IIFL FINANCE

RESILIENT & RESOLUTE

IIFL FINANCE LIMITED

ANNUAL REPORT 2018-19

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Market capitalisation as on March 31, 2019	:	₹ 61 billion
BSE Code	:	532636
NSE Symbol	:	IIFL
Bloomberg Code	:	IIFL IN
Dividend declared	:	₹ 5 per share

Please find our online version at
https://www.iifl.com/investor-relations
Or simply scan to download

Disclaimer: This document contains statements about expected future events and financials of IIFL Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

FY18 & FY19 financials are as per IndAS.
Previous years numbers are as per IGAAP.

In a sector going through challenging conditions, we have displayed a determined performance on the back of strong fundamentals and steadfast leadership.

We continuously reviewed, adapted and reinforced our business model. Our clear long-term vision helped us maintain a strong balance sheet. We proactively identified the inherent risks and addressed our funding-mix, maintained a balanced liquidity profile and further strengthened our risk management criteria. Our proactive responsiveness in a dynamic environment has translated into an enhanced stakeholders' trust.

We remain deeply rooted to our core principles, ethics and social responsibility with a commitment to create more value for our stakeholders.

IIFL FINANCE

About IIFL Finance Limited

IIFL Finance Limited (Erstwhile "IIFL Holdings Limited") (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: IIFL) is one of the leading players in the Indian financial services space. Prior to the Composite Scheme of Arrangement (effective May 13, 2019), IIFL Finance Limited was engaged in the business of financing, asset and wealth management, retail and institutional broking, financial products distribution and investment banking through its various subsidiaries.

IIFL Finance Limited is a first generation venture which started as a research firm in 1995. IIFL Finance Limited was a pioneer in the retail equity broking industry with its launch of 5paisa trading platform which offered the lowest brokerage in the industry and freedom from traditional ways of transacting. IIFL's evolution from an entrepreneurial start-up in 1995 to a full range diversified financial services group is a story of steady growth by adapting to the dynamic business environment, without losing focus on its core domain of financial services.

Group reorganisation

The Board of Directors of IIFL Finance Limited at its meeting held on January 31, 2018, had approved the reorganization of IIFL Group, which will result in three listed entities – IIFL Finance, IIFL Wealth and IIFL Securities and the same has become effective from May 13, 2019; IIFL Wealth and IIFL Securities have been demerged and will be listed in due course of time. The part relating to merger of India Infoline Finance Limited with IIFL Finance Limited will become effective in due course post obtaining approval of RBI.

As the core businesses of IIFL group have acquired a critical mass, the Company took the decision to re-organise the corporate structure and create independent entities focused on their niche verticals. This move is aimed at enabling each business to grow faster, attract the right talent and become more innovative and efficient. In addition, the shift from close-knit conglomerate to separate entities will ensure simpler regulatory compliance, enhanced value for stakeholders along with more synergistic benefits.

Vision

To be the most respected financial services company in India. Not necessarily the largest or most profitable.

Values

Fairness

Fairness in our transactions with all stakeholders including employees, customers and vendors, bereft of fear or favour.

Integrity

Integrity and honesty of utmost nature, in letter, in spirit and in all our dealings with people, internal or external.

Transparency

Transparency in all our dealings with stakeholders, media, investors and the public at large.

IIFL Finance is mainly engaged in the financing business through its subsidiaries. IIFL Finance's diverse product suite, including Home Loans, Gold Loans, Business Loans including Loans Against Property and MSME Financing, Microfinance, Developer and Construction Finance and Capital Market Finance, caters to a broad spectrum of customers.

The Company's 1,947 branches spanning the length and breadth of the country along with a strong digital presence enables service to a vast customer base and the retail focussed products with small ticket sizes especially cater to the underserved sections of society.

₹ 349,040 million
Assets Under Management

₹ 50,955 million
Total Income for the year March 31, 2019

₹ 7,942 million
Profit After Tax for the year March 31, 2019

16.0% / 19.2%
Tier 1 / Total Capital Adequacy

1.96%
Gross NPA

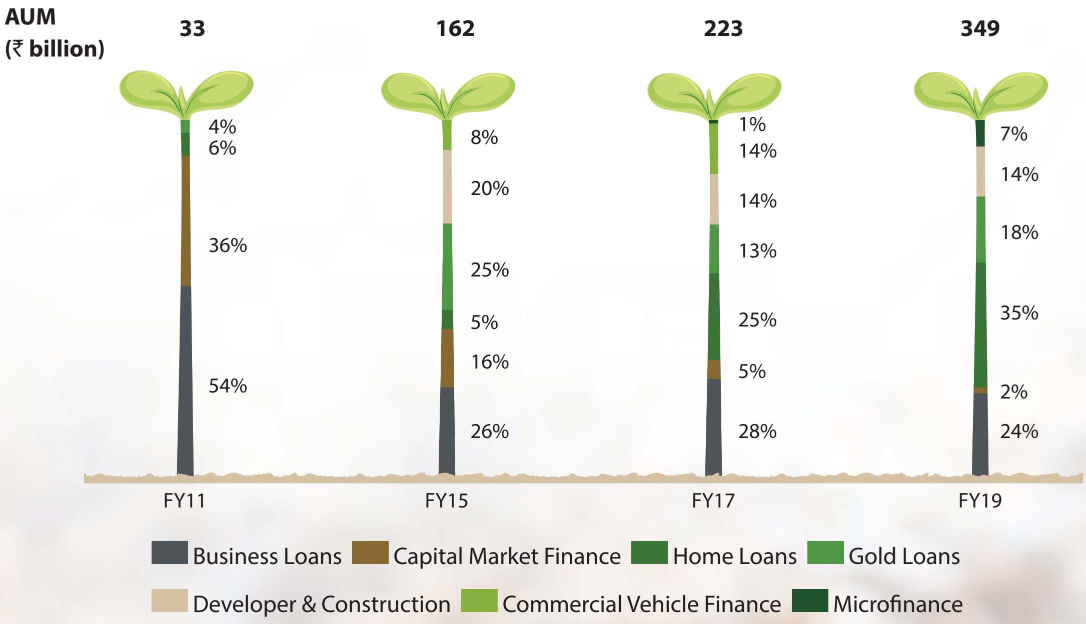
16,799
Happy Employees

AA Stable
Credit Rating by CRISIL, ICRA and CARE

Our growing business landscape serves millions of customers

IIFL Finance, through its subsidiaries, caters to the credit requirements of a diverse customer base with a plethora of products. Our offerings include core products - Home Loans, Gold Loans, Small Business Loans and Microfinance; and synergistic products - Developer and Construction Finance and Capital Market Finance. The core growth segments account for around 85% of our assets under management.

Over the past several years, we have diversified our products and expanded our presence into segments that are of greater relevance to the evolving business environment and customer demand trends. Our product offering evolution is depicted below:



As of March 31,2019, we completed the sale of our commercial vehicles' financing business as a going concern, in order to focus on scaling up our core business segments.

Our diversified portfolio is highly granular in nature, with about 85% of the book being retail, and helps disperse our exposure and balance cyclical vagaries. Over 41% of the book is also compliant with the RBI's priority sector lending norms.

We have maintained strong asset quality over the years, which is reflected in the consistent low level of NPAs. As at March 31, 2019, our gross and net NPAs stood at 1.96% and 0.63% respectively and our total provision coverage ratio stood at 139%. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio.

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Core Products

Home Finance

- Small-ticket home loans to first time buyers, people employed in the informal sector or owning small businesses
- 'Swaraj' home loan product caters to loans provided under the affordable housing category

Key highlights for the year 2018-19

- Retail home loans constituted 34.9% of the total AUM
- Average ticket size of home loans reduced from ₹ 3.1 million in FY 2015-16 to ₹ 1.8 million in FY 2018-19
- Over 30,000 customers were benefited with a subsidy of about ₹ 7.0 billion under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme

Gold Loans

- Loan against gold to fulfil the needs of small businesses vendors, traders, farmers and salaried people
- Loan disbursement through an extensive network of branches across the country

Key highlights for the year 2018-19

- Gold loans constituted17.8% of the total AUM
- Widespread presence across India - tier 2-3 cities in the country
- Average ticket size of gold loans stood at ₹ 58,000 in FY 2018-19
- Strict security measures at branches with e-surveillance, CCTV cameras, sensors and OTP solution to avoid contingencies
- The digital security measures have resulted in cost saving and prevented robberies and fire instances

85%
Retail Loan Book

41%
PSL Compliant Loan Book

Note: PSL - Priority Sector Lending

Business Loans

- Loan against property for working capital requirements, business use, acquisition of new property etc.
- Predominantly lending to business owners backed by cash flows and collateral
- Fast, flexible and convenient personal loans through collaboration with e-commerce portals, aggregators and fintech companies

Key highlights for the year 2018-19

- Business loans constituted 24.4% of the total AUM
- Average ticket size of business loans reduced from ₹ 8.9 million in FY 2015-16 to ₹ 2.3 million in FY 2018-19
- Investment in technology, partnerships, training of sales and support staff resulted in better operational leverage
- 64% of loans disbursed were of small ticket size i.e. less than ₹ 2 million

Microfinance

- High-yielding granular portfolio dominated by Self Help Groups (SHGs) of women for income generating activities
- Micro loans, credit linked insurance, group based savings account to empower communities

Key highlights for the year 2018-19

- Microfinance constituted 6.6% of the total AUM
- Average ticket size of microfinance loans stood at ₹ 23,000 in FY 2018-19

Synergistic Products

Developer and Construction Finance

- Loans to developers for construction and development of residential and mixed-use projects
- In line with our broader retail strategy, the construction finance vertical provides retail loans under the approved project route, wherein the Company has tie-ups with developers for funding the property buyers under the retail home loan category

Key highlights for the year 2018-19

- Developer and Construction Finance constituted 14.5% of the total AUM
- Average ticket size of the loans stood at ₹ 212 million in FY 2018-19

Capital Market Finance

- Short term loans secured by pledge of listed equity shares, vested ESOPs, equity and debt mutual fund units, structured notes, bonds, debentures and collateral as approved by the credit policy

Key highlights for the year 2018-19

- Capital Market Finance constituted 1.9% of the total AUM
- Average ticket size of the loans stood at ₹ 14 million in FY 2018-19

Vast physical network spread across the country

Driving inclusive growth through an extensive network

A strong physical as well as digital footprint is very important in our business, as it increases reach and access to customers. Physical presence is required in the gold and micro finance business whereas a digital identity provides wider access in the home and small business loan categories.

