed during the year	2,718
Options outstanding as at March 31, 2020	43,687
Exercisable at the end of the year March 31, 2020	41,255
Weighted average exercise price for the options exercised during the year FY 19-20	₹ 43.28
Range of exercise price for the options outstanding at the end of the year March 31, 2020	₹ 82.02 to ₹ 218.71

**As at March 31, 2019**

Particulars	ESOP Scheme Pursuant to Composite Scheme of Demerger
Options outstanding at the beginning of April 01, 2018	-
Granted during the year	-
Exercised during the year	-
Lapsed during the year	-
Options outstanding as at March 31, 2019	-
Exercisable at the end of the year March 31, 2019	-
Weighted average exercise price for the options exercised during the year FY 18-19	-
Range of exercise price for the options outstanding at the end of the year March 31, 2019	-

**NOTE 41. 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 to contribute funds for the acquisition of property, plant and equipment and intangible assets	34.50	649.47
Commitments on investments	2,442.07	1,918.08
<b>Total</b>	<b>2,476.57</b>	<b>2,567.55</b>

**Contingent Liabilities**

(₹ in Mn)		
Particulars	As at March 31, 2020	As at March 31, 2019
Bank guarantees (refer note 41.1)	1,687.40	1,419.40
Corporate guarantee	2,100.00	2,100.00
Disputed income tax demand*	323.88	182.21
<b>Total</b>	<b>4,111.28</b>	<b>3,701.61</b>

**41.1 Fixed Deposits(excluding accrued interest) amounting to ₹ 1,015.59 Mn(P.Y. ₹ 800.75 Mn) are pledged against this.**

\* Amount paid under protest with respect to income tax demand ₹ 64.14Mn (P.Y ₹ 35.76 Mn)

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.

**NOTE 42. DISCLOSURE AS PER IND AS 108 “SEGMENT REPORTING”****42.1 Services from which reportable segments derive their revenues**

The Group's Operating Segments are identified as those segments that engage in business activities to earn revenues and incur expenses whose results are regularly reviewed by Chief operating decision maker.

The Company has following business segments, which are its reportable segments.

- Wealth Management:** Wealth management segment comprises distribution of financial products, advisory, equity and debt broking, estate planning and managing financial products essentially in the nature of advisory. The Segment also includes Lending and Investment activities which are complimentary to Wealth management activities and largely provided to or arise from servicing its clients under Wealth management.
- Asset Management:** Asset management segment generally comprises management of pooled funds under various products and structures such as mutual funds, alternative asset funds, portfolio management and related activities.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

For financial statement presentation purposes various individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- The methods use to provide the service to the customers are the same;
- The services provided are guided by similar regulatory provisions and framework.

**42.2 Segment revenues and results**

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

(₹ in Mn)				
	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Wealth Management	13,256.99	2,586.75	14,010.89	4,970.85
Asset Management	2,017.77	277.46	1,783.20	408.46
<b>Total</b>	<b>15,274.76</b>	<b>2,864.21</b>	<b>15,794.09</b>	<b>5,379.31</b>

The accounting policies of the reportable segments are the same as the group's accounting policies. Segment profit represents the profit before tax earned by each segment post allocation of all identifiable other income, direct expenses, finance cost and other cost.

## 42.3 Segment assets and liabilities

(₹ in Mn)

Segment assets	As at March 31, 2020	As at March 31, 2019
Wealth Management	127,514.65	95,574.16
Asset Management	1,909.81	1,787.54
<b>Total segment assets</b>	<b>129,424.46</b>	<b>97,361.70</b>
Unallocated assets	783.36	441.75
<b>Consolidated total assets</b>	<b>130,207.82</b>	<b>97,803.45</b>
Segment liabilities	As at March 31, 2020	As at March 31, 2019
Wealth Management	99,331.80	67,850.01
Asset Management	467.66	276.99
<b>Total segment liabilities</b>	<b>99,799.46</b>	<b>68,127.00</b>
Unallocated liabilities	493.33	572.30
<b>Consolidated total liabilities</b>	<b>100,292.79</b>	<b>68,699.30</b>

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than tax assets.
- All liabilities are allocated to reportable segments other than tax liabilities.

## 42.4 Other segment information

(₹ in Mn)

Depreciation and amortisation	For the year ended March 31, 2020	For the year ended March 31, 2019
Wealth Management	374.40	204.13
Asset Management	35.82	10.93
<b>Total</b>	<b>410.22</b>	<b>215.06</b>
Interest Income included in segment revenue	For the year ended March 31, 2020	For the year ended March 31, 2019
Wealth Management	7,894.10	6,630.15
Asset Management	3.85	6.57
<b>Total</b>	<b>7,897.95</b>	<b>6,636.72</b>
Finance Cost	For the year ended March 31, 2020	For the year ended March 31, 2019
Wealth Management	5,014.93	4,310.82
Asset Management	0.91	0.00#
<b>Total</b>	<b>5,015.84</b>	<b>4,310.82</b>
# Amount less than ₹ 10,000		

## 42.5 Geographical information

(₹ in Mn)

	For the year ended March 31, 2020	For the year ended March 31, 2019
	Segment Revenue	Segment Revenue
India	15,031.96	14,748.64
Mauritius	125.88	916.39
Singapore	116.63	115.69
Others	0.29	13.37
<b>Total</b>	<b>15,274.76</b>	<b>15,794.09</b>

