

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IIFL WEALTH MANAGEMENT
LIMITED
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory 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 Companies Act, 2013 (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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 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:



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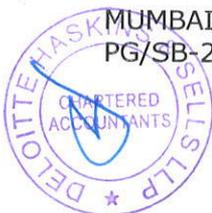
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") 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 CARO 2016.

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

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)

MUMBAI, 3 May 2017
PG/SB-2017



Report on Internal Financial Controls Over Financial Reporting

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 2017 in conjunction with our audit of the standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 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 based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI.

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

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)

MUMBAI, 3 May 2017
PG/SB-2017



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted 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:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) 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.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable
- (vii) According to the information and explanations given to us, in respect of statutory dues:



- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value added Tax, Custom duty, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities According to the information and explanations given to us there were no dues payable in respect of Excise Duty during the year.
 - (b) There were no undisputed amounts payable Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, and Value Added Tax as on 31 March 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or the subsidiary companies or persons connected



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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 India Act, 1934.

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

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)

MUMBAI, 03 May 2017
PG/SB-2017



IIFL WEALTH MANAGEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

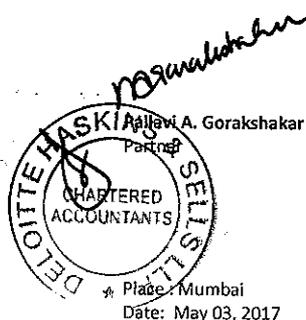
(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	155,927,528	147,917,316
(b) Reserves and Surplus	4	12,578,095,487	11,245,672,560
(c) Money received against share warrants		-	-
Sub total		12,734,023,015	11,393,589,876
(2) Share application money pending allotment		-	-
(3) Non Current Liabilities			
(a) Long-term borrowings	5	11,030,111	516,337,468
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities	6	-	73,537,088
(d) Long-term provisions		-	-
Sub total		11,030,111	589,874,556
(4) Current liabilities			
(a) Short-term borrowings	7	3,961,897,182	887,728,125
(b) Trade payables	8	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		119,549,173	149,264,586
(c) Other current liabilities	9	2,495,680,952	33,028,871
(d) Short-term provisions	10	287,775,433	450,277,514
Sub total		6,864,902,740	1,520,299,096
TOTAL		19,609,955,866	13,503,763,528
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	199,553,011	86,376,067
(ii) Intangible assets	12	34,367,891	32,440,658
(iii) Capital work-in-progress		32,395,104	15,419,110
(iv) Intangible assets under development		1,678,760	-
Sub total		267,994,766	134,235,835
(b) Non-current investments	13	11,131,795,002	10,606,095,002
(c) Deferred Tax Asset (Net)	14	26,382,128	27,986,690
(d) Long-term loans & advances	15	322,068,422	76,946,437
(e) Other non-current assets		-	-
Sub total		11,480,245,552	10,711,028,129
(2) Current assets			
(a) Current investments	16	12,108,320	1,137,161,641
(b) Inventories		-	-
(c) Trade receivables	17	1,970,825,280	548,639,036
(d) Cash and Cash Equivalents	18	3,568,882,005	903,002,904
(e) Short-term loans & advances	19	89,757,287	69,554,159
(f) Other current assets	20	2,220,142,656	141,824
Sub total		7,861,715,548	2,658,499,564
TOTAL		19,609,955,866	13,503,763,528
See accompanying notes forming part of 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



Karan Bhagat
Managing Director
(DIN: 03247753)

Yatin Shah
Executive Director
(DIN: 03241090)

Mihir Nanavati
Chief Financial Officer

Ashutosh Naik
Company Secretary



IIFL WEALTH MANAGEMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	2016-17	2015-16
INCOME:			
Revenue from Operations	21	4,315,905,991	3,312,011,011
Other Income	22	208,803,822	734,937,681
Total Revenue		4,524,709,813	4,046,948,692
EXPENSES:			
Employee Benefit Expenses	23	1,640,461,654	1,344,411,967
Other Expenses	24	1,250,763,233	1,057,446,114
Finance Charges	25	213,139,758	165,124,269
Depreciation and Amortisation	26	84,609,017	29,429,872
Provision & Write off	27	6,307,114	19,044,246
Total Expenditure		3,195,280,776	2,615,456,468
Profit before tax		1,329,429,037	1,431,492,224
Tax expenses :			
Current tax		467,409,203	321,657,803
Deferred tax charge/(Credit)		1,604,562	54,560,721
Short / (excess) provision for income tax		(3,968,610)	21,209,792
Total Tax Expenses		465,045,155	397,428,316
Profit for the year		864,383,882	1,034,063,908
Earning Per Share- Basic	28	11.68	17.57
Earning Per Share- Diluted	28	10.56	15.57
Face Value Per Share		2.00	2.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar

Place : Mumbai
Date: May 03, 2017

For and on behalf of the Board of Directors

Karan Bhagat

Karan Bhagat
Managing Director
(DIN: 03247753)

Yatin Shah

Yatin Shah
Executive Director
(DIN: 03231090)

Mihir Nanavati

Mihir Nanavati
Chief Financial Officer

Ashutosh Naik

Ashutosh Naik
Company Secretary



IIFL WEALTH MANAGEMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
A. Cash flows from operating activities		
Net profit before taxation	1,329,429,037	1,431,492,225
Adjustments for:		
Depreciation and amortisation	84,609,017	29,429,872
Provisions for Gratuity	25,904,666	18,458,541
Provisions for Leave Encashment	14,608,679	5,414,923
Provision for Doubtful debts	2,623,600	4,370,868
Provision for Diminution in Investment	3,750,000	14,673,378
Other Provision	(66,486)	
Interest Income	(88,797,151)	(102,655,999)
Interest expenses	204,756,569	164,582,246
Loss on Sale of Fixed Assets	905,186	-
Dividend Income	(116,837)	(294,538,607)
Profit on sale of Investments	(214,773,764)	(337,722,336)
Loss on Sale of Subsidiary	95,235,049	-
Operating profit before working capital changes	1,458,067,565	933,505,111
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	(3,888,252,992)	1,900,950,204
Increase/ (Decrease) in Current/Non Current Liabilities	2,226,305,564	(74,594,673)
Cash (used in)/ generated from operations	(203,879,863)	2,759,860,642
Net income tax(paid) / refunds	(461,826,519)	(617,996,318)
Net cash generated (used in)/from operating activities (A)	(665,706,382)	2,141,864,324
B. Cash flows from Investing activities		
Purchase of Investments	(105,994,092,160)	(170,357,081,740)
Sale of Investments	106,709,189,232	160,270,294,137
Sale of Subsidiary	111,450	-
Interest Received	68,395,179	111,400,781
Dividend Received	116,837	294,538,607
Purchase of fixed assets (includes intangible assets)	(221,373,132)	(96,984,268)
Sale of fixed assets (includes intangible assets)	2,100,000	-
Fixed Deposit placed	(640,000,000)	-
Inter Corporate Deposit given	(2,819,402,062)	(8,346,414,884)
Inter Corporate Deposit repaid	2,819,424,519	8,459,846,583
Net cash used in Investing activities (B)	(75,530,137)	(9,664,400,784)
C. Cash flows from financing activities		
Proceeds from Issuance of Share Capital	8,010,212	30,680,076
Securities Premium on issue of shares	1,002,128,450	9,000,074,309
Short Term Borrowings Taken	43,694,224,000	5,923,209,100
Short Term Borrowings-Repayment	(40,629,286,499)	(6,895,128,527)
Long Term Borrowings-Repayment	(504,809,038)	955,659
Interest Paid	(269,062,101)	(92,038,009)
Dividend Paid (including Dividend Distribution Tax)	(534,089,404)	(387,512,456)
Net cash generated from financing activities (C)	2,767,115,620	7,580,240,152
Net increase in cash and cash equivalents (A+B+C)	2,025,879,101	57,703,693
Opening Cash and Cash Equivalents (as per Note 18)	893,002,904	835,299,211
Closing Cash and Cash Equivalents (as per Note 18)	2,918,882,005	893,002,904
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	2,918,882,005	893,002,904
Add: In Fixed Deposits with original maturity more than 3 months		
- In Deposit account	10,000,000	10,000,000
- In Deposit account as collateral with Exchange	265,000,000	-
- In Deposit account under lien	375,000,000	-
Cash and Cash Equivalents (Refer Note 18)	3,568,882,005	903,002,904
See accompanying notes forming part of 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