We have steadily expanded our branches over time, the count growing from 191 in Fiscal Year 2011 to 1947 in Fiscal Year 2019. Our widespread branch network enhances the brand equity and enriches customer experience.

Our branch network is well spread across Tier I/II and III cities across the country, effectively providing credit to the underserved segments of customers in these areas.

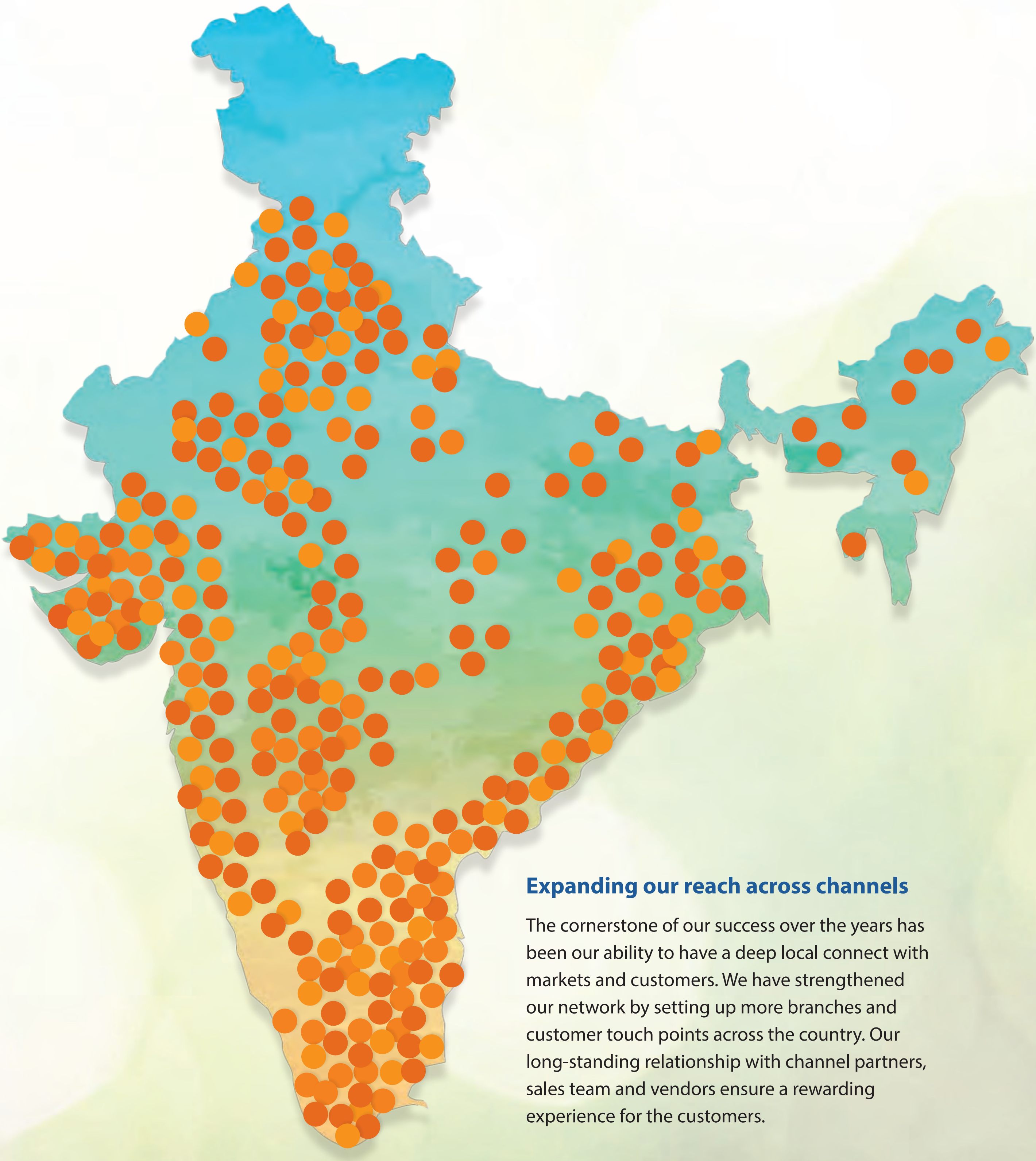
1,947
Total NBFC branches across India as on March 31, 2019

85%
Branches in Tier-II and Tier III cities

25 states,
over **600** towns/cities

AUM composition
(as on March 31, 2019)

Regional split of branches



Expanding our reach across channels

The cornerstone of our success over the years has been our ability to have a deep local connect with markets and customers. We have strengthened our network by setting up more branches and customer touch points across the country. Our long-standing relationship with channel partners, sales team and vendors ensure a rewarding experience for the customers.

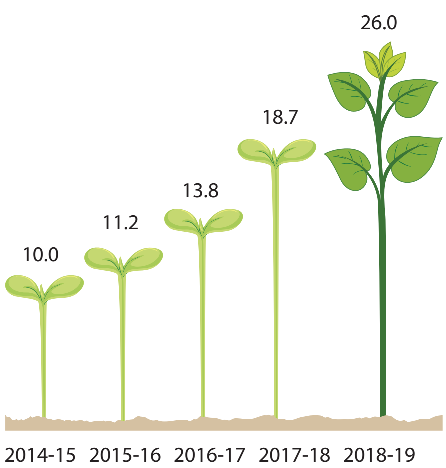
This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

500+
New branches added over the year

Our metrics of growth

Financial trends of India Infoline Finance Limited

Income* (₹ billion)

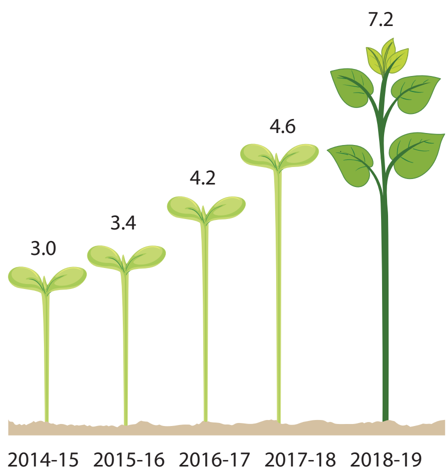


YoY Growth: 39.0%

5 Years CAGR: 28%

*Net of interest expense

Net Profit (₹ billion)

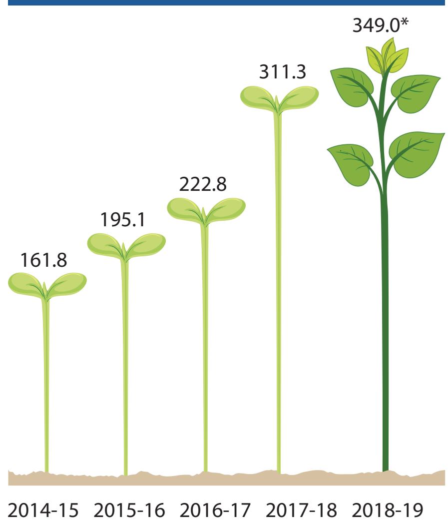


YoY Growth: 55.0%

5 Years CAGR: 28%

*Pre-minority

Loan Assets Under Management (₹ billion)



YoY Growth: 12.1%

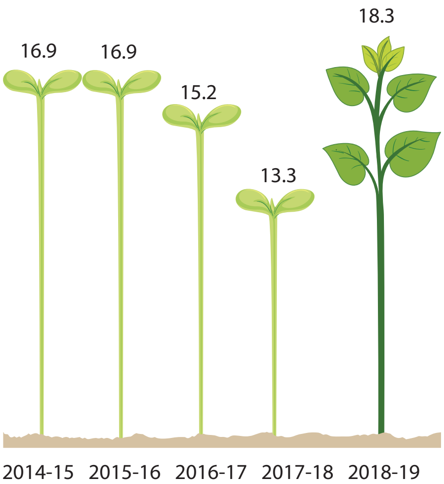
5 Years CAGR: 25%

* Excluding divested Commercial Vehicle Financing business.

YoY growth on ex-CV basis is 29%

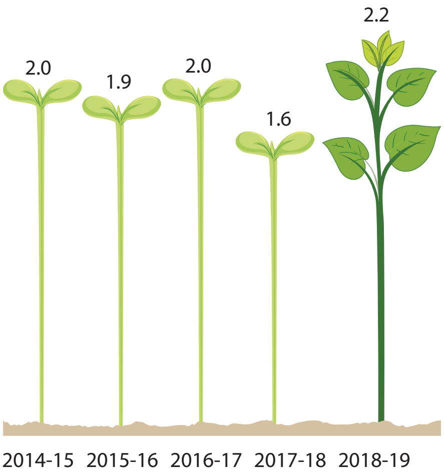
Note: FY18 & FY19 numbers are as per IndAS. Previous years numbers are as per IGAAP

Return on Equity (%)



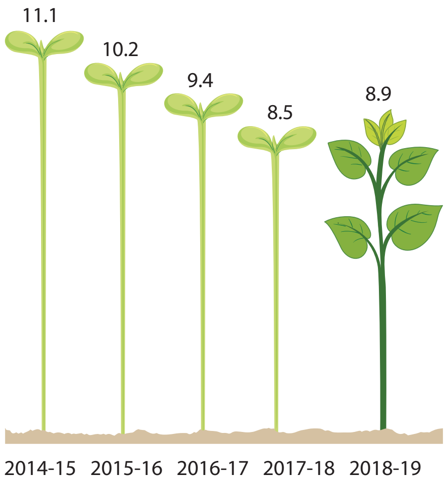
Return on Equity stood at **18.3%** for the year ended March 31, 2019

Return on Average Assets (%)



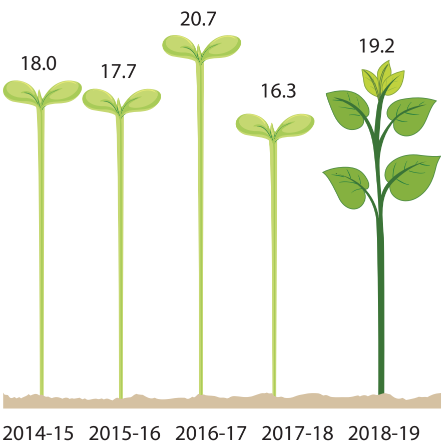
Return on Average Assets stood at **2.2%** for the year ended March 31, 2019