**NOTE 43. RELATED PARTY****Disclosures:**

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

**a) List of Related Parties:**

Nature of relationship	Name of party
<b>Director/ Key Managerial Personnel</b>	Mr. Karan Bhagat, Managing Director
	Mr. Yatin Shah, Whole-time Director
	Mr. Amit Shah, Non-Executive Director (resigned w.e.f. January 24, 2019)
	Mr. Nirmal Jain, Director
	Mr. Venkataraman Rajamani, Director
	Mr. Nilesh Vikamsey, Independent Director
	Ms. Geeta Mathur, Independent Director
	Mr. Sandeep Achyut Naik, Director
	Mr. Shantanu Rastogi, Director
	Mr. Pankaj Vaish, Independent Director (appointed w.e.f Jan 22, 2020)
	Mr. Gopalkrishnan Soundarajan, Independent Director (appointed w.e.f Jan 22, 2020)
	Mr. Subbaraman Narayan, Independent Director (appointed w.e.f Jun 25 2019)
<b>Subsidiaries including step down subsidiaries</b>	IIFL Wealth Finance 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 Wealth Distribution Services Limited (Formerly 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 December 27, 2019)
	IIFL Altire Advisors Limited (Formerly IIFL Altire Advisors Private Limited)(w.e.f November 05, 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 (up to Feb 28, 2019)
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Capital Pte. Limited
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)
<b>Other Related Parties</b>	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
	India Infoline Finance Limited
	IIFL Home Finance Limited
	Clara Developers Private Limited

Nature of relationship	Name of party
	Samasta Microfinance Limited
	Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
	Ayusha Dairy Private Limited
	Geocentric Solutions Private Limited (w.e.f. December 20, 2019 and up to March 25, 2020)
	Shreyans Foundation LLP
	General Atlantic Singapore Fund Pte Limited
	FIH Mauritius Investment Limited
	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)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	Kyrush Trading & Investments Private Limited
	Yatin Investments
	CDE Real Estate Private Limited
	Financial advisors (India) Private Limited
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	5paisa Capital Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	5paisa Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Khimji Kunverji & Co. (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
	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

**b) List of Transactions of the Group with the related parties net off Eliminations**

				(₹ in Mn)
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
<b>Share Capital Issued:</b>				
General Atlantic Singapore Fund Pte Ltd	-	-	-	-
	-	-	(1.13)	(1.13)
<b>Securities Preimum Received:</b>				
General Atlantic Singapore Fund Pte Ltd	-	-	-	-
	-	-	(939.82)	(939.82)



				(₹ in Mn)
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
<b>Subscription of NCD</b>				-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	4,983.00	4,983.00
	-	-	(643.92)	(643.92)
IIFL Home Finance Limited	-	-	-	-
	-	-	(892.24)	(892.24)
Samasta Microfinance Limited	-	-	-	-
	-	-	(1,214.99)	(1,214.99)
<b>Purchase of Investment</b>				-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	507.93	507.93
	-	-	-	-
IIFL Management Services Limited	-	-	1,325.25	1,325.25
	-	-	-	-
<b>Sale of Investment</b>				-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	1,297.89	1,297.89
	-	-	(204.86)	-
IIFL Home Finance Limited	-	-	739.83	739.83
	-	-	(147.13)	(147.13)
IIFL Management Services Limited	-	-	22.07	22.07
	-	-	-	-
<b>ICD Given</b>				-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	500.00	500.00
	-	-	-	-
IIFL Management Services Limited	-	-	-	-
	-	-	(65.00)	(65.00)
<b>ICD received back</b>				-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	500.00	500.00
	-	-	-	-
IIFL Management Services Limited	-	-	65.00	65.00
	-	-	-	-
<b>Loan Given</b>				-
Karan Bhagat	331.52	-	-	331.52
	(157.70)	-	-	(157.70)
Yatin Shah	35.00	-	-	35.00
	(59.20)	-	-	(59.20)
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)
Shilpa Bhagat	-	-	911.25	911.25
	-	-	-	-
Ami Shah	-	-	293.35	293.35
	-	-	-	-
Yatin Investment	-	-	1,749.99	1,749.99
	-	-	-	-

				(₹ in Mn)
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
Kyrush Investments	-	-	1,749.99	1,749.99
	-	-	-	-
<b>Loan Received Back</b>				
Karan Bhagat	489.22	-	-	489.22
	-	-	-	-
Yatin Shah	94.20	-	-	94.20
	-	-	-	-
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)
Shilpa Bhagat	-	-	911.25	911.25
	-	-	-	-
Ami Shah	-	-	293.35	293.35
	-	-	-	-
Yatin Investment	-	-	1,749.99	1,749.99
	-	-	-	-
Kyrush Investments	-	-	1,749.99	1,749.99
	-	-	-	-
<b>Advances Towards Capital Asset Given</b>				
IIFL Facilities Services Limited	-	-	-	-
	-	-	(1,700.00)	(1,700.00)
<b>Purchase of Property</b>				
IIFL Facilities Services Limited	-	-	2,250.00	2,250.00
	-	-	-	-
<b>Fees Earned For Services (including Brokerage) rendered</b>				
IIFL Securities Limited	-	-	60.82	60.82
	-	-	-	-
Samasta Microfinance Limited	-	-	-	-
	-	-	(106.72)	(106.72)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	114.63	114.63
	-	-	(18.87)	(18.87)
IIFL Home Finance Limited	-	-	-	-
	-	-	(53.64)	(53.64)
Karan Bhagat	0.06	-	-	0.06
	-	-	-	-
Yatin Prakash Shah HUF	-	-	-	-
	-	-	(0.00#)	(0.00#)
Kalki Family Private Trust	-	-	0.01	0.01
	-	-	-	-
Kyrush Family Private Trust	-	-	0.17	0.17
	-	-	-	-
<b>Interest Income on ICD Given</b>				
IIFL Management Services Limited	-	-	3.15	3.15
	-	-	(2.11)	(2.11)