Karan Bhagat
Managing Director
(DIN: 03247753)

Mihir Nanavati

Mihir Nanavati
Chief Financial Officer

R. Venkataraman

R. Venkataraman
Director
(DIN: 00011919)

Ashutosh Naik

Ashutosh Naik
Company Secretary



Place : Mumbai
Date : May 03, 2017

IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended on March 31, 2017

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 Portfolio Manager. It provides Portfolio Management Services to the high net worth clients (HNI segment). It acts as wealth managers, financial consultants, management consultants, advisors and provides counselling services, financial services and facilities of every description and to mobilize funds and assets of various companies, mutual fund, individual Investors, firms, associations and other corporate bodies, private and institutional investors. During the financial year the Company has obtained Stock Broking licence from SEBI.

Note 2. Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable accounting standards as prescribed under section 133 of Companies Act, 2013 (Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹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
Buildings*	20
Computers*	3
Electrical*	5
Office equipment	5
Furniture and fixtures*#	5
Vehicles*	5
Software	3

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

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



2.4 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

2.5 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.7 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are neither recognized nor disclosed in the financial statements.

2.8 Impairment of assets

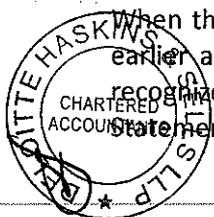
The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.



2.9 Taxation:

Tax expense comprises current and deferred tax.

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax asset is recognised or unrecognised, to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. At each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when arises.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.10 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- Investment/Fund Management fees are accounted on accrual basis as follows:
In case of percentage based fees, in accordance with the Portfolio Management Agreement entered with the respective clients, on a quarterly basis.
- Distribution Fee/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party
- Broking Income is recognized on accrual basis in accordance with the terms agreed with the respective clients based on daily trades.

2.11 Other Income Recognition:

- Interest Income is recognized on accrual basis
- Dividend income is recognized when the right to receive payment is established.
- Profit or loss on sale of Investments is recognized on the date of trade

2.12 Transaction and Translation of foreign currency items :

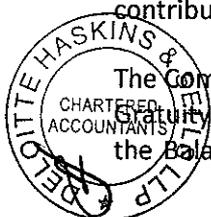
Foreign currency transactions are recorded in the reporting currency at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.13 Employee Benefits:

The company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit and Loss.

The Company has provided "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

2.14 Deferred Employee Stock Compensation:

The stock options granted by the Company are accounted for as per the accounting treatment prescribed under the guidance note on Accounting for Stock Options issued by The Institute of Chartered Accountant of India, whereby the intrinsic value of the options are recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on a straight line basis over vesting period of the options.

2.15 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and loss in accordance with Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.

2.16 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

The diluted earnings per share for equity shareholders have been computed by dividing the Net Profit after Tax or loss by the weighted average number of shares after giving dilutive effect of all potential Equity shares.

2.17 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.18 Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.19 Operating Cycle

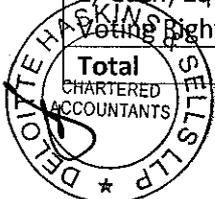
Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3. 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

(Amount in ₹)

Authorised :	As at March 31,2017	As at March 31,2016
85,000,000 Equity Shares of ₹ 2/ each with Voting Rights (Previous Year 85,000,000 Equity Shares of ₹ 2/ each)	170,000,000	170,000,000
Issued, Subscribed and Paid Up:		
77,963,764 (Previous Year 73,958,658 equity shares of ₹ 2/ each) Equity Shares of ₹ 2/ each fully paidup with Voting Rights	155,927,528	147,917,316
Total	155,927,528	147,917,316



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

(Amount in ₹)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	73,958,658	147,917,316	58,618,620	117,237,240
Add: Issued during the year	4,005,106	8,010,212	15,340,038	30,680,076
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	77,963,764	155,927,528	73,958,658	147,917,316

(c) Terms / Rights attached to Equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The company declares and pays dividend in Indian Rupees. During the year ended March 31, 2017, the amount of per share interim dividend recognised as distribution to equity shareholders was ₹6/- (Previous Year ₹6/-).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by holding Company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	% holding	Numbers	% holding
IIFL Holdings Limited and its nominees	45,000,000	57.72%	45,000,000	60.84%

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	% holding	Numbers	% holding
IIFL Holdings Limited	45,000,000	57.72%	45,000,000	60.84%
General Atlantic Singapore Fund Pte Ltd	18,053,050	23.16%	17,257,531	23.33%
Karan Bhagat	4,810,526	6.17%	2,585,526	3.50%

(f) Shares reserved for issue under options

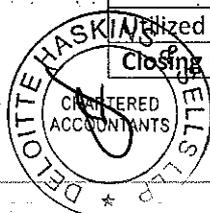
For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note. 33

(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

Note 4. Reserves and surplus:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Account		
Opening Balance	9,209,532,495	209,458,186
Premium on shares issued during the year	1,002,128,450	9,006,954,444
Utilized During The Year*	-	(6,880,135)
Closing Balance	10,211,660,945	9,209,532,495



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Particulars	As at March 31, 2017	As at March 31, 2016
Debenture Redemption Reserve		
Opening Balance	44,855,442	5,952,381
Addition During The Year**	17,644,558	38,903,061
Transferred to General Reserve	(62,500,000)	-
Closing Balance	-	44,855,442
Surplus in the Statement of Profit and Loss		
Opening Balance	1,920,284,623	1,312,636,232
Addition: Profit during the Year	864,383,882	1,034,063,908
Less: Appropriations		
Interim Dividend Paid	(443,751,949)	(351,711,720)
Dividend Distribution Tax	(90,337,456)	(35,800,736)
General Reserve	-	-
Debenture Redemption Reserve	(17,644,558)	(38,903,061)
Closing Balance	2,232,934,542	1,920,284,623
General Reserve		
Opening Balance	71,000,000	71,000,000
Addition During The Year	62,500,000	-
Utilized During The Year	-	-
Closing Balance	133,500,000	71,000,000
Total	12,578,095,487	11,245,672,560

* During previous year, Securities premium account has been utilized to pay Share issue expenses as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

**Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹17,644,558/- (P.Y ₹38,903,061/-) has been transferred to debenture redemption reserve account till the date of buy back of the debentures during the year. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the year.

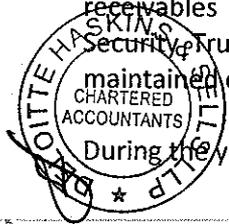
Note 5. Long-term borrowings:

Particulars	(Amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
Secured Loans		
Non Convertible Debentures, 500 units of Face Value ₹1,000,000/- Each Redeemable on April 25, 2018 @ ₹1,409,856/- with effective IRR of 11.25% (Refer Note 5.1)	-	500,000,000
Vehicle Loan (Refer Note 5.2)	11,030,111	16,337,468
Total	11,030,111	516,337,468

Note

5.1 The above Debentures were secured by way of first pari passu charge over the current assets in the form of receivables and inventory. The Company had appointed Milestone Trusteeship Services Private Limited as a Security Trustee. The Security Trustee is responsible for ensuring that the security cover as required is being maintained during the tenure of the loan.

During the year the Company has bought back the entire outstanding debentures.



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

5.2 The above loan is secured against hypothecation of fixed asset (Vehicles), repayable in equated monthly installments over a period of five years. The rate of interest of loan ranges from 9% to 10% and is repayable between December 2019 to March 2020.