Cost of Funds (%)



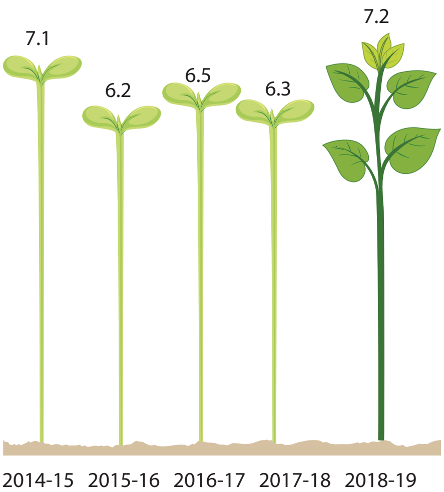
Cost of Funds was recorded at **8.9%** for the year ended March 31, 2019

Capital Adequacy Ratio (%)



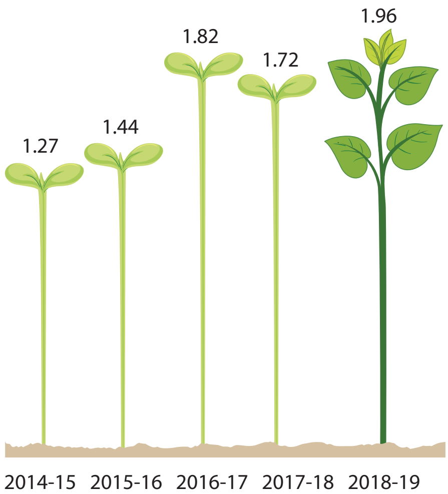
Capital Adequacy Ratio was recorded at **19.2%** as on March 31, 2019

Net Interest Margin (%)



Net Interest Margin grew by 90 basis points y-o-y to **7.2%** for the year ended March 31, 2019

Gross NPA (%)



Gross NPA stood at **1.96%** as on March 31, 2019

Growing in the face of challenges

NBFCs have been a key engine for credit growth in the country, especially with significant demand arising from Tier II/III cities and beyond; NBFCs have been successful in meeting this demand with their last mile connectivity, low cost offerings, and enhanced convenience and customer service.

The NBFC sector, with its steadfast growth over the last five years has come to be recognized as a systemically important component of the financial services industry.

Over the past few years, NBFCs accounted for nearly four out of every ten consumer loans disbursed.

However, the second half of the previous year, saw the initiation of a national crisis with drying up of funding resources, leading to liquidity crunch among the NBFCs.

How the liquidity squeeze unfolded?

In the second half of the year, a leading financial services company defaulted on its short-term commercial paper (CP) debt obligations.
It led to cascading effects on the entire financial system.

Various corporates, mutual funds and insurance firms had invested in that entity through CP and non-convertible debentures (NCDs).
This raised question marks on the stability and ALM positions of all the companies in this segment. This further escalated supply side challenges for the NBFCs, both in terms of availability and cost of funds.

60 million
People served by NBFCs through gold/micro/ MSME/vehicle loans

50%
Market share of NBFCs in each of the above loan segments

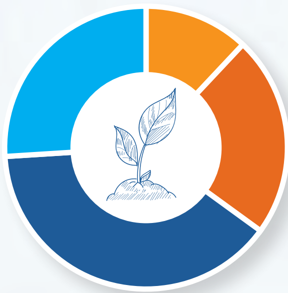
Our survival strategies amid challenges

With a clear vision, we remained mindful of our survival amid unfavourable industry environment. IIFL's proactive approach to difficult circumstances backed by a solid foundation and agile business model, made the Company stronger. Our diversified funding mix, comfortable liquidity position and efficient processes ensured that we confidently navigate through the challenges.

In a tough environment, we took proactive steps to combat the situation viz:

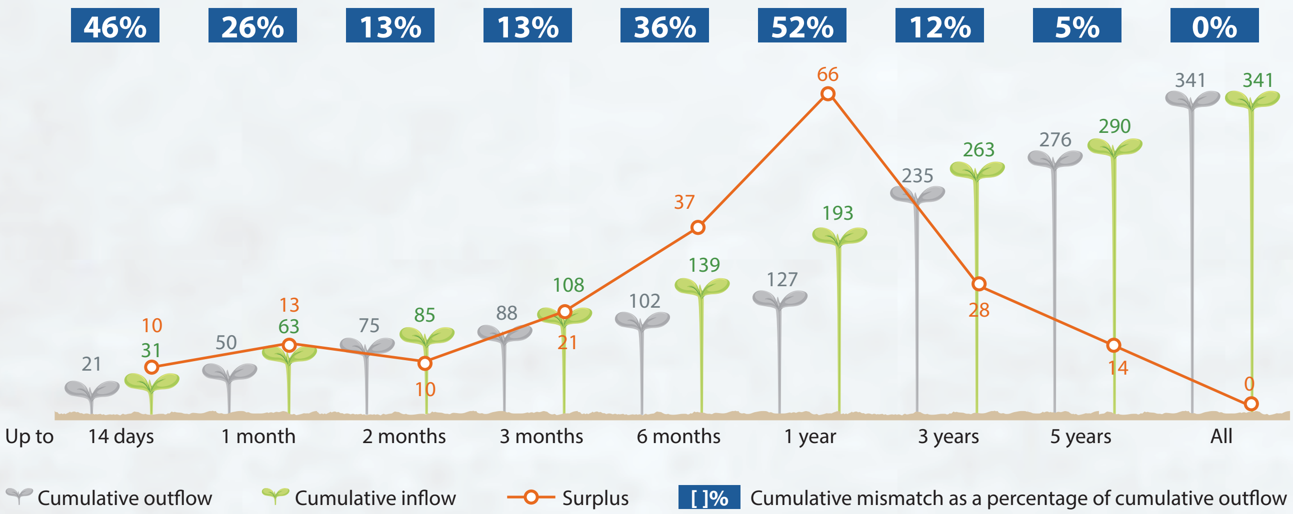
- Reduced our CP exposure, down from 24% of loans to 12% as on March 31, 2019 despite 25% of the portfolio having maturity less than 6 months and 39% less than 12 months, which was reduced further to 5% by June 30, 2019
- Increased share of securitized assets and bank loans for a well-diversified funding mix
- Maintained a positive ALM across all buckets with cumulative surplus net cash flow
- Maintained adequate liquid investments and undrawn bank credit lines
- Ensured enhanced governance through a robust and agile risk management model

Well-diversified funding mix (%)

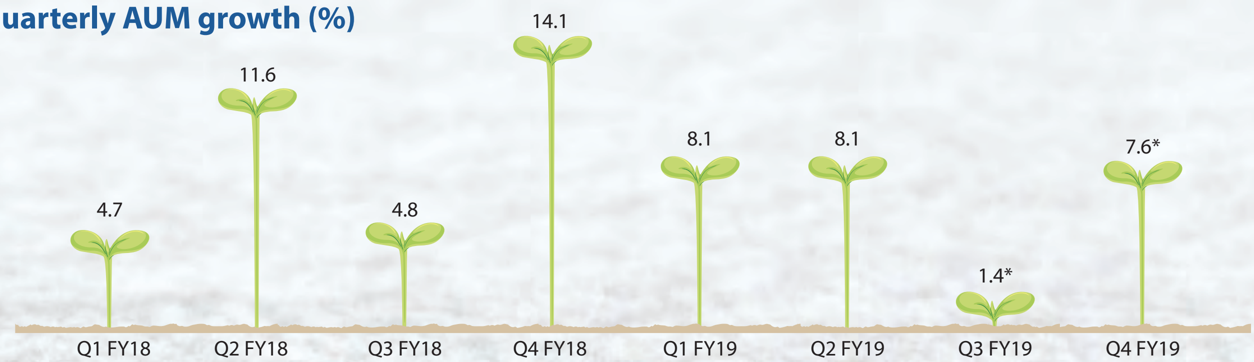


Commercial Paper	12%
Non-Convertible Debenture	23%
Term Loan/ Refinance	39%
Securitisation and Assignment	26%

Comfortable liquidity position with positive ALM mismatch (₹ Billion)



Quarterly AUM growth (%)



*Growth of AUM excluding CV portfolio

We continued to grow by focusing on our customers, deploying capital effectively and investing for the future, while carefully managing risks and costs.

Stepping up through a robust technology infrastructure

Expanding the digital footprint

Following our mantra of Retail Lending and Digital Delivery, digitization is deeply embedded in all our organisational activities. Our digital footprint goes hand-in-hand with our physical expansion. Our branch processes are end-to-end automated and onboarding is increasingly being done on handheld devices. At IIFL, we go the extra mile to create a digital, convenient and satisfying experience for our customers.

We are investing in smarter, simpler ways to offer improved business processes and efficient services across loan segments.

Key offerings

- Automated tablet-based customer on-boarding and disbursement
- Digitised credit assessment using proprietary analytical scorecards , with the capability to provide instant in-principle approval and contributing to best in industry TATs
- Improved monitoring collection procedures
- Digital eKYC, eSign, bank statement analysis and fraud checks

Digitised security at branches

- Digitised security at branches with e-surveillance, CCTV cameras, infrared and vibration sensors and OTP solution to avoid contingencies
- Branches are also equipped with smoke detectors, panic switches and two-way audio system on receiving any alert
- The advanced security measures have helped avert robberies, fire instances and save cost at the same time

Tech initiatives during the year

- Launched IIFL Collection mobile app for collection officers
- Enhanced the in house new Loan Origination System for salaried persons, which can be accessed on tablets, enhancing the digital on-boarding process
- Integrated CKYC with technology support
- Optimised data centre operations resulting in flexibility and cost-efficiency at the same time

IIFL Loans App

The IIFL Loans app is a dedicated mobile application for our customers with integrated features enabling ease of access for customers, providing speedy information at their fingetips and an overall high quality of customer service

Features:

- View loan details and account statements
- Easy payment of outstanding loan
- Check payment history
- Interactive loan dashboard
- Quick query resolution
- Live chat facility
- Branch locator

620,000
Downloads as on March 31, 2019

110,000
Active users

3.7+
App rating

Fostering a knowledge-driven culture to deliver the BEST

Creating an empowering work environment

We always attract, inspire and empower our people to deliver their best. IIFL has a diverse workforce and inclusive culture that promotes sharing different perspectives and experiences to enable innovative thinking. Our dedicated workforce bring our vision, values and strategy to life and help our customers prosper.