(₹ in Mn)				
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	18.41	18.41
	-	-	-	-
<b>Income on Investment</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	0.05	0.05
	-	-	(3.31)	(3.31)
IIFL Home Finance Limited	-	-	5.14	5.14
	-	-	(0.76)	(0.76)
<b><u>Interest Income on Loan Given</u></b>				
Karan Bhagat	4.47	-	-	4.47
	(0.14)	-	-	(0.14)
Yatin Shah	6.11	-	-	6.11
	(0.05)	-	-	(0.05)
Nirmal Jain	7.36	-	-	7.36
	(2.72)	-	-	(2.72)
Venkataraman Rajamani	2.62	-	-	2.62
	(2.72)	-	-	(2.72)
Madhu Jain	-	-	4.58	4.58
	-	-	(2.72)	(2.72)
Shilpa Bhagat	-	-	6.65	6.65
	-	-	-	-
Ami Shah	-	-	11.55	11.55
	-	-	-	-
Yatin Investment	-	-	7.29	7.29
	-	-	-	-
Kyrush Investments	-	-	7.20	7.20
	-	-	-	-
<b>Fees/Expenses incurred/Reimbursed For Services Procured</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	-	-
	-	-	(79.51)	(79.51)
IIFL Securities Limited	-	-	124.45	124.45
	-	-	(54.54)	(54.54)
IIFL Wealth (UK) Limited	-	-	87.94	87.94
	-	-	(96.10)	(96.10)
IIFL Capital Inc.	-	-	-	-
	-	-	(33.91)	(33.91)
IIFL Facilities Services Limited	-	-	-	-
	-	-	(263.34)	(263.34)
5 Paisa Capital Limited	-	-	-	-
	-	-	(0.00#)	(0.00#)
<b>Corporate Social Responsibility Expenses (CSR)</b>				
India Infoline Foundation	-	-	54.93	54.93
	-	-	(43.11)	(43.11)
<b>Remuneration To Director/KMP/Other related party</b>				
Karan Bhagat	50.06	-	-	50.06
	(50.18)	-	-	(50.18)

(₹ in Mn)				
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
Yatin Shah	36.36	-	-	36.36
	(40.08)	-	-	(40.08)
Varun Bhagat	-	-	5.20	5.20
	-	-	-	-
<b>Gratuity Expenses</b>				
Karan Bhagat	0.06	-	-	0.06
	-	-	-	-
Yatin Shah	0.06	-	-	0.06
	-	-	-	-
Varun Bhagat	-	-	0.10	0.10
	-	-	-	-
<b>Sitting Fees/Commission To Directors</b>				
Geeta Mathur	1.85	-	-	1.85
	(1.07)	-	-	(1.07)
Nilesh Vikamsey	2.01	-	-	2.01
	(1.54)	-	-	(1.54)
S Narayan	0.84	-	-	0.84
	-	-	-	-
Pankaj Vaish	0.24	-	-	0.24
	-	-	-	-
<b>Dividend Paid</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	-	-
	-	-	(450.00)	(450.00)
Karan Bhagat	6.42	-	-	6.42
	(59.92)	-	-	(59.92)
Yatin Shah	66.28	-	-	66.28
	(33.11)	-	-	(33.11)
Amit Shah	-	-	-	-
	-	-	(15.68)	(15.68)
General Atlantic Singapore Fund Pte Ltd	-	-	372.39	372.39
	-	-	(186.20)	(186.20)
Shilpa Bhagat	-	-	22.52	22.52
	-	-	-	-
Aditi Athavankar	-	-	0.57	0.57
	-	-	-	-
Ami Shah	-	-	0.01	0.01
	-	-	-	-
Madhu Jain	-	-	34.50	34.50
	-	-	-	-
Nirmal Jain	-	-	132.58	132.58
	-	-	-	-
Prakash C. Shah	-	-	0.20	0.20
	-	-	-	-
Venkataraman Rajamani	-	-	31.38	31.38
	-	-	-	-
Yatin Prakash Shah (HUF)	-	-	0.23	0.23
	-	-	-	-
Ardent Impex Pvt Ltd	-	-	7.71	7.71
	-	-	-	-