Note 6. Other Long-term liabilities:

Particulars	(Amount in ₹)	
	As at March 31,2017	As at March 31,2016
Interest accrued but not due on NCDs	-	73,537,088
Total	-	73,537,088

Note 7. Short Term Borrowings:

Particulars	(Amount in ₹)	
	As at March 31,2017	As at March 31,2016
Unsecured Borrowings		
Commercial Paper	4,000,000,000	900,000,000
Less: Unexpired Discount *	(38,102,818)	(12,271,875)
Total	3,961,897,182	887,728,125

* Unexpired discount on Commercial Paper is net of ₹ 17,997,181 (Previous Year - ₹ 8,765,625) towards discount accrued but not due.

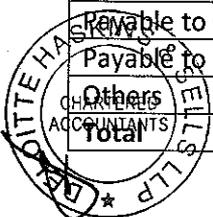
Note 8. Trade Payables:

Particulars	(Amount in ₹)	
	As at March 31,2017	As at March 31,2016
Total outstanding dues of micro enterprises and small enterprises-- Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for Expenses	23,606,117	1,595,637
- Payable to Group companies (Refer Note no 35)	17,060,406	-
- Accrued Salaries and Benefits	1,864,665	15,880,842
- Provision for Expenses	77,017,985	131,788,107
Total	119,549,173	149,264,586

Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "suppliers" referred under the Micro, Small and Medium Enterprises Development Act, 2006 (the "Act"). No Interest has been paid/is payable by the Company during the year to "Suppliers" referred under the said Act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

Note 9. Other Current Liabilities:

Particulars	(Amount in ₹)	
	As at March 31,2017	As at March 31,2016
Current maturities of Long term debt (Refer Note 5.2)	5,307,357	4,809,038
Income received in advance	4,324,420	-
Statutory Liabilities Payable	134,315,219	28,208,605
Advances against expenses	5,000,000	-
Payable to Exchange for trade settlement	47,797,715	-
Payable to Clients for trade settlement	2,293,283,287	-
Payable to Employees	5,209,453	-
Others	443,501	11,228
Total	2,495,680,952	33,028,871



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 10. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits:		
- Provision for Leave Encashment	27,306,624	14,819,114
- Provision for Gratuity (Refer note 23)	33,108,902	5,337,688
- Bonus Payable	222,034,217	427,912,378
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS- ₹ 1,054,614,388) (Previous Year- ₹590,322,542)	5,325,690	2,208,334
Total	287,775,433	450,277,514

Note 11. Tangible Assets:

(Amount in ₹)

Particulars	Furniture Fixture	Vehicles **	Office Equipment	Air Conditioner	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2016	53,657,273	29,402,721	7,971,481	2,768,086	39,941,543	9,171,189	142,912,293
Additions	108,970,352	-	4,919,363	994,058	62,342,042	1,668,281	178,894,096
Deductions/ Adjustments during the year	(17,080,772)	-	(1,819,005)	(1,160,856)	(2,425,327)	(1,948,435)	(24,434,395)
As at March 31, 2017	145,546,853	29,402,721	11,071,839	2,601,288	99,858,258	8,891,035	297,371,994
Depreciation							
Upto April 01, 2016	20,077,343	6,895,223	4,278,236	1,939,045	18,582,005	4,764,374	56,536,226
Depreciation for the year	26,878,951	5,880,544	1,609,270	419,591	26,505,329	1,418,282	62,711,967
Deductions/Adjustments during the year	(14,361,946)	-	(1,601,382)	(1,137,231)	(2,411,942)	(1,916,709)	(21,429,210)
Upto March 31, 2017	32,594,348	12,775,767	4,286,124	1,221,405	42,675,392	4,265,947	97,818,983
Net Block as at March 31, 2017	112,952,505	16,626,954	6,785,715	1,379,883	57,182,866	4,625,088	199,553,011
Net Block as at March 31, 2016	33,579,930	22,507,498	3,693,245	829,041	21,359,538	4,406,815	86,376,067

** The above fixed asset (Vehicles) are hypothecated against Term Loan

Tangible Assets (Previous Year):

(Amount in ₹)

Particulars	Furniture Fixture	Vehicles **	Office Equipment	Air Conditioner	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2015	30,540,123	23,318,586	4,171,212	2,148,291	19,234,182	4,550,345	83,962,739
Additions	23,117,150	6,084,135	3,800,269	619,795	20,707,361	4,620,844	58,949,554
Deductions/ Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2016	53,657,273	29,402,721	7,971,481	2,768,086	39,941,543	9,171,189	142,912,293
Depreciation							
Upto April 01, 2015	13,991,332	1,059,851	3,066,533	1,604,202	14,280,651	3,310,141	37,312,710
Depreciation for the year	6,086,011	5,835,372	1,211,703	334,843	4,301,354	1,454,232	19,223,516
Deductions/Adjustments during the year	-	-	-	-	-	-	-
Upto March 31, 2016	20,077,343	6,895,223	4,278,236	1,939,045	18,582,005	4,764,373	56,536,227
Net Block as at March 31, 2016	33,579,930	22,507,498	3,693,245	829,041	21,359,538	4,406,815	86,376,067
Net Block as at March 31, 2015	16,548,791	22,258,735	1,104,679	544,089	4,953,531	1,240,203	46,650,028

** The above fixed asset (Vehicles) are hypothecated against Term Loan



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 12. Intangible Assets (other than internally generated):

(Amount in ₹)

Particulars	Amount
Software/Intangible assets	
Gross Block as at April 01, 2016	47,762,594
Additions	23,824,283
Deductions / Adjustments during the year	-
As at March 31, 2017	71,586,877
Amortisation	
As at April 1, 2016	15,321,936
Amortisation for the year	21,897,050
Deductions / Adjustments during the year	
Up to March 31, 2017	37,218,986
Net Block as at March 31, 2017	34,367,891
Net Block as at March 31, 2016	32,440,658

Intangible Assets (other than internally generated) (Previous Year):

(Amount in ₹)

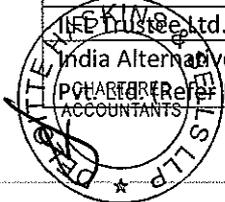
Particulars	Amount
Software/Intangible assets	
Gross Block as at April 01, 2015	22,377,641
Additions	25,384,953
Deductions / Adjustments during the year	-
As at March 31, 2016	47,762,594
Amortisation	
As at April 1, 2015	5,115,580
Amortisation for the year	10,206,356
Deductions / Adjustments during the year	
Up to March 31, 2016	15,321,936
Net Block as at March 31, 2016	32,440,658
Net Block as at March 31, 2015	17,262,061

Note: Capital Work in Progress ₹ 32,395,104/- (Previous Year ₹ 15,419,110/-) pertain to Assets not yet capitalized.