We encourage a culture of teamwork, continuous learning and work-life balance. During the year, we conducted several learning programmes to ensure that our people are equipped with essential learning skills and leadership traits.

Learning the digital way

We emphasize on leveraging the digital learning journey, right from the on boarding stage. IIFL offers e-learning modules, live webinar sessions and video based modules in vernacular languages to ensure the regional adaptability and effective learning at the same time.

In-house pre-training model

The Company brought together a structured learning experience for all new hires through an in house pre-trained model called RISE – 'Readiness to IIFL through Skill Enhancement'. The project includes in-depth training on business aspects, on the job training and a subsequent refresher programme. The robustness of this program earned the organisation a much coveted industry recognition during the People Matters L&D Awards 2018 as 'Winner of Best in On Boarding Solutions'.

Leadership program

We launched 'Leadership Mantra', a role-based Leadership Programme aimed at re-skilling frontline leadership towards managing teams more effectively.

Management development program

We conducted various learning programmes across areas of sales and business strategy, leadership and team building and creative thinking and decision making.

Accelerating gender equality: Women on the fast-track

At IIFL, our goal is to create a workplace environment where everyone experiences equal opportunities. We are focused on enabling women achieve their best. Our women-centric interventions take care of the significant career phases faced by women team members.

- IIFL's Women Returnee Policy is called 'Bring Them Back Policy' which aims at rehiring women from sabbaticals
- Flexible hours, work from home or choice of location for new mothers, along with day-care service partners in some locations
- Speed mentoring session are held for women employees to meet inspiring women leaders form industry, seek their views and exchange ideas

'Great Place to Work'

IIFL awarded the certification for the year 2019-20

23%

Female employees

Speedmentoring session for Women Employees

Coffee with the CEO

Indoor sports in action

HR induction

Training session for women employees

Football Team- Women

Chairman's message

We continue to leverage technology for automated credit approvals, progressively reducing risk and cost. Your company is focused and resolute to emerge stronger and continue to deliver credit to under-served households and under-accessed geographies.

Resilient and Resolute

Dear Shareholders,

An entrepreneurial venture can never have a smooth one-way ride. It is usually a bumpy roller coaster journey. In the wake of the IL&FS fiasco, NBFCs and HFCs, especially the ones founded by first generation entrepreneurs, have been put to trial by fire during the last year. One can say the industry has passed through a kind of crisis. Historically, the industry has passed through several crises, leading to progressive strengthening of regulatory framework and has emerged stronger from every crisis. Let no crisis be wasted. Your company is determined to be even more resilient and resolute once the storm blows over and dust settles.

Let us look at the background of the industry. In the recent past, a couple of entities defaulted to mutual funds; primary cause being their concentrated wholesale exposures were funded by short term credit. This caused a panic withdrawal of credit to stand-alone non-banking lenders. The NBFCs backed by industrial houses have been perceived to be safer as expectations of support from parent's cash flow usually provide comfort.

In the last two decades, NBFCs evolved their business models to fulfil two major voids in the credit delivery by banks. One, wholesale loans to real estate and construction, (prior to all approvals which banks cannot do) or promoter funding against collateral of shares. Two, retail loans to small businesses and consumers, leveraging their branch network and technology, that banks find unviable or unreachable for small ticket or inadequate income record holders.

In the recent turmoil, investors and lenders have discovered that risk with the wholesale funding is much greater. At the same time, retail loans, not only have lesser and dispersed risk, but also have a ready market in banks. That is what makes our business model, which is focused on retail loans, a lot more resilient than that of peers. Our exposure to wholesale funding is 15% and will reduce to less than 10% over time. Our predominant and growing business model is focused on retail lending and digital delivery. A large part of loans originated by us qualify as priority sector lending for banks, and thus contribute to financial inclusion and nation's social objectives as well.

It is pertinent to note that recent policy initiatives underline the Government and the RBI's recognition of the role of NBFCs and HFCs in our country's development and last mile credit delivery. They include bank funding to NBFCs for onward lending to small ticket borrowers, guidelines for co-lending with banks and partial credit guarantee by the Government for first-loss on securitised assets issued by NBFCs to banking entities. The natural synergy between banks and NBFCs for delivery of credit to under-served regions and people will evolve into a long-term win-win partnership.

Our strategy to fortify our moat is simple. We deliver retail loans digitally with constant innovation. We have made processes end-to-end paperless and digital to the extent existing regulations permit. We continue to leverage technology for automated credit approvals, progressively reducing risk and cost by taking advantage of our wide network of physical branches. Your Company is focused and resolute to emerge stronger and continue to deliver credit to under-served households and under-accessed geographies.

Regards,

Nirmal Jain
Chairman

CEO's message

We are confident of sustaining our performance backed by increased distribution, focus on core products, deeper understanding of market dynamics, cost efficiency, strong risk management capabilities, strong brand and cutting edge technology.

Digital Transformation

Dear Shareholders,

The financial year 2018-19 has been an eventful one as we faced tough times with resilience and determination. Our focus on long-term vision, proactive strategies and sound risk control framework has enabled the Company to weather the on-going turbulence.

The past year saw the country's economic and political equations undergoing tremendous transformation. The on-going 'liquidity crisis' in the NBFC sector has led to a slowing economy.

The NBFC sector in India is a systemically important component of the financial system, as it plays a critical role in providing access to credit to underserved sections of the country. NBFCs play a synergistic role along with banks to meet the credit needs of diverse set of customers. The sector has faced many challenges over the years and the current prolonged liquidity crisis should be seen as just another test for the industry. We are confident of emerging stronger post the crisis.

Performance review

During the financial year 2018-19, our loan assets under management (AUM) grew by 29% to reach ₹ 349 billion. We reported a total income of ₹ 50.2 billion, an increase of 28% over the previous year and profit after tax of ₹ 7.2 billion, a growth of 55% over the previous year.

Our focus on core products of affordable housing loans, gold loans, small business loans and microfinance led to a profitable growth with low delinquencies. 85% of our loan book is granular in nature. The assigned loan book is about 21% of our AUM and there is a significant potential for growth in the medium term, with our core portfolio mix, retail focus and technology edge. We divested the commercial vehicle financing business with the aim to grow our promising core products.

We continued to maintain a strong asset quality, reflecting in our consistently low level of NPAs, amounting to 1.96% and 0.63% of the book at gross and net levels respectively. Moreover, we remained adequately covered with a total provision coverage ratio of 139%.

We also expanded our branch network to 1,947 branches during the year, further reaching small towns and cities across the country. About 85% of our branches are in Tier II/III locations, providing an unparalleled physical footprint, ease of access to customers and a strong brand enabling deeper customer relationships. We have embarked on a project to transform our branch network to digitally offer loan and investment products to our customers. Our mantra is to be 'phygital' (physical + digital).

Digital excellence

Digitisation has gathered pace in the financial sector, accelerated by advanced technological developments. In response to these developments, we have adopted robust digitised systems and with cutting-edge technology, we have simplified our end-to-end processes,reduced costs, enhanced efficiency, reached a wider market and provided better service and value to our customers.

Our tablet-based on-boarding processes and analytical algorithm-based underwriting have reduced turnaround times and our loan management mobile application –IIFL Loans, facilitates customers to manage their accounts and get real time service online. We continue to invest and innovate to be at the forefront of the technological advances that are transforming the financial services industry.

On a closing note

The Company will continue to adapt, evolve and create sustainable value despite the challenging market scenario. We are confident of sustaining our performance backed by increased distribution, focus on core products, deeper understanding of market dynamics, cost efficiency, strong risk management capabilities, strong brand and cutting edge technology.

I extend my heartfelt gratitude to all the employees for their hard work and invaluable contributions that have ensured our growth. I would also like to thank all our shareholders, customers, bankers, partners and regulators for their unwavering faith and support in our endeavours.

Regards,

Sumit Bali
Chief Executive Officer
India Infoline Finance Limited

Environmental, social and governance reporting

At IIFL, we are committed towards interweaving sustainable environmental, social and governance practices into our business strategies and are well on our way to create long-term value for all our stakeholders.

Social impact

Financial inclusion is important for the overall economic development of a nation. Our loan products – retail home loan, business loan, microfinance, loan against gold are designed to provide financial assistance to the underserved sections of society.

We are committed towards cultivating an inclusive and sustainable workplace by reinforcing employee values through teamwork, a culture of diversity and accessible opportunities. To nurture our talent pool, we emphasise on learning and development and upgrading skillset regularly. We have initiated various talent retention schemes including trainings, incentive, high performer recognition programs, rewards and recognition programs, leadership development and employee engagement programs. We constantly strive to empower women employees by promoting gender equality at workplace.

19%
of retail loans are to borrowers in low income states*

63%
of home loans are of ticket size below ₹ 3 million

64%
of SME loans are small ticket loans of average ticket size below ₹ 2 million

₹58,000
Average ticket size of Gold Loans

*UP, MP, Rajasthan, Chattisgarh, Odisha, Eastern states

On the social front, IIFL Foundation (the CSR arm of the group) undertakes many initiatives for community welfare, with a special focus on education. Our initiative 'Sakhiyon ki Baadi' provides quality education to the girl child in 12 districts of South Rajasthan through innovative teaching solutions. The initiative has supported the upliftment of meritorious children from poor socio-economic background. IIFL Foundation has set up close to 1,156 community schools in rural and remote areas of Rajasthan, and has managed to bring back over 34,452 out-of-school girls (never-enrolled/dropped out) into the fold of education, moreover, over 2,758 girls have been mainstreamed during 2018.

IIFL Foundation, in order to help construction workers with their children's education, has set up learning centre-cum-crèche. We contribute to the skill development of these children by providing access to quality education. Thus empowering them with a better future.

We introduced 'Rathshaala', a mobile school, which travels along with the tribe community in Rajasthan. It provides education to their children by holding learning sessions, benefiting over 150 families.