				(₹ in Mn)
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Subsidiaries including step down subsidiaries	Other Related Parties	Total
Orpheus Trading Pvt Ltd	-	-	3.71	3.71
	-	-	-	-
<b>Reimbursement of expenses Received</b>				
IIFL Capital Inc.	-	-	3.76	3.76
	-	-	(24.53)	(24.53)
<b>Reimbursement of expenses Paid</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	5.64	5.64
	-	-	(26.13)	(26.13)
IIFL Securities Limited	-	-	3.21	3.21
	-	-	(14.06)	(14.06)
IIFL Capital Inc.	-	-	5.41	5.41
	-	-	(0.82)	(0.82)
IIFL Facilities Services Limited	-	-	1.37	1.37
	-	-	(0.01)	(0.01)
IIFL Management Services Limited	-	-	2.27	2.27
	-	-	-	-
<b>Other funds received</b>				
IIFL Management Services Limited	-	-	0.50	0.50
	-	-	(1.17)	(1.17)
IIFL Facilities Services Limited	-	-	-	-
	-	-	(17.01)	(17.01)
IIFL Securities Limited	-	-	-	-
	-	-	(0.12)	(0.12)
IIFL Insurance Brokers Ltd.	-	-	0.06	0.06
	-	-	-	-
IIFL Home Finance Limited	-	-	0.13	0.13
	-	-	-	-
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	8.48	8.48
	-	-	(0.13)	(0.13)
<b>Other funds paid</b>				
IIFL Securities Limited	-	-	1.60	1.60
	-	-	(1.30)	(1.30)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	2.75	2.75
	-	-	(0.07)	(0.07)
IIFL Facilities Services Limited	-	-	-	-
	-	-	-	-
IIFL Management Services Limited	-	-	0.50	0.50
	-	-	-	-
IIFL Insurance Brokers Ltd.	-	-	0.03	0.03
	-	-	-	-
5 Paisa Capital Limited	-	-	-	-
	-	-	(0.02)	(0.02)

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

				(₹ in Mn)
Nature of Transaction	Whole Time Director/Key Managerial Personnel	Other Related Parties	Other Related Parties *(Fellow Subsidiaries up to April 01, 2018)	Total
<b>Sundry payables:</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	3.09	3.09
	-	-	(4.87)	(4.87)
IIFL Capital Inc.	-	-	0.80	0.80
	-	-	(15.37)	(15.37)
IIFL Securities Limited	-	-	29.57	29.57
	-	-	(9.16)	(9.16)
IIFL Wealth (UK) Limited	-	-	14.38	14.38
	-	-	(4.28)	(4.28)
IIFL Management Services Limited	-	-	0.26	0.26
	-	-	-	-
IIFL Facilities Services Limited	-	-	-	-
	-	-	(0.00#)	(0.00#)
<b>Sundry receivables:</b>				
IIFL Management Services Limited	-	-	-	-
	-	-	(3.06)	(3.06)
IIFL Securities Limited	-	-	-	-
	-	-	(0.45)	(0.45)
IIFL Facilities Services Limited	-	-	-	-
	-	-	(17.00)	(17.00)
<b>Loan Given:</b>				
Karan Bhagat	-	-	-	-
	(157.84)	-	-	(157.84)
Yatin Shah	-	-	-	-
	(59.25)	-	-	(59.25)
<b>ICD Given</b>				
IIFL Management Services Limited	-	-	-	-
	-	-	(65.00)	(65.00)
<b>Investment in NCD</b>				
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	12.21	12.21
	-	-	-	-

**Note:**

I) Figures in bracket represents previous year figures.

II) Related parties are identified and certified by the management.

# Amount less than ₹ 10,000

**NOTE 44. CORPORATE SOCIAL RESPONSIBILITY**

During the year, the Group has spent ₹ 60.28 Mn (PY - ₹ 66.70 Mn) as against ₹ 91.69 Mn (PY - ₹ 63.79 Mn) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Group 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.



**NOTE 45. SUMMARY OF CONSOLIDATION**

The Consolidated Financial Statements represents consolidation of financial statements of the Holding Company with its following subsidiaries:

Subsidiary	Country of incorporation	Proportion of ownership interest As at Mar 31, 2020	Proportion of ownership interest As at Mar 31, 2019
IIFL Distribution Services Limited	India	100%	100%
IIFL Investment Adviser and Trustee Services Limited	India	100%	100%
IIFL Alternate Asset Advisors Limited	India	100%	100%
IIFL Asset Management Limited	India	100%	100%
IIFL Trustee Limited	India	100%	100%
IIFL Wealth Finance Limited	India	100%	100%
IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)	India	100%	100%
IIFL Wealth Advisors (India) Limited (w.e.f November 22, 2018) (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019)	India	0%	100%
IIFL Altire Advisors Private Limited (w.e.f November 05, 2018)	India	100%	100%
IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)	India	100%	100%
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)	Mauritius	100%	100%
IIFL Inc	United States of America	100%	100%
IIFL (Asia) Pte. Limited	Singapore	100%	100%
IIFL Securities Pte. Limited	Singapore	100%	100%
IIFL Capital Pte. Limited	Singapore	100%	100%
IIFL Private Wealth Management (Dubai) Limited	United Arab Emirates	100%	100%
IIFL Private Wealth Hong Kong Limited	Hongkong	100%	100%
IIFL Capital (Canada) Limited (w.e.f November 3, 2017)	Canada	100%	100%

**NOTE 46. BUSINESS COMBINATIONS****A Amalgamation of a subsidiary**

On November 22, 2018, IIFL Wealth Management Limited acquired 100% stake in IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited). Thereafter, on 29 January 2019, the Board of Directors of IIFL Wealth Management Limited (the "Transferee Company") approved a draft scheme of amalgamation of IIFL Wealth Advisors (India) Limited (the "Transferor Company") with the Transferee Company and their respective shareholders in terms of the provisions of Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Scheme").