Note 13. Non Current Investments (At cost):

(Amount in ₹)

Particulars	As at March 31 2017			As at March 31 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Unquoted: Trade Investments:						
Investment in equity shares of Group Company						
India Infoline Limited	₹10	20	1,500	₹10	20	1,500
Sub Total			1,500			1,500
Investment in equity shares of Subsidiary companies						
IIFL Distribution Services Ltd	₹100	5,120	153,354,384	₹100	5,120	153,354,384
IIFL Investment Advisers and Trustee Services Ltd.	₹10	35,225,000	354,000,000	₹10	35,225,000	354,000,000
IIFL Alternate Asset Advisors Ltd.	₹10	50,000	9,149,236	₹10	50,000	9,149,236
IIFL Asset Management Company Ltd.	₹10	32,100,000	525,000,000	₹10	32,100,000	525,000,000
IIFL Trustee, Ltd.	₹10	500,000	5,000,000	₹10	500,000	5,000,000
India Alternatives Investment Advisors (Pvt) Ltd. (Refer Note no 22)	-	-	-	₹10	7,100	60,357,100

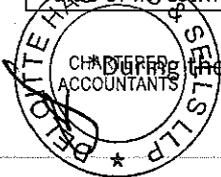


IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Particulars	As at March 31 2017			As at March 31 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
IIFL Wealth Finance Limited*	₹10	262,449,733	9,636,300,000	₹10	252,116,400	9,016,300,000
IIFL Private Wealth (Suisse) SA	CHK 1000	100	3,395,378	CHK 1000	100	3,395,378
IIFL Asia Pte. Ltd.	S\$ 1	14,000,000	264,500,000	S\$ 1	14,000,000	264,500,000
IIFL Private Wealth Management Dubai Ltd.	AED 3.67	918,442	42,500,000	AED 3.67	918,442	42,500,000
IIFL Private Wealth Hongkong Ltd.	HK\$ 1	6,476,324	43,800,000	HK\$ 1	6,476,324	43,800,000
IIFL Inc. (USA)	\$0.01	140	54,143,161	\$0.01	140	54,143,161
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd.)	\$1.00	69,975	37,945,763	\$1.00	69,975	37,945,763
Sub Total			11,129,087,922			10,569,445,022
Investment in preference shares of Subsidiary companies						
India Alternatives Investment Advisors Pvt. Ltd (Refer Note no 22)	-	-	-	₹10	4,046	34,997,900
Sub Total			-			34,997,900
Unquoted: Non Trade Investments:						
Investment in equity shares						
India Alternatives Investment Advisors Pvt. Ltd. (Refer Note no 22)	₹10	1	8,501	-	-	-
Less: Provision for Diminution			(8,501)			
Sub Total			-			-
Investment in Venture Capital Fund/Alternative Investments fund						
India Alternatives Private Equity Fund	-	-	-	₹100	5,500	1,650,000
IIFL Real Estate Fund(Domestic) Class B @	₹10	58	580	₹10	58	580
Motilal Oswal Focused Growth Opportunities Fund	₹10	20,000	200,000	-	-	-
Sundaram Alternative Opportunities Fund Nano Cap Series 1	₹100,00 0	25.05	2,505,000	-	-	-
Sub Total			2,705,580			1,650,580
Investments in Bonds & Debentures						
Arch Argo India Private Limited@	₹10,000	3,625	20,816,610	₹10,000	1,797	17,066,610
Less: Provision for Diminution			(20,816,610)			(17,066,610)
Sub Total			-			-
Grand Total			11,131,795,002			10,606,095,002
Aggregate cost of unquoted investments			11,131,795,002			10,606,094,422
Aggregate Provision for diminution in value of investments			20,825,111			17,066,610

In the previous year, the Company had acquired 100% stake of IIFL Wealth Finance Limited.



IIFL WEALTH MANAGEMENT LIMITED
Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

@ During the year the Company has re-classified these investments from Current to Non-current based on the intent of holding them.

Note 14. Deferred Tax (Liability)/ Asset (Net):
(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Provision for Gratuity	10,418,516	1,847,267
Long Term Capital Loss*	13,907,250	-
Provision for Referral fees	-	25,090,800
Depreciation	(592,656)	(692,420)
Provision for Doubtful Debts	2,649,018	1,741,043
Total	26,382,128	27,986,690

*Based on the projections reviewed by the management, the company is confident in recovery of this DTA against future Tax Liability.

Note 15. Long Term Loans and Advances:
(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Unsecured, Considered good		
Deposits Paid	48,661,275	32,153,910
Deposit with exchange	228,725,000	25,000
Other long term loans and advances	-	432,132
Prepaid Expense	6,028,464	7,184,996
Sub Total	283,414,739	39,796,038
Secured, Considered Good		
Advance Income Tax (Net of provision of tax of ₹533,298,006)		37,150,399
Previous year ₹ 1,125,828,882)	38,653,683	
Total	322,068,422	76,946,437

Note 16. Current Investments (At lower of cost and market value, unless otherwise stated):
(Amount in ₹)

Particulars	As at March 31 2017			As at March 31 2016		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Quoted, Non Trade Investments						
Investment in Mutual funds						
Franklin India Ultra Short Bond Fund-Super Institutional Plan (P.Y. NAV-₹20.3709)	-	-	-	10	499.56	10,000
Reliance Money Manager Fund Direct Plan Growth (P.Y. NAV-₹2099.6963)	-	-	-	1000	2.423	5,000
Sundaram Ultra Short term Fund-Direct Plan Growth (P.Y. NAV-₹20.9792)	-	-	-	10	242.567	5,000
IIFL Mutual Fund-Liquid Fund Direct Plan Growth (P.Y. NAV-₹ 1204.8678)	-	-	-	1000	166095.8	200,000,000
ICICI Prudential Liquid Fund-Direct Plan-Growth(NAV-₹ 240.7173, P.Y. ₹ 224.8328)	-	-	-	100	22.651	5,000
Sub Total						200,025,000
Unquoted, Non Trade Investments						
Investment in Equity Shares						
Shankara Building Products Limited	10	12,192	5,608,320	-	-	-
Sub Total			5,608,320			



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Particulars	As at March 31 2017			As at March 31 2016		
	Face Value in ₹	Quantity	Amount.	Face Value in ₹	Quantity	Amount
Investments in Venture Capital Fund/ Alternate Investment Funds						
IIFL Cash Opportunities Fund (P.Y. NAV- ₹10.6507)	-	-	-	10	88,361,602	937,136,641
Motilal Oswal Focused Growth Opportunities Fund (NAV-₹12.3818)	10	604,802	6,500,000	-	-	-
Sub Total			6,500,000			937,136,641
Grand Total			12,108,320			1,137,161,641
Aggregate Value of Quoted Investments			-			200,025,000
Aggregate Value of Unquoted Investments			12,108,320			937,136,641
Market Value of Quoted Investments			-			200,148,923

Note:

Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds

Note 17. Trade Receivable:

(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	211,479,012	103,900,872
Considered doubtful	7,654,352	2,530,752
Provision for doubtful receivables	(7,654,352)	(2,530,752)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
Considered good*	1,759,346,248	444,738,164
Considered doubtful	-	2,500,000
Provision for doubtful receivables	-	(2,500,000)
Total	1,970,825,280	548,639,036

* includes related party transactions (refer note no 35)

Note 18. Cash and Cash Equivalents:

(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	624,663	1,104,675
Cheques on Hand	-	40,928,601
Balances with Banks		
- In Current accounts	340,256,436	150,969,628
- In Client accounts	498,000,906	-
- In Deposit accounts (Original Maturity less than 3 months)	2,080,000,000	700,000,000
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statement)	2,918,882,005	893,002,904

IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Particulars	As at March 31,2017	As at March 31,2016
Other Bank Balances:		
- In Deposit account (Original Maturity from 3 to 12 Months)	10,000,000	10,000,000
- In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months)	265,000,000	-
- In Deposit account under lien (Original Maturity from 3 to 12 Months)*	375,000,000	-
Total Other Bank Balances (b)	650,000,000	10,000,000
Total (a+b)	3,568,882,005	903,002,904

*Fixed deposits amounting to ₹ 375,000,000/- are lien marked with banks to avail Bank guarantee facilities.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as required by MCA notification S.O. 3407(E), dated the 8th November, 2016 has been provided in the Table below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

The above disclosure excludes foreign currency cash in hand held and transacted between 8, 2016 to December 30, 2016.