Financial Literacy programs in West Bengal and North-East India and rural Maharashtra, free eye surgery camps in Uttar Pradesh, cancer care camp in Karnataka; free medical & dental treatment at Pandharpur (Maharashtra) , addressing environment sustainability by building check-dams for harvesting rainwater in over 25 villages in Western Maharashtra and the parched Marathwada region, initiatives to support differently abled in Mumbai & Bengaluru, resurrecting schools in Rajasthan & Maharashtra, are some more ways in which IIFL foundation is proactively contributing towards community building as a responsible organization.

Environmental initiatives

We aspire attaining a sustainable financial scorecard while enhancing our positive impacts on the environment.

The green face of affordable housing with 'Kutumb'

Through our green platform Kutumb, we bring together industry experts and housing developers to create a sustainable infrastructure. With lower utility costs and improved health outcomes, the green projects are more beneficial to low-income households. Hence, making affordable housing sustainable is a logical step towards reducing long-term costs and increasing stability.

Green building benefits include environmental, economic and social benefits:

- Reduced carbon footprint with energy and cost-efficient structures
- Constructed using more sustainable raw materials like wood, bamboo, earth bags and straw, among others
- Enhancement and protection of biodiversity and ecosystem
- Improved air and water quality with reduced waste stream
- Conservation and restoration of natural resources
- Enhanced occupier productivity and optimisation of life-cycle performance
- Improved health and comfort for residents along with improved aesthetics

Sound governance structure

Our strong business ethics across all levels of organisation have resulted in a robust business foundation. IIFL follows the best standards of governance and disclosure. We stick to our philosophy of adhering to business ethics and a sincere commitment to corporate governance, which will help achieve the vision of being the most respected Company in the financial services sector in India.

We have implemented Whistle Blower policy, Anti- Corruption policy, Gift policy, and a stringent Employee Code of Conduct policy, leading to the pursuit of excellence in corporate governance. Our core organisational values -Fairness, Integrity and Transparency, embody our dedication to making right choices and observing zero-tolerance towards any violations.

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

NBFC Debt Conclave

IIFL hosted two editions of the 'NBFC Debt Conclave', with an aim to create understanding on the health, challenges and opportunities for the NBFC Sector in India.

The first edition, held in November 2019, hosted Mr R. Gandhi, former Deputy Governor - RBI, as keynote speaker. Mr Gandhi shared his thoughts on the topic 'Policy and Regulatory environment for the NBFC Sector'.

The second edition, held in June 2019, hosted Mr S.S. Mundra, former Deputy Governor - RBI, as keynote speaker. Mr Mundra shared insights on the topic 'Road & Regulations ahead in the NBFC sector'.

Both editions were further enriched with presentations by Mr Krishnan Sitaraman, Sr. Director, Financial Sector & Structured Finance Ratings, CRISIL, on NBFC sector trends and IIFL's credit profile.

The attendees included debt sector representatives from banks, mutual funds, insurance companies etc.

New branches

We launched over 500 new branches in the previous year, expanding presence in Tier II/III locations

Chikhali

Bagula

Lehragaga

Fatehpur

Sreerampore

Jundla

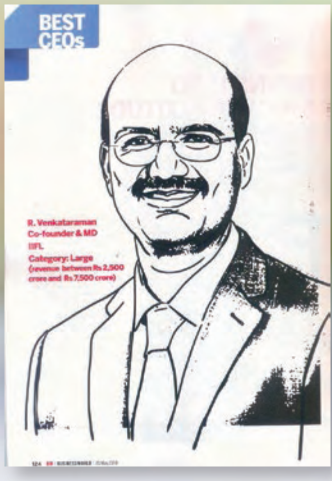
Awards & recognition

Received the 'Best Customer Services Excellence in Financial Services' award for the Category-Customer Service and Loyalty at the World Quality Congress and Awards 2018

Received the 'Digital Innovation Award' under the Cloud Category at Indian Express Group BFSI Awards

Received the 'Best On-boarding Solution' award at People Matters Learning and Development Conference

Recognised as a 'Disruptor' in BFSI sector for innovation through technological intervention in NBFC space by ET Now and Broadcast One



Mr. R Venkataraman featured as the Best CEO in Business World listing for large category firms

IIFL awarded 'Great Place to Work' certification for the year 2019-20

KUTUMB: An Initiative for Green Affordable Housing won best Green Initiative in Affordable Housing segment at ET Now Green Future Leadership Awards 2019

Received 'The Best Affordable Housing Finance Company of the Year' award at ABP News BFSI Awards 2018

Awarded as the 'Best Performing Primary Lending Institution' under CLSS for EWS/LIG – Second

Won the 'Most Promising Brand for Housing Finance' by Times Network

Received the 'Technology Initiative of the Year' Award for 'Jhatpat Loans' at ET NOW BFSI Awards

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Board of Directors

1 MR. NIRMAL JAIN (Chairman)

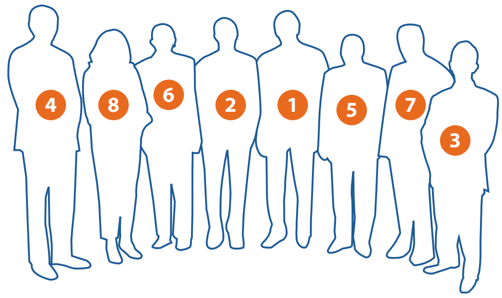
Mr. Nirmal Jain is the Founder and Chairman of the Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited. He founded Probity Research and Services Private Limited (later renamed as India Infoline Limited) in 1995; one of the first independent equity research companies in India. He was instrumental in steering the groups foray into various financial sector activities that have grown over the years into significant businesses in terms of net worth and profitability. Under his leadership, IIFL Group has attainted its position as a dominant and diversified player in the financial services space over the past 24 years.

2 MR. R. VENKATARAMAN (Managing Director)

Mr. R. Venkataraman is the Co-Promoter and Managing Director of the Company. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely towards the establishment of various businesses and sphear heading key initiatives of the Group over the past 20 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 28 years in the financial services sector.

3 MR. VIJAY KUMAR CHOPRA (Independent Director)

Mr. Vijay Kumar Chopra is a Fellow Member of the Institute of Chartered Accountants of India. He was the whole-time member of SEBI for two years; prior to that he has been a career banker and has held several top positions during his 36 years of experience in banking industry. Some of his accomplishments include being the Chairman and Managing Director in Corporation Bank and SIDBI, 3 years as an Executive Director in Oriental Bank of Commerce and 31 years in various capacities in Central Bank of India.



4 MR. NILESH VIKAMSEY (Independent Director)

Mr. Nilesh Vikamsey is a senior partner at Khimji Kunverji & Co LLP, an 82-year-old Chartered Accountants firm (converted to LLP w.e.f. 08-05-2019) and member firm of HLB International. He is presently Member of the Advisory Committee on Mutual Funds & Corporate Governance Committee of Securities and Exchange Board of India (SEBI), Quality Review Board established by the Government of India under the Chartered Accountants Act, 1949, Risk Management Committee of Central Depository Services (India) Limited (CDSL), and Subgroup formed by Audit Committee of Coal India Limited (CIL) to consider revaluation of assets of CIL and its subsidiaries as on 31st March, 2019. He is the Past President of the Institute of Chartered Accountants of India (ICAI). He was an observer on the Board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was a member of IRDA. He was the Chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance Committee chaired by Uday Kotak, Primary Market Advisory Committee and committee on Disclosures and Accounting Standards. He is a Speaker/Chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of the RBI, Comptroller & Auditor General of India (C&AG) and various other organisations.

5 MR. A. K. PURWAR (Independent Director)

Mr. A. K. Purwar is currently the Chairman of Tadas Wind Energy Private Limited as well as Eroute Technologies Pvt. Ltd. He also works as an Independent Director in leading Companies across diverse sectors, viz. Power including Solar, Wind, Thermal & Gas-based power projects, Steel, Pharmaceuticals, Telefilms, Engineering Consultancy, Financial Services as well as Fintech. He also acts as an Advisor to Mizuho Securities, Japan. Mr. Purwar was the Chairman of State Bank of India, the largest Bank in the country from November, 2002 to May, 2006. He held several important and critical positions like Managing Director of State Bank of Patiala, Chief Executive Officer of Tokyo branch covering almost the entire range of commercial banking operations in his long and illustrious career at the Bank. He was also associated in setting up of SBI Life. Mr. Purwar also worked as the Chairman of Indian Bank Association during 2005-2006. He has received CEO of the Year Award from The Institute of Technology and Management (2004), 'Outstanding Achiever of the year' award from Indian Banks' Association (2004) 'Finance Man of the Year' Award by the Bombay Management Association in 2006.

6 MR. CHANDRAN RATNASWAMI (Non Executive Director)

Mr. Chandran Ratnaswami, is a Non-Executive Director of the Company. He is the Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly-owned investment management company of Fairfax Financial Holdings Limited. He is a Director and CEO of Fairfax India Holdings Corporation. Mr. Ratnaswami serves on the Boards of, among others, Quess Corp Limited, Bengaluru International Airport Limited, National Collateral Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance, Thailand, and Fairfirst Insurance Limited, Sri Lanka. Mr. Ratnaswami holds a Bachelor's degree in Civil Engineering from IIT Madras, India and an MBA from the University of Toronto, Canada.

7 MR. NAGRAJAN SRINIVASAN (Non Executive Director)

Mr. Nagarajan Srinivasan is the Managing Director and Head–Asia of CDC India, a wholly-owned subsidiary of CDC Group Plc., London, based in Bengaluru since 2013. This relates to all CDC's investments in South Asia for its three lines of activity; Fund of Funds, Direct Equity investments and Debt/Structured Finance. He joined Commonwealth Development Corporation, London in 1990, and was seconded to Africa where he served for about 8 years. He moved to India in 1998 and worked for Actis Private Equity Fund. He has been on the board of several companies as Director and currently he is on the boards of 9 of the investee companies in India. Mr. Nagarajan Srinivasan holds a MA (Economics) from Madras University and PGDBM from Warwick School of Business and Leadership program from Harvard Business School.

8 MS. GEETA MATHUR (Independent Director)

Ms. Geeta Mathur is a Chartered Accountant and a graduate in Commerce from Shriram College of Commerce, Delhi University. She specialises in the area of project, corporate and structured finance, treasury, investor relations and strategic planning. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance. She represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She is the co-chair for the India Chapter of Women Corporate Directors Foundation, a global organisation working towards increasing the participation of women on corporate boards and board leadership position.