The National Company Law Tribunal (Tribunal) Bench at Mumbai has approved the aforementioned Scheme on October 24, 2019 and the National Company Law Tribunal Bench at Chennai approved the Scheme on December 20, 2019 under the applicable provisions of the Companies Act, 2013 and the appointed date of the Scheme is fixed as November 22, 2018.

Certified copy of the said order of the Mumbai Bench and Chennai Bench of the Tribunal was received by the Company on December 2, 2019 and December 27, 2019 respectively and filed with the Registrar of Companies on December 27, 2019.

- B** IIFL Wealth Finance Limited, subsidiary of 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 ₹ 460.00 Mn (Market Value ₹ 473.78 Mn as on March 31, 2020) and funds of ₹ 300.00 Mn 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 ₹ 2,300.00 Mn plus available cash/ cash equivalents etc. The transaction was consummated on April 24, 2020, after receiving requisite regulatory approvals.

**C Subsidiaries acquired in the Previous year**

Particulars	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	Consideration transferred (Amount in ₹ in Mn)
IIFL Wealth Advisors (India) Limited	Wealth Management, and Advisory business	November 22, 2018	100%	2,530.24
IIFL Altire Advisors Private Limited	Wealth Management, and Advisory business	November 05, 2018	100%	83.30
				<b>2,613.54</b>

**D Assets acquired and liabilities recognised at the date of acquisition in the Previous year**

(₹ in Mn)			
Particulars	IIFL Wealth Advisors (India) Limited	IIFL Altire Advisors Private Limited	
<b>Financial Assets</b>			
Cash and cash equivalents	5.08	0.36	
Bank Balance other than above	0.04	-	
Trade Receivables	34.91	0.95	
Investments	208.74	-	
Other financial assets	6.80	0.14	
<b>Non-Financial Assets</b>			
Current tax assets (Net)	-	0.04	
Property, plant and equipment	7.08	-	
Other intangible assets	4.85	-	
Other non-financial assets	7.11	-	
<b>Financial Liabilities</b>			
Trade & other payables	(52.29)	(4.62)	
Borrowings	-	(4.07)	
Other financial liabilities	(6.72)	(1.50)	
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	(2.81)	-	
Provisions	(2.02)	-	
Deferred tax liabilities (Net)	(0.67)	-	
	<b>210.10</b>	<b>(8.70)</b>	

**E Goodwill arising on acquisition in the Previous year**

(₹ in Mn)			
Particulars	IIFL Wealth Advisors (India) Limited	IIFL Altire Advisors Private Limited	Total
<b>Consideration transferred</b>	2,530.24	83.30	<b>2,613.54</b>
<b>Less : Value of identifiable assets</b>			
Intangible assets	728.20	92.00	<b>820.20</b>
Other net assets	210.10	(8.70)	<b>201.40</b>
<b>Goodwill arising on acquisition of subsidiaries</b>	<b>1,591.94</b>	-	<b>1,591.94</b>
Deferred tax Liability recognised on customer relation	254.46	32.11	<b>286.57</b>
<b>Total Goodwill</b>	<b>1,846.40</b>	<b>32.11</b>	<b>1,878.51</b>

**F Impact on acquisitions on the results of the Group in the Previous year**

The profit for the previous year ended March 31, 2019 includes ₹ 34.01 Mn attributable to additional business generated by IIFL Wealth Advisors (India) Limited and net of loss of ₹ 1.20 Mn attributable to IIFL Altire Advisors Private Limited. Revenue for the previous year includes ₹ 10.25 Mn- in respect of IIFL Wealth Advisors (India) Limited and Rs. Nil in respect of IIFL Altire Advisors Private Limited.

During the previous year ended March 31, 2019, the financial position and results (after eliminations) of IIFL Wealth Securities IFSC Limited, IIFL Wealth Employee Welfare benefit Trust are given below:

(₹ in Mn)		
Particulars	As at March 31, 2019	
Name of the subsidiary	IIFL Wealth Securities IFSC Limited	IIFL Wealth Employee Welfare benefit Trust
<b>Assets</b>		
Financial Assets	0.39	-
Non-financial Assets	-	35.73
<b>Total</b>	<b>0.39</b>	<b>35.73</b>
<b>Liabilities</b>		
Financial Liabilities	0.65	36.68
Non-Financial Liabilities	0.01	0.14
<b>Total</b>	<b>0.66</b>	<b>36.82</b>
	<b>2018-2019</b>	<b>2018-2019</b>
Revenue for the period ended	-	-
Expenses for the period ended	1.26	0.05
<b>Profit / (Loss) before tax for the period ended</b>	<b>(1.26)</b>	<b>(0.05)</b>
<b>Profit / (Loss) after tax for the period ended</b>	<b>(1.26)</b>	<b>(0.05)</b>