Note 19. Short Term Loans and Advances:

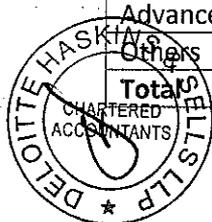
(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Unsecured, Considered good		
Inter Corporate Deposits	16,156,673	16,179,130
Other Loans and Advances		
-Advances recoverable in cash or in kind or for value to be received	4,210,654	15,462,283
-Prepaid Expenses	45,438,783	9,959,307
-Deposit	7,149,012	5,466,056
-Service tax credit receivable	9,506,214	15,834,891
-Loans & advances to employees	7,189,421	221,075
- Others	106,530	6,431,417
Total	89,757,287	69,554,159

Note 20. Other Current Assets:

(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016
Receivable from Exchange for trade settlement	795,410,218	-
Receivable from Clients for trade settlement	1,384,923,042	-
Interest accrued but not due on Fixed Deposits	20,543,796	141,824
Advances to Group/Holding Company (Refer Note no 35)	19,228,968	-
Others	36,632	-
Total	2,220,142,656	141,824



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 21. Revenue from Operations:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Distribution Fees	3,853,487,636	2,992,509,109
Commission & Brokerage Income	423,176,901	354,873,456
Investment / Fund Management Fees	39,241,454	32,704,272
Profit/ (Loss) from Trading Activities	-	(68,075,826)
Total	4,315,905,991	3,312,011,011

Note 22. Other Income:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Interest Income		
- Current Investments	33,769,736	12,542,952
- Non - Current Investments	6,169,238	28,160,831
- Fixed Deposits	32,428,936	4,339,466
- Inter Corporate Deposits [^]	16,422,150	57,609,020
- Staff loan	7,091	3,730
Profit on sale of Current Investments	124,623,764	268,036,294
Profit on sale of Non -Current Investments	90,150,000	69,686,042
Loss on sale of shares of Subsidiary Company *	(95,235,049)	-
Dividend Income on Current Investments	116,837	116,060,312
Dividend Income from Subsidiary Company (Refer Note 35)	-	178,478,295
Miscellaneous Income	351,119	20,739
Total	208,803,822	734,937,681

[^] includes related party transactions (refer note no 35)

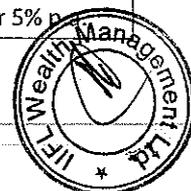
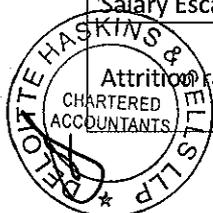
* During the year the Company sold 7,099 equity shares and 4,046 preference shares of India Alternatives Investment Advisors Private Limited (India Alternatives) for an aggregate consideration of ₹ 111,450/-. The loss on account of sale of above shares amounted to ₹ 95,235,049/-. India Alternatives ceased to be subsidiary consequent to the sale of equity shares by the Company as on March 31, 2017.

Note 23. Employee Benefit Expenses:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Salaries and Bonus	1,548,129,878	1,285,455,082
Contribution to Provident Fund and Other Funds**	38,004,159	26,031,343
Gratuity Expense*	25,904,665	18,458,541
Leave Encashment Expenses	14,608,679	5,414,923
Staff Welfare Expenses	13,814,272	9,052,078
Total	1,640,461,654	1,344,411,967

*The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on "Employee Benefits" as specified u/s 133 of the Companies Act 2013, the disclosures of which are as under:

Assumptions	(Amount in ₹)	
	2016-2017	2015-2016
Discount rate	7.27%	7.86%
Salary Escalation	5.00%	5.00%
Attrition rate	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.

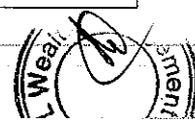
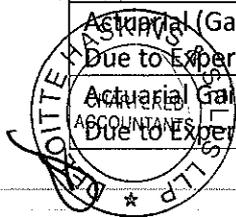


IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Change in Benefit Obligation	2016-2017	2015-2016
Liability at the beginning of the year	56,144,939	36,269,744
Interest Cost	4,412,992	2,865,310
Current Service Cost	11,810,946	7,373,615
Liability transferred in	3,205,326	329,728
Liability transferred out	(1,338,777)	(83,136)
Benefit paid	(2,872,699)	-
Actuarial (gain)/ Loss on obligations	12,728,952	9,389,678
Liability at the end of the year	84,091,679	56,144,939
Fair value of Plan Assets	2016-2017	2015-2016
Fair Value of Plan Assets at the beginning of the year	50,807,251	39,437,189
Expected return on Plan Assets	3,993,450	3,115,538
Contributions by the employer	-	10,200,000
Benefits paid	(2,872,699)	-
Actuarial Gain/(Loss) on Plan Assets	(945,225)	(1,945,476)
Fair Value of Plan Assets at the end of the year	50,982,777	50,807,251
Amount Recognised in the Balance Sheet	2016-2017	2015-2016
Liability at the end of the year	84,091,679	56,144,939
Fair Value of Plan Assets at the end of the year	50,982,777	50,807,251
Funded Status – Deficit	33,108,902	5,337,688
Amount of liability Recognised in the Balance Sheet	33,108,902	5,337,688
Expenses Recognised in the Statement of Profit & Loss Account	2016-2017	2015-2016
Current Service cost	11,810,946	7,373,615
Interest Cost (net of expected return on plan assets)	419,542	(250,228)
Actuarial Gain or Loss	13,674,177	11,335,154
Expenses Recognised in the Statement of Profit & Loss Account	25,904,665	18,458,541
Balance Sheet Reconciliation	2016-2017	2015-2016
Opening Net liability	5,337,688	(3,167,445)
Expense as above	25,904,665	18,458,541
Net Transfer In	3,205,326	329,728
Net Transfer Out	(1,338,777)	(83,136)
Employers contribution	-	(10,200,000)
Liability Recognised in Balance sheet	33,108,902	5,337,688

Experience Adjustment	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Present Value of the Obligation	84,091,679	56,144,939	36,269,744	25,008,366	20,209,193
Fair Value of Plan Assets	50,982,777	50,807,251	39,437,189	13,272,375	12,254,917
(Surplus) or Deficit	33,108,902	5,337,688	(3,167,445)	11,735,991	7,954,276
Actuarial (Gains)/ Losses on Obligations - Due to Experience	7,643,444	18,527,869	5,775,369	2,955,562	865,856
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	(945,225)	1,170,062	(24,297)	49,761	(1,089,481)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note: The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Estimated amount of payment in respect of Gratuity to the fund will be ₹33,108,902/- in F.Y 2017-2018 (Previous year ₹5,337,688/-)

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirement of AS 15.

****Defined Contribution Plans:**

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

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Contribution to Provident and other Fund *	38,004,159	26,031,343

*Contribution to Provident and Other fund includes contribution to other funds like Superannuation fund, etc pertaining to employees.

Note 24. Other Expenses:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Advertisement Expenses	5,924,418	42,587,009
Exchange and Statutory Charges	1,190,874	500,756
Marketing and Commission Expenses	179,755,320	118,607,194
Direct Operating Expenses	192,177,673	307,715,799
Bank Charges	1,169,671	153,000
Communication Expenses	14,136,035	11,729,886
Donation	17,198,000	35,361,000
Electricity Expenses	10,383,758	9,522,706
Legal and Professional Charges	174,780,942	73,925,967
Corporate social responsibility(CSR) expenses (Refer Note-38)	24,012,000	12,755,000
Office Expenses	64,277,652	34,880,930
Miscellaneous Expenses	5,470,795	661,267
Postage and Courier Expenses	2,369,142	3,780,891
Printing and Stationery	8,819,750	9,505,733
Rent Expenses	190,887,493	105,949,684
Manpower Outsource expenses	81,320,580	83,359,137
Insurance charges	8,423,365	1,267,193
Rates and Taxes	39,425,789	3,285,062
Repairs and maintenance:		
- Computers	1,748,472	1,479,971
- Others	1,785,945	2,532,402
Remuneration to Auditors		
- Statutory Audit (net of service tax input credit)	500,000	300,000
- Other Services (net of service tax input credit)	1,800,000	1,150,000
- Swachh Bharat Cess	13,377	-
- Certification work and other matters (net of service tax input credit)	550,625	-
- Out of Pocket Expenses	170,720	30,282
Software Charges/Technology Cost	34,458,601	16,067,549
Commission & sitting fees to non-executive directors	2,287,925	2,065,600
(Profit)/Loss on Sale of Assets	905,186	-
Travelling and Conveyance	184,819,125	178,272,096
Total	1,250,763,233	1,057,446,114