Being responsible and sustainable

Social development initiatives are a key focus area for IIFL and our efforts are aimed at empowering the society at grassroot level.

Transforming lives through education

'Sakhiyonki Baadi'

IIFL is committed to impart quality education to under-privileged children of the society. Therefore, with a special focus on education, IIFL Foundation has set up schools in many districts of South Rajasthan including tribal districts of Rajsamand and Udaipur. Backed by innovative teaching practices, it has successfully brought 34,452 out-of-school girls into the fold of education.

Mission 'Chouras'

With the aim of providing access to education and a place of safety for children of construction workers, IIFL foundation has initiated learning centres-cum-creches. Mission 'Chouras' is supported by trained teachers to teach children, who are otherwise deprived of basic education.

1,156
Community schools

34,452
Girls benefited during the year 2018

50+
Children benefited through Chouras

Addressing healthcare challenges

Annual Mega Camp 2019 at Barsana

- Organised an eye and dental check-up camp at Barsana – country's renowned place of pilgrimage
- Offered 'Free of Cost' eye and dental check-up to beneficiaries, primarily from 120 villages

2,863
Beneficiaries

Eye Camp

- All the patients at the camp were provided eye check ups
- Around 1,096 patients were operated for cataract surgery

1,416
Beneficiaries

Dental Camp

- Provided dental check-up services to patients and distributed free dentures to 62 patients
- Educated patients on oral cancer along with a general orientation on oral hygiene

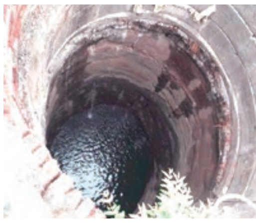
Medical Equipment at Government Hospital

IIFL Foundation extended its support, by providing and upgrading medical equipment at Municipal General Hospital in Mumbai (Sion). The aid intends to support treatment of patients from marginalised section of the society.

Safeguarding the ecosystem

Water conservation at Aurangabad

IIFL Foundation has taken the lead to address the acute shortage of water by constructing water trenches at five locations - Shirodi, Wahegaon, Jalegaon Mete, Satal Pimpri and Khambgaon in the Auragabad district of Maharashtra. Spanning across 4.43 km, these trenches help to make ground water positive and recharge the wells.



58.92 crore litres
Water conserved

10,644
Individuals benefited

31,630
Livestock benefited

Our community initiative: IIFL Milan

IIFL Finance along with IIFL Foundation, launched a new community connect program called 'IIFL Milan' to organise unique initiatives with asocial impact.

1) *Sehat ki baat, aap ke saath*

Helped create awareness on various lifestyle and health-related habits. More than 1,080 health camps organised in a single day in over 700 locations.

2) *Rangon ka milan*

A drawing and slogan contest was held across 1,240 branches in a single day in over 700 locations. More than 39,200 citizens participated with diverse topics such as 'A healthy India', 'Educated girl child', among others.

3) *Aao banayein swasth Bharat*

Health camp drew participation from 30,225 citizens, especially women and senior citizens. More than 1,060 health camps were organised in over 700 cities and towns.

3) Future *ka ganit*

Workshops were organised at 1,206 branches across 700+ cities to promote financial literacy. The workshop was attended by more than 52,000 citizens.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Twenty Fourth Annual Report of IIFL Finance Limited (formerly known as IIFL Holdings Limited) ('your Company/ the Company') together with the Audited Financial Statements for the financial year ended March 31, 2019. As updated you earlier, the Company's Financial Statements reflect the effecting of the Composite Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal with respect to demerger of Wealth business undertaking and Securities business undertaking. The merger of India Infoline Finance Limited with the Company, would be effected after receipt of NBFC registration from Reserve Bank of India ("RBI") by the Company.

1. FINANCIAL RESULTS

A summary of the financial performance of your Company and its major subsidiaries, for the financial year ended March 31, 2019 is as under:

(₹ in Million)

Name of the Company	Revenue	Profit After Tax
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	1,505.46	1,471.22
India Infoline Finance Limited	28,832.61	3,840.11
IIFL Home Finance Limited	18,457.36	3,063.93
Samasta Microfinance Limited	3,397.54	532.09

Consolidated Financial Results

A summary of the consolidated financial performance of your Company, for the financial year ended March 31, 2019 is as under:

(₹ in Million)

Particulars	2018-19	2017-18
Gross total income	50,955.28	64,660.34
Profit before Finance Cost, depreciation, share of loss of Joint Venture, exceptional items and taxation	36,428.85	42,430.57
Finance Cost	25,857.26	27,220.14
Depreciation	321.24	670.97
Profit before share of loss of Joint Venture, exceptional items and tax	10,250.35	14,539.46
Share of loss from Joint Venture	-	58.18
Profit before exceptional items and tax	10,250.35	14,481.28
Exceptional items	1,046.12	-
Profit before tax	11,296.47	14,481.28
Taxation – Current tax	3,219.78	5,315.66
- Deferred tax	30.45	(1,055.86)
- Short or excess provision for income tax	2.97	14.88
Net profit for the year	8,043.27	10,206.60
Other Comprehensive Income	(101.12)	(16.08)
Total Comprehensive Income before Non-Controlling Interest	7,942.15	10,190.52
Less: Share of Profit to Non-Controlling Interest	1,120.42	2,259.72
Net Profit after Taxes, Non-Controlling Interest and Share of profit of Joint Venture	6,821.73	7,930.80
Add/(Less): Non-Controlling interest	1,980.36	(149.77)
Less: Appropriations	-	-
Dividend	(1,569.98)	(1,492.43)
Dividend Distribution Tax	(191.66)	(262.59)
Transfer to/ from Other Reserves	(1,968.92)	(2,789.22)
Other Adjustments	98.01	459.48
On account of demerger	(3,757.47)	-
Add: Balance brought forward from the previous year	7,732.34	4,036.07
Balance to be carried forward	9,144.41	7,732.34

*Previous periods figures have been regrouped/rearranged wherever necessary

Directors' Report (Contd.)

Standalone Financial Results:

A summary of the standalone financial performance of your Company, for the financial year ended March 31, 2019, is as under:

(₹ in Million)

Particulars	2018-19	2017-18
Gross total income	1,505.46	2,700.57
Profit before interest, depreciation and taxation	1,475.41	2,524.84
Interest and financial charges	-	50.50
Depreciation	4.43	11.43
Profit before tax	1,470.98	2,462.91
Taxation - Current tax	-	261.87
- Deferred tax	(0.90)	34.38
- Short or excess provision for income tax	0.66	19.75
Net profit for the year	1,471.22	2,146.91
Other Comprehensive Income	1.18	(0.98)
Total Comprehensive Income	1,472.40	2,145.93
Less: Appropriations		
Interim Dividend	(1,595.43)	(1,592.38)
Dividend Distribution Tax	(18.49)	(0.96)
Transfer to Debenture Redemption Reserve	-	(31.22)
Add: Balance brought forward from the previous year	2,900.14	2,378.77
On account of demerger	1.59	-
Balance to be carried forward	2,760.21	2,900.14

*Previous periods figures have been regrouped/rearranged wherever necessary

Transition to Ind AS

The Company has adopted Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 (April 01, 2017 being the transition date). Such transition has been carried out from the erstwhile Accounting Standards notified under the Act. Accordingly, your Company has prepared financial statements which comply with Ind AS applicable for the year ended March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the significant accounting policies.

Transfer to Reserve

The Company during the year under review has not transferred any amount to General Reserve out of the Retained Earnings.

2. COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Company, India Infoline Finance Limited ("India Infoline"), India Infoline Media and Research Services Limited ("IIFL M&R") IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth"), IIFL Distribution Services Limited ("IIFL Distribution") and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), and the Company received an observation letter from NSE on September 11, 2018 and September 27, 2018; and from BSE on September 14, 2018 and September 28, 2018. The proposed Scheme was then filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") on October 01, 2018, pursuant to which the Hon'ble NCLT directed the Company to hold a meeting of its equity shareholders on December 12, 2018. The equity shareholders of the Company at the NCLT convened meeting on December 12, 2018 approved the Composite Scheme of Arrangement with requisite majority.

The Hon'ble NCLT vide its order passed on March 07, 2019 sanctioned the Composite Scheme of Arrangement and the Company received the order on March 15, 2019.

Further, the Board of Directors of the Company at its meeting held on May 13, 2019 approved the implementation of the Scheme except for merger of India Infoline Finance Limited with the Company. The said merger shall be made effective on receipt of the requisite licence/ registrations by the Company from RBI to carry on the lending business. Following parts of the Scheme were implemented:

1. Amalgamation of IIFL M&R with the Company;
2. Demerger of the Securities Business Undertaking of the Company into IIFL Securities;
3. Demerger of the Wealth Business Undertaking of the Company into IIFL Wealth;
4. Transfer of the Broking and Depository Participant Business Undertaking of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The Securities Business Undertaking, Wealth Business Undertaking and Broking and Depository Participant Business Undertaking are defined in the Scheme and the scheme can be accessed on the website of the Company i.e. www.iifl.com

The Appointed Date for the amalgamation of IIFL M&R with the Company was opening hours of April 01, 2017 and for all the other steps, the Appointed Date was opening hours of April 01, 2018.

Pursuant to the Scheme, the name of the Company was changed from "IIFL Holdings Limited" to "IIFL Finance Limited" upon receipt of fresh Certificate of Incorporation dated May 24, 2019 issued by the Registrar of Companies, Mumbai and the Main Object of the Company was amended to carry on the lending business activity as of India Infoline Finance Limited.

Upon the Scheme coming into effect, 1,87,18,281 & 4,50,00,000 equity shares of face value ₹ 10/- each & ₹ 2/- each respectively, held by the Company in IIFL Securities and IIFL Wealth respectively were extinguished and cancelled.

As consideration to the shareholders of the Company for the demerger of the Securities Business Undertaking and Wealth Business Undertaking, IIFL Securities issued and allotted 1 (One) fully paid up new equity share of ₹ 2 each of IIFL Securities for every 1 (One) equity share of ₹ 2 each of the Company; and IIFL Wealth issued and allotted 1 (one) fully paid up new equity share of ₹ 2 each of IIFL Wealth for every 7 (seven) equity shares of ₹ 2 each of the Company on June 06, 2019 to the Shareholders of the Company holding equity shares on May 31, 2019 fixed as Record Date for the said purpose. Accordingly, 31,92,34,462 equity shares of ₹ 2/- each of IIFL Securities and 4,56,04,924 equity shares of ₹ 2/- each of IIFL Wealth were issued and allotted in aggregate to the Shareholders of the Company.