#### NOTE 47.1. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

(₹ in Mn)				
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	9,363.13	-	9,363.13
(b)	Bank balance other than (a) above	2,404.44	19.48	2,423.92
(c)	Derivative financial instruments	50.88	1,264.98	1,315.86
(d)	Receivables			
	(I) Trade receivables	2,420.49	-	2,420.49
	(II) Other receivables	1,180.00	-	1,180.00
(e)	Loans	35,572.76	746.17	36,318.93
(f)	Investments	54,160.38	10,964.01	65,124.39
(g)	Other financial assets	894.61	3,489.42	4,384.03
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Inventories	-	-	-
(b)	Current tax assets (net)	-	730.44	730.44
(c)	Deferred tax assets (net)	-	52.92	52.92
(d)	Property, plant and equipment	-	2,988.03	2,988.03
(e)	Capital work-in-progress	-	11.00	11.00
(f)	Goodwill	-	1,878.51	1,878.51
(g)	Other intangible assets	-	876.89	876.89
(h)	Right to use assets	-	338.19	338.19
(i)	Other non-financial assets	374.87	426.22	801.09
	<b>Total Assets</b>	<b>106,421.56</b>	<b>23,786.26</b>	<b>130,207.82</b>

(₹ in Mn)				
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	159.87	2,328.50	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	694.45	-	694.45
(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	2,347.59	-	2,347.59
(c)	Finance Lease Obligation	117.56	236.83	354.39
(d)	Debt securities	11,500.72	42,760.76	54,261.48
(e)	Borrowings (other than debt securities)	28,499.19	-	28,499.19
(f)	Subordinated liabilities	-	5,620.34	5,620.34
(g)	Other financial liabilities	2,665.20	2,450.76	5,115.96
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	170.36	-	170.36
(b)	Provisions	47.96	44.81	92.77
(c)	Deferred tax liabilities (net)	322.97	-	322.97
(d)	Other non-financial liabilities	324.92	-	324.92
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	174.29	174.29
(b)	Incremental shares pending issuance	-	-	-
(c)	Other equity	-	29,740.74	29,740.74
<b>Total Liabilities and Equity</b>		<b>46,850.79</b>	<b>83,357.03</b>	<b>130,207.82</b>

**NOTE 47.2. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019**

(₹ in Mn)				
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	1,646.23	-	1,646.23
(b)	Bank balance other than (a) above	1,057.39	70.56	1,127.95
(c)	Derivative financial instruments	-	960.95	960.95
(d)	Receivables			
(I)	Trade receivables	2,960.74	-	2,960.74
(II)	Other receivables	4,244.56	-	4,244.56
(e)	Loans	36,425.66	13,238.94	49,664.60
(f)	Investments	18,407.24	12,118.42	30,525.66
(g)	Other financial assets	217.06	307.00	524.06
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Inventories	197.51	-	197.51
(b)	Current tax assets (net)	-	267.42	267.42
(c)	Deferred tax assets (net)	-	174.33	174.33
(d)	Property, plant and equipment	-	616.30	616.30
(e)	Capital work-in-progress	-	1,734.33	1,734.33
(f)	Goodwill	-	1,878.51	1,878.51
(g)	Other intangible assets	-	871.23	871.23
(h)	Right to use assets	-	-	-
(i)	Other non-financial assets	313.59	95.48	409.07
<b>Total Assets</b>		<b>65,469.98</b>	<b>32,333.47</b>	<b>97,803.45</b>

(₹ in Mn)				
SR. No.	Particulars	Within 12 months	After 12 months	Total
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	331.09	2,185.00	2,516.09
(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	514.73	-	514.73
(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	846.42	-	846.42
(c)	Finance Lease Obligation	-	-	-
(d)	Debt securities	15,361.97	28,133.49	43,495.46
(e)	Borrowings (other than debt securities)	11,834.03	-	11,834.03
(f)	Subordinated liabilities	-	5,701.34	5,701.34
(g)	Other financial liabilities	1,469.11	1,404.86	2,873.97
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	294.20	-	294.20
(b)	Provisions	57.88	27.76	85.64
(c)	Deferred tax liabilities (net)	278.10	-	278.10
(d)	Other non-financial liabilities	259.32	-	259.32
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	168.97	168.97
(b)	Incremental shares pending issuance	-	1.20	1.20
(c)	Other equity	-	28,933.98	28,933.98
<b>Total Liabilities and Equity</b>		<b>31,246.85</b>	<b>66,556.60</b>	<b>97,803.45</b>

**NOTE 48. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated assets	Amount (₹ in Mn)	As % of consolidated profit or loss	Amount (₹ in Mn)	As % of consolidated other comprehensive income	Amount (₹ in Mn)	As % of consolidated total comprehensive income	Amount (₹ in Mn)
<b>Parent</b>								
IIFL Wealth Management Limited	77.75%	23,260.42	96.18%	1,934.76	-10.75%	(5.68)	93.44%	1,929.07
<b>Subsidiaries</b>								
<b>Indian</b>								
IIFL Wealth Finance Limited	62.11%	18,580.85	59.78%	1,202.64	-9.79%	(5.17)	58.00%	1,197.47
IIFL Asset Management Limited	8.22%	2,459.18	29.75%	598.56	-5.77%	(3.05)	28.85%	595.51