The above costs are inclusive of Related party transactions (Refer Note 35)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 25. Finance Charges:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Interest Expenses		
- Non convertible debentures	36,954,225	63,778,612
- Discount on Commercial papers	95,700,057	88,872,869
- Inter corporate deposits (Refer Note 35)	67,901,882	-
- Term loan	1,843,436	11,914,827
- Delayed payment of taxes	8,383,189	542,023
Bank Guarantee expenses	1,997,314	-
Other borrowing cost	359,655	15,938
Total	213,139,758	165,124,269

Note 26. Depreciation:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Depreciation on Tangible Assets (Refer Note 11)	62,711,967	19,223,516
Amortisation of Intangible Assets (Refer Note 12)	21,897,050	10,206,356
Total	84,609,017	29,429,872

Note 27. Provisions and Write off:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Provision for diminution in value of investments	3,750,000	14,673,378
Provision for Doubtful Debts	2,623,600	4,370,868
Others	(66,486)	-
Total	6,307,114	19,044,246

Note 28. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

PARTICULARS		(Amount in ₹)	
		2016-2017	2015-2016
BASIC EPS			
Profit after tax as per Statement of Profit and Loss	A	864,383,882	1,034,063,910
Weighted Average Number of Shares Subscribed	B	73,980,604	58,860,782
Face Value of Equity Shares (₹) fully paid		2	2
Basic EPS (₹)	A/B	11.68	17.57
DILUTED EPS			
Profit after tax as per Statement of Profit and Loss	A	864,383,882	1,034,063,910
Weighted Average Number of Shares	C	73,980,604	58,860,782
Add : Potential Equity Shares on account of conversion of Employee Stock Option	D	7,885,716	7,557,525
Weighted Average Number of Shares Outstanding	E=C+D	81,866,320	66,418,307
Diluted EPS (₹)	A/E	10.56	15.57

Note 29. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the company were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 30. Capital and Other Commitments

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 89,542,493/- (Previous year ₹ 64,609,238/-)

Note 31. Contingent Liabilities at Balance Sheet date

Particulars	As at March 31, 2017	As at March 31, 2016
Bank Guarantees*	750,000,000	-

*Fixed deposits amounting to ₹ 375,000,000/- are pledged against this

Note 32. There are no pending litigations by and on the Company as on the balance sheet date.

Note 33. The Company has implemented equity settled Employee Stock Options Scheme 2012 (ESOP Schemes) and Employee Stock Options Scheme 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 Remuneration and Compensation Committee and ESOP Schemes.

(A) The details of various Employee Stock Option Schemes are as under:

Particulars	ESOP 2012	ESOP 2015
No. of options granted	2,718,050 (A - 1,234,900; B - 758,550; C - 724,600)	7,865,945 (A - 69,65,945 & B - 9,00,000)
Grant Dates	A - March 28, 2012; B - August 29, 2013; Jun 03, 2014	A - July 02, 2015, B - November 10, 2016
Method of accounting	Intrinsic Value	Intrinsic Value
Vesting plan	Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options	Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options
Exercise period	Seven years from the date of grant	Seven years from the date of grant
Grant Price (₹ Per Share)	A - ₹10.00, B - ₹16.00 and C - ₹19.00	A - ₹ 282.00, B - ₹ 339.00
Fair Value on the date of Grant of Option (₹ Per Share)	₹ 11.80 - ₹ 18.96	₹ 274.00 - ₹319.00

Movement of options granted:

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	6,965,945
Granted during the year	-	900,000
Exercised during the year	449,185	3,555,921
Lapsed during the year	13,835	-
Options outstanding at the end of the year	128,510	4,310,024
Exercisable at the end of the year	194,835	1,214,766
Weighted average exercise price for the options exercised during the year	₹ 16.41	₹ 282.00
Range of exercise price for the options outstanding at the end of the year	₹ 10 to ₹ 19	₹ 282.00



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Fair Value Methodology:

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:

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	8.38%-9.47%	7.87%-6.39%
Expected average life	3 years	3 years
Expected volatility of Share Price	Nil	Nil
Dividend yield	0%-38.45%	1.25%-1.64%
Fair value on the date of the grant (₹/option)	₹ 11.80-18.96	₹ 274-319

Had the compensation cost for the stock options granted been determined on fair value approach, the Company's net profit and earning per share would have been as per pro-forma amounts indicated below:

(a) Pro-forma Profit after tax

Particulars	Current year	Previous year
Net Profit as reported	864,383,882	1,034,063,908
Less:		
Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 76,812,440/- (Previous year ₹ 152,718,804/-)]	50,229,191	99,865,880
Net Profit (Pro-forma)	814,154,691	934,198,028

(b) Pro-forma Profit after tax

Particulars	Current year	Previous year
Basic earnings per share (as reported)	11.68	17.57
Basic earnings per share (pro-forma)	11.00	15.87
Diluted earnings per share (as reported)	10.56	15.57
Diluted earnings per share (pro-forma)	9.94	14.07



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 34. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of Distribution business as envisaged by AS 17 'Segment Reporting', as prescribed under Section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

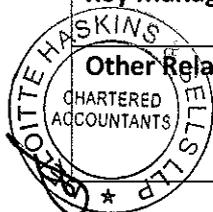
Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 35. Related Party Disclosures.

Related party disclosures for the year ended March 31, 2017

a) List of Related parties:

Nature of relationship	Name of party
Holding Company	IIFL Holdings Limited
Subsidiary Companies	IIFL Distribution Services Limited IIFL Investment Advisers and Trustee Services Limited IIFL Alternate Asset Advisors Limited IIFL Asset Management Limited IIFL Trustee Limited India Alternatives Advisors Private Limited (upto March 31, 2017) IIFL Wealth Finance Limited IIFL (Asia) Pte Limited IIFL Inc IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Limited) IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited
Fellow Subsidiaries	India Infoline Limited India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Facilities Ltd IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited
Group Company	India Infoline Housing Finance Limited IIFL Asset Reconstruction Limited
Key Managerial Personnel	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director
Other Related Parties	Mr. Nirmal Jain Mr. R. Venkataraman Mr. Amit Shah



IIFL WEALTH MANAGEMENT LIMITED

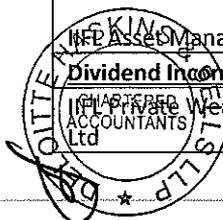
Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of relationship	Name of party
	Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Madhu Jain Mrs. Aditi Athavankar Mrs. Dhara Shah Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment

b) Significant Transactions with Related Parties

(Amount in ₹)