IIFL Securities and IIFL Wealth have filed Listing Applications with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on July 06, 2019. The trading of securities of IIFL Securities and IIFL Wealth shall commence post listing approval of BSE, NSE and SEBI.

3. REVIEW OF BUSINESS AND OPERATIONS AND STATE OF AFFAIRS OF YOUR COMPANY

During the year under review, your Company's total income, on a consolidated basis, amounted to ₹ 50,955.28 million. Profit before tax stood at ₹ 11,296.47 million and Profit after tax stood at ₹ 8,043.27 million.

These results primarily reflect the results of the material subsidiary viz. India Infoline Finance Limited and its subsidiaries after effecting the demerger of the wealth and securities business undertakings pursuant to the Composite Scheme of Arrangement as explained in Para 2 of this report.

During the year, the income from the loans and mortgages business has increased by 28% y-o-y to ₹ 50,161.97 million. This was driven by growth in the loan AUM by 29% from ₹ 2,70,675.12 million in FY18 to ₹ 3,49,034.73 million in FY19. The AUM of the Housing Finance Company grew robustly by 27% to ₹ 1,81,578.31 million as of March 31, 2019 as against ₹ 1,43,212.03 million in the previous year. The Company's subsidiary namely Samasta Microfinance Limited has achieved a significant growth of 172% in its AUM to ₹ 22,852.41 million as on March 31, 2019 as against ₹ 8,406.19 million as on March 31, 2018.

The primary drivers of the AUM growth were small ticket home loans, which grew by 42% YoY, Gold loans, which grew by 53% YoY, small ticket MSME loans, which grew by 18% YoY and Micro-finance loans, which grew by 172% YoY, coming off a small base. On the other hand, construction & real-estate finance, LAP and Capital Market loans continue to have a declining share in the portfolio.

A strong characteristic of the loan book is the granularity; about 85% of the book is retail in nature. Moreover, 41% of the loans are compliant with RBI's priority sector lending norms. The large share of retail and PSL compliant loans are of significant value in the prevailing environment as they can be Securitized/Assigned with banks to raise long-term resources.

The NBFC sector, with its steadfast growth over the last five years has attracted recognition as a systemically important segment of the financial services industry. However, from the second half of the FY19, the industry witnessed turbulence due to some of the large NBFCs, HFCs defaulting, followed by rating downgrades, alarming asset liability mismatches

Directors' Report (Contd.)

leading to increased risk perception to the sector. This has led drying up of funding resources and liquidity crunch among NBFCs and affected the lending business as well as growth. The Company's proactive, agile approach along with its diversified funding mix, comfortable liquidity position and efficient processes ensured that it confidently navigated through the challenges.

In a tough environment, the Company took the following proactive steps to combat the situation:

- Reduced its CP exposure, down from 24% of loans to 12% as on March 31, 2019 despite 25% of the portfolio having maturity less than 6 months and 39% less than 12 months;
- Increased share of securitized assets and bank loans for a well-diversified funding mix;
- Maintained a positive ALM across all buckets with cumulative surplus net cash flow;
- Maintained adequate liquid investments and undrawn bank credit lines;
- Ensured enhanced governance through a robust and agile risk management model.

Despite the slowdown, the Indian economy is expected to pick up growth in the latter half of the current year. Capital investment will be largely driven by public expenditure. Monetary and regulatory easing from RBI is expected to revive credit to the private sector. The decline in auto sales and the lag in the real estate sector have been mainly on account of the liquidity crunch faced by NBFCs. The government's and regulator's various active and ongoing measures, the liquidity situation to this sector is expected to ease from the second half of the current year and also investment and consumer demand is expected to pick up soon, particularly in MSME, home loans and consumer loans segments. Boosting aggregate demand, especially private investment, assumes the highest priority at this juncture to generate growth. Overall, the outlook for the NBFC sector is expected to remain positive in the long run.

Change in nature of Business

In terms of the Composite Scheme of Arrangement, the Main Object of the Company was amended to carry on the lending business activity upon merger of India Infoline Finance Limited, subsidiary Company, with the Company. The Company has filed necessary application with RBI for registration as a Non-Banking Financial Company and is awaiting its approval. Further the Merchant Banking Business of the Company was transferred to IIFL Securities Limited and the Investment Advisory Business was transferred to IIFL Wealth Management Limited.

4. MACROECONOMIC OVERVIEW

India has emerged as the fastest growing major economy in the world, mainly due to improvement in the performance of agriculture and manufacturing sectors. The Indian economy grew at 7.1% in FY19, with a marginal reduction as compared to previous fiscal (Source: World Bank). Though government consumption had reduced, it was offset by more investments due to public infrastructure spending. India's urban consumption was supported by a pickup of credit growth, whereas rural consumption was hindered by soft agricultural prices.

India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Introduction of GST and demonetisation has encouraged a shift from the informal to formal sector.

5. DIVIDEND ON EQUITY SHARES

During the year 2018-19, the Board of Directors of the Company declared and paid an interim dividend of ₹ 5/-per equity share (i.e. 2.5 times of face value of ₹ 2/- per equity share). This led to an outgo of ₹ 1,595.43 million owing to dividend (excluding dividend distribution tax). Your Directors recommend that the said interim dividend be considered as final. The dividend paid during the previous financial year 2017-18 was ₹ 5/- per equity share.

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

Pursuant to Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy which is annexed as **Annexure VI** to this report and is available on the website of the Company i.e. www.iifl.com.

6. KEY INITIATIVES/DEVELOPMENTS

i. Slump Sale of Vehicle Financing Business of India Infoline Finance Limited

During the year under review, India Infoline Finance Limited, a material subsidiary of the Company executed a definitive agreement for the sale of its "Vehicle Financing Business" as a going concern on a "slump sale basis" to IndoStar Capital Finance Limited in order to focus on scaling up other existing business segments viz. affordable Home Loans, Gold Loans, small-ticket Business Loans and Microfinance. The said transaction was completed on March 31, 2019 for a cash consideration of ₹ 24,147.18 Million.

ii. Public Issue of Debentures by India Infoline Finance Limited

During the year under review, India Infoline Finance Limited, a material subsidiary of the Company, raised through Public Issue of Secured and Unsecured Redeemable Non-Convertible Debentures ("NCDs") an amount aggregating to ₹11,585.78 Million. These NCDs are listed and traded on the NSE and BSE.

iii. Masala Bond

India Infoline Finance Limited, a material subsidiary of the Company allotted INR (Rupee) Denominated Tier II Bonds ("Bonds") of the face value of ₹ 10 Million each aggregating to ₹ 3,250 Million to CDC Group Plc on June 28, 2018.

iv. External Commercial Borrowing

During the year under review, IIFL Home Finance Limited, a material subsidiary of the Company availed USD 50 million of External Commercial Borrowings.

v. NHB Refinance

During the year under review, IIFL Home Finance Limited, a material subsidiary of the Company availed ₹ 10,000 million of refinance facility from National Housing Bank ("NHB") under various refinance schemes of NHB.

vi. Corporate Social Responsibility (CSR) Initiative

The Corporate Social Responsibility Committee of the Board has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities which can be undertaken by the Company. The Board approved CSR Policy is available on the website of the Company i.e. https://www.iifl.com/about-us/iifl-foundation.

IIFL group has set-up India Infoline Foundation (generally referred to as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013, which acts as the principal arm to undertake CSR initiatives on behalf of the Company & its subsidiaries.

The group has identified focus areas for CSR initiatives which include:

a. Girl child illiteracy eradication program for out of school and illiterate girls.
b. Improving the quality of education in Government schools through technological interventions.
c. Support to the differently abled.
d. River rejuvenation and rural transformation in Maharashtra.
e. Disaster Relief and Rehabilitation.
f. Financial Literacy and Financial Inclusion.
g. Preventive Health.
h. Integrated rural development, drought relief and water conservation.
i. Protection of culture.
j. Measures for benefit of Armed Forces veterans, war widows etc.

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of Companies Act, 2013) of the preceding years on CSR projects, fully utilising the required amount.

vii. Investor Conference/Events

November 2018 Conclave:

India Infoline Finance Limited, a material subsidiary of the Company successfully concluded the "IIFL NBFC Conclave" on November 29, 2018 at St. Regis, Lower Parel, Mumbai.

The highlight of the conclave was the keynote speaker, Mr. R Gandhi, Former Deputy Governor, RBI, who spoke on the Policy and Regulatory environment for NBFC Sector followed by a presentation on 'IIFL's Credit Profile' by Mr. Krishnan Sitaraman, Sr. Director, Financial Sector & Structured Finance Ratings, CRISIL Ltd.

June 2019 Conclave:

India Infoline Finance Limited, a material subsidiary of the Company successfully concluded the second edition of "IIFL NBFC Conclave" on June 03, 2019 at Sofitel BKC, Mumbai.

The primary agenda of the Conclave was to recognise the health, challenges and opportunities for the NBFC Sector in India.

The highlight of the conclave was the keynote speaker, Mr. S. S. Mundra, Former Deputy Governor, RBI, who spoke on the 'Road & Regulations ahead in the NBFC sector' followed by a presentation on 'IIFL's Credit Profile' by Mr. Krishnan Sitaraman, Sr. Director, Financial Sector & Structured Finance Ratings, CRISIL Ltd.

viii. Awards and Recognitions

During the year under review following awards and accolades were conferred by reputable organisations, details of the same is as follows:-

- IIFL Home Finance's ("KUTUMB") initiative won the best Green Initiative in Affordable Housing

Directors' Report (Contd.)

segment at ET Now Green Future Leadership Awards 2019.