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Mn)	As % of consolidated profit or loss	Amount (₹ in Mn)	As % of consolidated other comprehensive income	Amount (₹ in Mn)	As % of consolidated total comprehensive income	Amount (₹ in Mn)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	1.46%	438.16	3.88%	78.10	-2.50%	(1.32)	3.72%	76.77
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	7.89%	2,359.71	14.34%	288.52	-3.71%	(1.96)	13.88%	286.56
IIFL Investment Adviser and Trustee Services Limited	1.26%	378.24	-0.15%	(2.97)	0.78%	0.41	-0.12%	(2.56)
IIFL Trustee Limited	0.19%	56.56	1.22%	24.53	0.00%	-	1.19%	24.53
IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)	0.00%	(1.25)	-0.05%	(0.98)	0.00%	-	-0.05%	(0.98)
IIFL Altior Advisors Limited (Formerly IIFL Altior Advisors Private Limited) (w.e.f November 05, 2018)	0.05%	13.50	0.54%	10.89	0.00%	-	0.53%	10.89
IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)	-0.01%	(3.92)	-0.14%	(2.83)	0.00%	-	-0.14%	(2.83)
<b>Foreign</b>								
IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)	0.71%	211.38	-22.44%	(451.39)	51.86%	27.39	-20.54%	(423.99)
IIFL Inc	0.20%	58.74	0.34%	6.84	8.69%	4.59	0.55%	11.43
IIFL Private Wealth Management (Dubai) Limited	0.62%	186.67	-0.72%	(14.45)	29.23%	15.44	0.05%	0.99
IIFL Private Wealth Hong Kong Limited	0.24%	72.67	-0.01%	(0.22)	12.61%	6.66	0.31%	6.44
IIFL (Asia) Pte Limited - Consolidated	1.07%	320.41	4.60%	92.51	23.00%	12.15	5.07%	104.66
IIFL Capital (Canada) Limited (w.e.f November 3, 2017)	0.04%	11.11	-0.01%	(0.19)	0.57%	0.30	0.01%	0.11
<b>Eliminations on Consolidation</b>	-61.80%	(18,487.40)	-87.13%	(1,752.68)	5.79%	3.06	-84.75%	(1,749.61)
<b>Total</b>	<b>100.00%</b>	<b>29,915.03</b>	<b>100.00%</b>	<b>2,011.64</b>	<b>100.00%</b>	<b>52.82</b>	<b>100.00%</b>	<b>2,064.46</b>

## NOTE 49. UNDISTRIBUTED PROFITS

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

## NOTE 50. SUBSEQUENT EVENTS

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

**Note 51.** 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 Group 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 Group 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 Group's operations will depend on currently uncertain future developments.



In terms of the policy approved by the Board of Directors of IIFL Wealth Finance Limited (the Subsidiary) pursuant to Reserve Bank of India (RBI) Circulars dated March 27, 2020, the Subsidiary 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 Subsidiary 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 Subsidiary 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 52. APPROVAL OF FINANCIAL STATEMENTS

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

## NOTE 53.

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

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**KARAN BHAGAT**

Managing Director

(DIN: 03247753)

**YATIN SHAH**

Director

(DIN: 03231090)

**MIHIR NANAVATI**

Chief Financial Officer

**ASHUTOSH NAIK**

Company Secretary

Place : Mumbai

Date: June 11, 2020

## ANNEXURE A

**FORM AOC-I (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)  
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES**

**PART "A": SUBSIDIARIES**

Sr. No.	Particulars	Reporting Currency	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover / Income	Profit / (Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of shareholding
														(₹ in Mn)
1	IIFL Trustee Limited	INR	5.00	51.56	1.00	65.53	8.97	39.11	36.79	33.26	8.73	24.53	-	100.00%
2	IIFL Distribution Services Limited	INR	3.00	435.16	1.00	8,228.34	7,790.18	2.18	586.95	103.44	25.34	78.10	-	100.00%
3	IIFL Asset Management Ltd	INR	321.00	2,138.18	1.00	2,953.88	494.70	29.31	2,008.14	802.32	203.77	598.55	-	100.00%
4	IIFL Alternate Asset Advisors Limited	INR	2.49	2,357.21	1.00	2,636.44	276.74	1,144.63	1,101.80	397.83	109.31	288.52	-	100.00%
5	IIFL Investment Adviser and Trustee Services Limited	INR	352.25	25.99	1.00	418.23	39.99	-	401.81	2.01	4.98	(2.97)	-	100.00%
6	IIFL Wealth Finance Limited	INR	3,054.94	15,525.91	1.00	1,14,195.47	95,614.62	62,629.03	7,789.92	1,707.84	505.19	1,202.65	-	100.00%
7	IIFL Altire Advisors Limited	INR	1.25	12.25	1.00	51.71	38.21	-	54.18	12.03	1.14	10.89	-	100.00%
8	IIFL Wealth Securities IFSC Limited	INR	1.00	(2.25)	1.00	3.65	4.90	-	-	(0.98)	-	(0.98)	-	100.00%
9	IIFL Wealth Employee Welfare Benefit Trust	INR	0.01	(3.93)	1.00	36.21	40.13	35.59	0.72	(2.83)	-	(2.83)	-	100.00%
10	IIFL (Asia) Pte. Limited	INR	473.17	(134.94)	1.00	339.27	1.04	335.55	0.13	(0.78)	-	(0.78)	-	100.00%
		S \$	14.00	(7.62)	53.01	6.40	0.02	6.33	-	(0.02)	-	(0.02)	-	
11	IIFL Securities Pte. Limited	INR	49.15	9.41	1.00	61.05	2.49	-	15.35	(39.42)	0.28	(39.70)	-	100.00%
		S \$	1.03	0.07	53.01	1.17	0.06	-	0.30	(0.76)	0.01	(0.77)	-	
12	IIFL Capital Pte. Limited	INR	252.91	6.26	1.00	374.97	115.80	-	540.29	128.93	(4.06)	132.99	-	100.00%
		S \$	5.30	(0.41)	53.01	7.08	2.19	-	10.51	2.49	(0.08)	2.57	-	
13	IIFL Inc	INR	61.69	(2.94)	1.00	88.09	29.35	-	144.91	9.72	2.88	6.84	-	100.00%
		USD	1.03	(0.25)	75.37	1.26	0.48	-	2.04	0.14	0.04	0.10	-	
14	IIFL Private Wealth Management (Dubai) Limited	INR	57.99	128.69	1.00	194.89	8.22	-	19.25	(14.45)	-	(14.45)	-	100.00%
		AED	3.37	5.73	20.52	9.50	0.40	-	1.00	(0.75)	-	(0.75)	-	
15	IIFL Private Wealth Hong Kong Limited	INR	51.90	20.77	1.00	72.91	0.24	-	0.05	(0.24)	(0.02)	(0.22)	-	100.00%
		HKD	6.48	1.00	9.72	7.50	0.03	-	0.01	(0.03)	(0.00)	(0.02)	-	