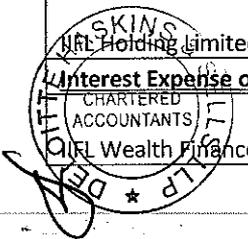
Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Investment						
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(350,000,000)	-	-	-	(350,000,000)
India Alternatives Investment Advisors Pvt Limited	-	-	-	-	-	-
	-	(34,997,900)	-	-	-	(34,997,900)
	-	620,000,000	-	-	-	620,000,000
IIFL Wealth Finance Limited	-	(9,000,000,000)	-	-	-	(9,000,000,000)
Share Capital Issued:						
Karan Bhagat	-	-	-	-	4,800,000	4,800,000
	-	-	-	-	-	-
Yatin Shah	-	-	-	-	1,800,000	1,800,000
	-	-	-	-	-	-
NCD Buy Back						
	-	500,000,000	-	-	-	500,000,000
IIFL Wealth Finance Limited	-	-	-	-	-	-
Purchase of Investments (Net)						
IIFL Alternate Asset Advisers Limited	-	-	-	-	-	-
	-	(1,464,155,704)	-	-	-	(1,464,155,704)
	-	2,750,000,000	-	-	-	2,750,000,000
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	(850,059,498)	-	-	(850,059,498)
	-	-	-	-	-	-
IIFL Asset Management Limited	-	(75,000)	-	-	-	(75,000)
Sale of Investments (Net)						
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	(67,527,412)	-	-	(67,527,412)
	-	-	-	-	-	-
IIFL Alternate Asset Advisers Limited	-	(1,794,887,757)	-	-	-	(1,794,887,757)
	-	-	-	-	-	-
India Infoline Media Research Services Ltd	-	-	(702,500,122)	-	-	(702,500,122)
Commission Income						
	-	-	-	-	-	-
IIFL Asset Management Limited	-	(120)	-	-	-	(120)
Dividend Income						
	-	-	-	-	-	-
IIFL Private Wealth (Mauritius) Ltd	-	(178,478,235)	-	-	-	(178,478,235)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
India Infoline Limited	-	-	395	-	-	395
	-	-	(59)	-	-	(59)
Brokerage – Authorised Person/ Brokerage- Fixed Deposit/ Arranger Fees Income/Management Fees Income						
India Infoline Limited	-	-	367,653,027	-	-	367,653,027
	-	-	(354,873,456)	-	-	(354,873,456)
India Infoline Housing Finance Limited	-	-	-	-	-	-
	-	-	(8,940,000)	-	-	(8,940,000)
IIFL Facilities Services Ltd	-	-	-	-	-	-
	-	-	(2,724,000)	-	-	(2,724,000)
India Infoline Finance Limited	-	-	52,120,960	-	-	52,120,960
	-	-	(3,417,029)	-	-	(3,417,029)
IIFL Asset Management Limited	-	143,566,342	-	-	-	143,566,342
	-	(61,238,861)	-	-	-	(61,238,861)
India Alternatives Investment Advisors Pvt Limited	-	14,000,000	-	-	-	14,000,000
	-	-	-	-	-	-
Interest Income on Inter Corporate Deposit						
India Infoline Finance Limited	-	-	(7,271,858)	-	-	(7,271,858)
IIFL Alternate Asset Advisors Limited	-	756,399	-	-	-	756,399
	-	(39,166,861)	-	-	-	(39,166,861)
IIFL Investment Adviser and Trustee Services Limited	-	(5,291,787)	-	-	-	(5,291,787)
India Alternatives Investment Advisors Pvt Limited	-	(1,277,470)	-	-	-	(1,277,470)
	-	-	-	-	-	-
IIFL Trustee Limited	-	(49)	-	-	-	(49)
	-	-	-	-	-	-
IIFL Facility Services Limited	-	-	(45,082)	-	-	(45,082)
India Infoline Media & Research Services Ltd	-	-	(1,871,507)	-	-	(1,871,507)
	-	3,994,896	-	-	-	3,994,896
IIFL Asset Management Limited	-	-	-	-	-	-
	-	7,684,932	-	-	-	7,684,932
IIFL Wealth Finance Limited	-	-	-	-	-	-
Interest Expense on Inter Corporate Deposit						
IIFL Distribution Services Limited	-	1,730,877	-	-	-	1,730,877
	-	(505,790)	-	-	-	(505,790)
	-	10,032,212	-	-	-	10,032,212
IIFL Asset Management Limited	-	(8,201,323)	-	-	-	(8,201,323)
IIFL Investment Adviser and Trustee Services Limited	-	8,824,937	-	-	-	8,824,937
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	472,603	-	-	472,603
	-	-	(775,137)	-	-	(775,137)
IIFL Wealth Finance Limited	-	34,705,227	-	-	-	34,705,227
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	6,475,890	-	-	-	6,475,890
	-	-	-	-	-	-
IIFL Holding Limited	5,660,137	-	-	-	-	5,660,137
	-	-	-	-	-	-
Interest Expense on NCD						
IIFL Wealth Finance Limited	-	2,613,878	-	-	-	2,613,878
	-	-	-	-	-	-



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Corporate Social Responsibility Expenses						
India Infoline Foundation Limited	-	-	-	7,262,000	-	7,262,000
	-	-	-	-	-	-
Referral Fees - Expenses						
India Infoline Finance Limited	-	-	10,253,269	-	-	10,253,269
	-	-	(226,068,796)	-	-	(226,068,796)
IIFL Facility Services Limited	-	-	-	-	-	-
	-	-	(15,000,000)	-	-	(15,000,000)
Manpower Outsourcing Expenses						
IIFL Distribution Services Limited	-	67,238,654	-	-	-	67,238,654
	-	(78,109,608)	-	-	-	(78,109,608)
Rent Expenses						
IIFL Facility Services Limited	-	-	135,730,251	-	-	135,730,251
	-	-	(90,653,958)	-	-	(90,653,958)
Advisory Fee Expense						
IIFL Investment Adviser and Trustee Services Limited	-	24,000,000	-	-	-	24,000,000
	-	(24,000,000)	-	-	-	(24,000,000)
Guest House Expense						
IIFL Properties Private Limited	-	-	290,000	-	-	290,000
	-	-	(155,000)	-	-	(155,000)
Remuneration						
Karan Bhagat	-	-	-	-	40,128,096	40,128,096
	-	-	-	-	(37,856,355)	(37,856,355)
Yatin Shah	-	-	-	-	31,531,068	31,531,068
	-	-	-	-	(29,671,057)	(29,671,057)
Dividend Paid						
IIFL Holdings Limited	270,000,000	-	-	-	-	270,000,000
	(270,000,000)	-	-	-	-	(270,000,000)
Karan Bhagat	-	-	-	-	14,463,156	14,463,156
	-	-	-	-	(17,763,156)	(17,763,156)
Yatin Shah	-	-	-	-	14,463,156	14,463,156
	-	-	-	-	(17,763,156)	(17,763,156)
Amit Shah	-	-	-	-	10,910,526	10,910,526
	-	-	-	-	(14,210,526)	(14,210,526)
Other funds received						
India Infoline Limited	-	-	4,190,967	-	-	4,190,967
	-	-	(226,456)	-	-	(226,456)
IIFL Investment Adviser and Trustee Services Limited	-	2,422,429	-	-	-	2,422,429
	-	(720,875)	-	-	-	(720,875)
IIFL Alternate Asset Advisors Limited	-	346,216	-	-	-	346,216
	-	(2,544,815)	-	-	-	(2,544,815)
IIFL Distribution Services Limited	-	5,442,513	-	-	-	5,442,513
	-	(5,708,758)	-	-	-	(5,708,758)
India Alternatives Investment Advisors Pvt Ltd	-	823,669	-	-	-	823,669
	-	(715,798)	-	-	-	(715,798)
IIFL Asset Management Limited	-	403,988	-	-	-	403,988
	-	(1,750,623)	-	-	-	(1,750,623)
IIFL Finance Limited	-	2,221,942	-	-	-	2,221,942
	-	(16,030)	-	-	-	(16,030)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