Sr. No.	Particulars	Reporting Currency	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover / Income	Profit / (Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of shareholding
16	IIFL Asset Management (Mauritius) Limited	INR	4.19	207.18	1.00	472.23	260.85	85.40	125.88	(451.37)	0.02	(451.39)	-	100.00%
		USD	0.07	2.73	75.37	6.27	3.46	1.13	1.78	6.37	0.00	6.37	-	
17	IIFL Capital (Canada) Limited	INR	9.57	1.54	1.00	15.97	4.86	-	29.33	(0.36)	(0.16)	(0.19)	-	100.00%
		CAD	0.19	0.02	53.31	0.30	0.09	-	5.55	(0.01)	(0.00)	(0.00)	-	

Note 1: All subsidiaries have common year end March 31, 2019 hence no additional information under Section 129(3) read with Rule 5 has been disclosed.

Note 2: Names of the subsidiaries which are yet to commence operations : IIFL Wealth Securities IFSC Limited

Note 3: Names of the subsidiaries which liquidated or sold during the year : IIFL Private Wealth (Suisse) SA

## Part “B”

### Associates and Joint Ventures

Name of Associates / Joint Ventures	
1. Latest Audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extent of Holding %	
3. Description of how there is significant influence	Not Applicable
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year:	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT Managing Director (DIN: 03247753)	YATIN SHAH Director (DIN: 03231090)	MIHIR NANAVATI Chief Financial Officer	ASHUTOSH NAIK Company Secretary
------------------------------------------------------	-------------------------------------------	-------------------------------------------	------------------------------------

Place : Mumbai  
Date: June 11, 2020

## Corporate Information

### BOARD OF DIRECTORS

Mr. Nilesh Vikamsey, Chairman and Independent Director  
 Mr. Karan Bhagat, Managing Director  
 Mr. Subbaraman Narayan, Independent Director  
 Mr. Pankaj Vaish, Independent Director  
 Ms. Geeta Mathur, Independent Director  
 Mr. Gopalakrishnan Soundarajan, Non-Executive Director  
 Mr. Nirmal Jain, Non-Executive Director  
 Mr. R. Venkataraman, Non-Executive Director  
 Mr. Yatin Shah, Non-Executive Director  
 Mr. Sandeep Naik, Non-Executive Director  
 Mr. Shantanu Rastogi, Non-Executive Director

### COMMITTEES OF BOARD

#### AUDIT COMMITTEE

Ms. Geeta Mathur, Chairperson  
 Mr. Nilesh Vikamsey  
 Mr. Shantanu Rastogi  
 Mr. Pankaj Vaish

#### NOMINATION AND REMUNERATION COMMITTEE

Ms. Geeta Mathur, Chairperson  
 Mr. Nirmal Jain  
 Mr. Nilesh Vikamsey  
 Mr. Sandeep Naik

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Karan Bhagat, Chairman  
 Mr. Nirmal Jain  
 Mr. Nilesh Vikamsey  
 Mr. Sandeep Naik

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. R. Venkataraman, Chairman

Ms. Geeta Mathur

Mr. Yatin Shah

**RISK MANAGEMENT COMMITTEE**

Mr. Shantanu Rastogi, Chairman

Mr. R. Venkataraman

Mr. Karan Bhagat

Mr. Nilesh Vikamsey

Ms. Geeta Mathur

**CHIEF FINANCIAL OFFICER**

Mr. Mihir Nanavati

**COMPANY SECRETARY**

Mr. Ashutosh Naik

**AUDITORS**

Deloitte Haskins & Sells LLP, Chartered Accountants

**INTERNAL AUDITORS**

KPMG

**REGISTERED & CORPORATE OFFICE**

IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West),  
Mumbai (MH) – 400 013

**BANKERS**

ICICI BANK LIMITED, HDFC BANK LIMITED

**CORPORATE IDENTIFICATION NUMBER**

U74140MH2008PLC177884

**CAUTIONARY STATEMENT**

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Wealth Management Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.

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