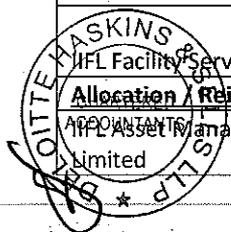
Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Other funds paid						
India Infoline Limited	-	-	41,437	-	-	41,437
	-	-	(2,777,384)	-	-	(2,777,384)
IIFL Holdings Limited	(571,173)	-	-	-	-	(571,173)
India Infoline Finance Limited	-	-	(8,000)	-	-	(8,000)
IIFL Alternate Asset Advisors Limited	-	(821,856)	-	-	-	(821,856)
IIFL Asset Management Limited	-	1,586,967	-	-	-	1,586,967
IIFL Distribution Services Limited	-	(268,749)	-	-	-	(268,749)
IIFL Wealth Finance Limited	-	225,753	-	-	-	225,753
IIFL Investment Adviser and Trustee Services Limited	-	16,604	-	-	-	16,604
	-	-	-	-	-	-
Inter Corporate Deposit Given						
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(358,610,000)	-	-	-	(358,610,000)
IIFL Alternate Asset Advisors Limited	-	572,100,000	-	-	-	572,100,000
	-	(4,782,752,884)	-	-	-	(4,782,752,884)
India Infoline Finance Limited	-	-	(2,750,000,000)	-	-	(2,750,000,000)
India Alternatives Investment Advisors Private Ltd	-	(35,000,000)	-	-	-	(35,000,000)
IIFL Trustee Limited	-	(52,000)	-	-	-	(52,000)
India Infoline Media & Research Services Ltd	-	-	(270,000,000)	-	-	(270,000,000)
IIFL Asset Management Limited	-	457,116,307	-	-	-	457,116,307
IIFL Wealth Finance Limited	-	1,750,000,000	-	-	-	1,750,000,000
IIFL Facility Services Limited	-	-	(150,000,000)	-	-	(150,000,000)
	-	-	-	-	-	-
Inter Corporate Deposit Received back						
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(378,786,717)	-	-	-	(378,786,717)
IIFL Alternate Asset Advisors Limited	-	572,100,000	-	-	-	572,100,000
	-	(4,818,207,884)	-	-	-	(4,818,207,884)
India Alternatives Investment Advisors Private Ltd	-	(92,799,982)	-	-	-	(92,799,982)
IIFL Trustee Limited	-	(52,000)	-	-	-	(52,000)
India Infoline Media & Research Services Ltd	-	-	(270,000,000)	-	-	(270,000,000)
IIFL Facility Services Limited	-	-	(150,000,000)	-	-	(150,000,000)
India Infoline Finance Limited	-	-	(2,750,000,000)	-	-	(2,750,000,000)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
IIFL Asset Management Limited	-	457,116,307	-	-	-	457,116,307
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	1,750,000,000	-	-	-	1,750,000,000
	-	-	-	-	-	-
Inter Corporate Deposit taken						
IIFL Distribution Services Limited	-	119,500,000	-	-	-	119,500,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,545,000,000	-	-	-	2,545,000,000
	-	(7,500,000)	-	-	-	(7,500,000)
India Infoline Finance Limited	-	-	250,000,000	-	-	250,000,000
	-	-	(490,000,000)	-	-	(490,000,000)
IIFL Alternate Asset Advisors Limited	-	635,000,000	-	-	-	635,000,000
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	9,612,500,000	-	-	-	9,612,500,000
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	332,000,000	-	-	-	332,000,000
	-	-	-	-	-	-
IIFL Holdings Limited	330,000,000	-	-	-	-	330,000,000
	-	-	-	-	-	-
Inter Corporate Deposit Repaid						
IIFL Distribution Services Limited	-	119,500,000	-	-	-	119,500,000
	-	(20,218,418)	-	-	-	(20,218,418)
IIFL Asset Management Limited	-	2,545,000,000	-	-	-	2,545,000,000
	-	(341,704,000)	-	-	-	(341,704,000)
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	-	-	-	-
IIFL Holdings Limited	330,000,000	-	-	-	-	330,000,000
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	250,000,000	-	-	250,000,000
	-	-	(490,000,000)	-	-	(490,000,000)
IIFL Alternate Asset Advisors Limited	-	635,000,000	-	-	-	635,000,000
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	9,612,500,000	-	-	-	9,612,500,000
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	332,000,000	-	-	-	332,000,000
	-	-	-	-	-	-
Allocation / Reimbursement of expenses Paid						
India Infoline Limited	-	-	77,556,355	-	-	77,556,355
	-	-	(62,948,456)	-	-	(62,948,456)
IIFL Holdings Limited	21,068,067	-	-	-	-	21,068,067
	-	-	-	-	-	-
India Alternatives Investment Advisors Private Ltd	-	68,800,000	-	-	-	68,800,000
	-	-	-	-	-	-
5 Paise Capital Limited	-	-	-	49,714	-	49,714
	-	-	-	-	-	-
IIFL Distribution Services Ltd	-	1,008,045	-	-	-	1,008,045
	-	-	-	-	-	-
IIFL Facility Services Limited	-	-	10,187	-	-	10,187
	-	-	-	-	-	-
Allocation / Reimbursement of expenses Received						
IIFL Asset Management Company Limited	-	31,277,959	-	-	-	31,277,959
	-	(36,288,134)	-	-	-	(36,288,134)



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
IIFL Investment Adviser and Trustee Services Limited	-	11,536,758	-	-	-	11,536,758
	-	(8,660,443)	-	-	-	(8,660,443)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-	-
	-	(9,860,443)	-	-	-	(9,860,443)
IIFL Distribution Services Limited	-	6,255,592	-	-	-	6,255,592
	-	(10,116,446)	-	-	-	(10,116,446)
IIFL Wealth Finance Limited	-	24,758,528	-	-	-	24,758,528
	-	(2,273,976)	-	-	-	(2,273,976)
India Alternatives Investment Advisors Pvt Ltd	-	4,779,266	-	-	-	4,779,266
	-	(5,152,854)	-	-	-	(5,152,854)

c) Amount due to / from Related Parties (Closing Balances):

(Amount in ₹)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Management Personnel	Total
Sundry payables						
IIFL Distribution Services Limited	-	8,327,760	-	-	-	10,073,199
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	1,300,560	-	-	-	1,300,560
	-	-	-	-	-	-
India Infoline Limited	-	-	7,432,085	-	-	7,432,085
	-	-	-	-	-	-
Other receivables						
IIFL Alternate Asset Advisors Limited	-	42,011	-	-	-	42,011
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	10,483,231	-	-	-	10,483,231
	-	-	-	-	-	-
IIFL Asset Management Limited	-	8,703,726	-	-	-	8,703,726
	-	-	-	-	-	-
Trade Receivables						
IIFL Asset Management Limited	-	38,998,746	-	-	-	38,998,746
	-	-	-	-	-	-
India Infoline Limited	-	-	15,694,772	-	-	15,694,772
	-	-	(28,379,697)	-	-	(28,379,697)
India Infoline Finance Limited	-	-	1,883,129	-	-	1,883,129
	-	-	-	-	-	-

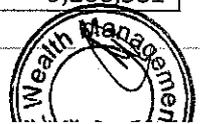
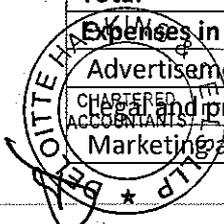
Note :

- I Figures in bracket represents previous year figures.
- II Related parties are identified and certified by the management.

Note 36. Earnings and Expenses in Foreign Currency:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Earnings in Foreign Currency		
Dividend Income	-	178,478,294
Total	-	178,478,294
Expenses in Foreign Currency		
Advertisement Expense	1,328,060	503,750
Legal and professional Charges	6,406,199	1,543,523
Marketing and commission Expense	12,549,302	9,266,581



IIFL WEALTH MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Particulars	2016-2017	2015-2016
Office Expense	2,382,194	1,084,732
Travelling and Conveyance Expense	1,308,826	1,559,851
Total	23,974,582	13,958,437

Note 37. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2017, are as under:

(Amount in ₹)

Minimum Lease Rentals	As At March 31,2017	As At March 31,2016
Up to one year	274,618,072	168,536,085
One to five years	266,720,146	299,041,263
Over five years	-	582,558

Note 38. Corporate Social Responsibility

During the financial year 2016-17, the Company has spent ₹ 24,012,000/- (Previous Year ₹ 12,755,000/-) as against ₹ 23,508,541/- (Previous Year ₹ 14,144,591/-) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

Note 39. Details of Inter Corporate Deposits

During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 34 and in table below.

Particulars	ICD given	ICD received back	ICD Outstanding
	1,449,543	3,300,000	14,328,673
Fineworthy Software Solutions Ltd	(45,096,926)	(46,882,190)	(16,179,130)
	38,736,212	36,908,212	1,828,000
IIFL Wealth Employee Benefit Trust	-	-	-

The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.5% to 11% p.a.), for the purpose of meeting working capital and business requirements.

Note 40. Previous figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors

Karan Bhagat
Managing Director
(DIN: 03247753)

Yatin Shah
Executive Director
(DIN: 03231090)

Mihir Nanavati
Chief Financial Officer

Ashutosh Naik
Company Secretary