- IIFL was awarded "Great Place to Work" for the year 2019 -2020.
- IIFL Home Finance was awarded "The Best Affordable Housing Finance Company of the year" at ABP News BFSI Awards 2018.
- IIFL was recognised as a 'Disruptor' in BFSI sector for innovation through technological intervention in NBFC space by ET Now and Broadcast One.
- India Infoline Finance was awarded 'Best On-boarding Solution' at People Matters Learning and Development Conference.
- IIFL Home Finance was awarded 'Best Performing Primary Lending Institution' under CLSS for EWS/LIG.
- IIFL Home Finance won 'Most Promising Brand for Housing Finance' by Times Network.
- IIFL Home Finance 'Jhatpat Loans' was awarded 'Technology Initiative of the Year' at ET NOW BFSI Awards.
- IIFL was awarded 'Digital Innovation Award' under the Cloud Category at Indian Express Group BFSI Awards.
- IIFL was awarded 'Best Customer Services Excellence in Financial Services' for the Category-Customer Service and Loyalty at the World Quality Congress and Awards 2018.
- IIFL MD Mr. R Venkataraman featured as the Best CEO in Business World listing for large category firms.

7. SHARE CAPITAL

During the period under review, the total paid up equity share capital of the Company increased from ₹ 63,79,58,052/- to ₹ 63,84,06,184/- pursuant to allotment of 2,24,066 equity shares of ₹ 2/- each under Employee Stock Option Scheme(s) of the Company to the eligible employees.

8. EMPLOYEES STOCK OPTION SCHEMES (ESOS)

During the year under review 32,870 stock options under ESOS 2008 granted to employees have lapsed and the same have been added back to the pool, which can be used for further grant. Further, no stock options were granted to the employees during the year under the ESOP Scheme.

Under the previous GAAP, the stock options granted by the Company were accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase) Guideline, 1999/ SEBI (Share Based Employee Benefits) Regulations, 2014 and the guidance note on accounting for stock options issued by the Institute of Chartered Accountants of India, whereby the intrinsic value of the options were recognised as deferred employee compensation and accordingly the requisite disclosures were provided in the notes to Accounts and Schedule. However, under Ind-AS, equity settled share based payment transactions with employees are required to be accounted for as per Ind-AS 102 "Share-based Payment", whereby the fair value of options as on the grant date should be estimated and recognised as an expense over the vesting period. In accordance with above, the Company has followed fair value method for equity options in its accounts effective the transition date, i.e., April 1, 2017.

There is no material change in Employees' Stock Option Scheme during the year under review and the Scheme is in line with SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). A certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and the resolution passed by the members would be placed at the ensuing AGM for inspection by Members. The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits) Regulations, 2014 are provided on the website of the Company i.e. www.iifl.com and the same is available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays, during business hours up to the date of the ensuing Annual General Meeting.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made, loans given, guarantees given and securities provided along with the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are given at the respective places in the Standalone Financial Statement (please refer to Note 7 and 31 to the standalone financial statement).

10. SUBSIDIARY COMPANIES

The Company is having following 4 (Four) subsidiaries (including step down subsidiaries) and does not have any Associate/Joint Venture.

Sr. No.	Particulars
1	India Infoline Finance Limited
2	IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited)
3	Samasta Microfinance Limited
4	Clara Developers Private Limited

Pursuant to the Composite Scheme of Arrangement approved by Hon'ble NCLT vide its order passed on March 07, 2019 and the scheme becoming effective from May 13, 2019, the following Companies ceased to be subsidiary/step down subsidiary/Associate/Joint Venture of the Company:

Sr. No.	Particulars
1	IIFL Securities Limited
2	IIFL Wealth Management Limited
3	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
4	India Infoline Foundation
5	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
6	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
7	India Infoline Media and Research Services Limited
8	IIFL Asset Reconstruction Limited
9	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
10	IIFL Wealth (UK) Limited
11	IIFL Capital Inc.
12	IFL Asset Management (Mauritius) Limited
13	IIFL (Asia) Pte. Limited
14	IIFL Capital Pte. Limited
15	IIFL Securities Pte. Limited
16	IIFL Capital (Canada) Limited
17	IIFL Securities Services IFSC Limited
18	IIFL Wealth Securities IFSC Limited
19	IIFL Altiore Advisors Private Limited (Formerly known as Altiore Advisors Private Limited)
20	IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited)
21	IIFL Trustee Limited (Formerly known as India Infoline Trustee Company Limited)
22	IIFL Alternate Asset Advisors Limited
23	IIFL Distribution Services Limited
24	IIFL Investment Adviser and Trustee Services Limited
25	IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)
26	IIFL Private Wealth Hong Kong Limited
27	IIFL Private Wealth Management (Dubai) Limited
28	IIFL Inc
29	IIFL Asset Management Limited (Formerly known India Infoline Asset Management Company Limited)
30	Meenakshi Towers LLP

Note: Kindly refer Para 2 of the Directors Report for details on Composite Scheme of Arrangement.

As per the provisions of section 134 and 136 of the Companies Act, 2013 read with applicable Rules, Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Indian Accounting Standards ("Ind AS"), the Board of Directors had at their meeting held on May 14, 2019 approved the Consolidated Financial Statements of all the subsidiaries of the Company along with the Company's financial statements. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of each of the subsidiary companies are not attached to the accounts of the Company for the financial year 2018-19. The Company will make these documents/details available upon request by any member of the Company. These documents/details will also be available for inspection by any member of the Company at its registered office and at the registered offices of the concerned subsidiaries i.e. except on Saturdays, Sundays and Public Holidays. The Annual Reports of all the subsidiaries are available on the website of the Company i.e. www.iifl.com. The Company's financial statements including the accounts of its subsidiaries which forms part of this Annual Report is prepared in accordance with the Companies Act, 2013 and Ind AS– 110.

A report on the performance and financial position of each of the subsidiaries of the Company, as per Companies Act, 2013 is provided in the prescribed form AOC-1 as **Annexure A** of the Consolidated Financial Statements and hence not repeated here for the sake of brevity.

Pursuant to regulation 16 and 24 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, India Infoline Finance Limited, IIFL Wealth Management Limited and IIFL Wealth Finance Limited and IIFL Home Finance Limited were the Material Subsidiaries of the Company for the financial year 2018-19. In accordance with the Composite Scheme of Arrangement as explained in para 2 of the Directors Report, IIFL Wealth Management Limited and IIFL Wealth Finance Limited ceased to be subsidiary of the Company and pursuant to aforesaid regulations, India Infoline Finance Limited and IIFL Home Finance Limited shall remain Material Subsidiary for the financial year 2019-20. The policy on determining the material subsidiary is available on the website of the Company at i.e. www.iifl.com.

Merger of Ayusha Dairy Private Limited

Ayusha Dairy Private Limited, a wholly owned subsidiary of Samasta Microfinance Limited ("Samasta"), a step down subsidiary of the Company was merged with Samasta in terms of scheme of arrangement by way of Fast Track Merger approved by Regional Director vide its order dated August 06, 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013.

11. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, in terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure

Directors' Report (Contd.)

Requirements) Regulations, 2015, describing the initiatives taken by IIFL Group from an environmental, social and governance perspective is attached as part of the Annual Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this report.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Directors

The Board comprises Mr. Nirmal Jain and Mr. R. Venkataraman as Executive Directors of the Company in their capacity of Chairman and Managing Director respectively. Mr. Nilesh Vikamsey, Mr. A. K. Purwar, Mr. Vijay Kumar Chopra and Ms. Geeta Mathur are Independent Directors. Mr. Chandran Ratnaswami and Mr. Nagarajan Srinivasan are the Non-executive Directors of the Company.

Appointment/Re-appointment of Directors

In accordance with Section 152 of the Companies Act, 2013 ("Act") read with Article 157 of the Articles of Association of the Company, Mr. Chandran Ratnaswami is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible has offered himself for re-appointment. The Board recommends the same for the approval of Shareholders.

Mr. A.K. Purwar and Mr. Nilesh Vikamsey upon completion of their first term of appointment as Independent Directors on March 31, 2019, are eligible for re-appointment for another term of five consecutive years with effect from April 01, 2019 subject to approval of the Members by special resolution in the ensuing AGM. Further, Ms. Geeta Mathur upon completion of her first term of appointment as Independent Director on September 17, 2019, is eligible for re-appointment for another term of five consecutive years with effect from September 18, 2019 subject to approval of the Members by special resolution in the ensuing AGM.

Mr. Vijay Kumar Chopra was appointed by the Board as an Additional Director (Independent Director) and Mr. Nagarajan Srinivasan was appointed by the Board as an Additional Director (Non Executive Director) of the Company w.e.f. May 21, 2019, who shall hold office up to the date of the AGM. Approval of the Members for regularisation of the appointment of the aforesaid Directors as Independent Director and Non Executive Director respectively has been sought in the Notice convening ensuing Annual General Meeting of the Company.

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulation, 2018 ("LODR"), inter alia, provides that "no Listed Company shall appoint a person or continue the directorship of any person as a Non- Executive Director who has attained the age of 75 years unless it is approved by the Shareholders by passing Special Resolution to that effect". Accordingly Mr. A. K. Purwar will attain the age of 75 in May 2021 and Mr. Vijay Kumar Chopra will attain the age of 75 in March 2021 and hence their appointment beyond 75 years shall require approval of shareholders by way of special resolution. Accordingly, the approval has been sought in the Notice convening ensuing Annual General Meeting of the Company.

Mr. Nirmal Jain and Mr. R Venkataraman were appointed as Whole Time Director and Managing Director, respectively w.e.f. April 23, 2015 for a period of five years and their tenure will be expiring on April 22, 2020. In view of the above it is proposed to re-appoint Mr. Nirmal Jain and Mr. R Venkataraman as Whole Time Director and Managing Director respectively in the ensuing AGM.

Mr. R Venkataraman, Managing Director of the Company was also appointed as whole time director of India Infoline Finance Limited, subsidiary company and his entire remuneration was paid by India Infoline Finance Limited. However, considering the demerger of Securities business undertaking in terms of Composite Scheme of Arrangement, the designation / capacity of Mr. R Venkataraman has been changed to Non Executive Director in India Infoline Finance Limited and he has been appointed as Managing Director of IIFL Securities Limited w.e.f. May 15, 2019. Accordingly he is drawing his entire remuneration from IIFL Securities Limited and no remuneration is being paid to him by the Company or its subsidiary Company.

Cessation

Mr. Kranti Sinha and Mr. S Narayan Independent Directors of the Company resigned from the Board of Directors of the Company w.e.f. May 21, 2019, with respect to the Composite Scheme of Arrangement, India Infoline Finance Limited shall merge with the Company and majority of its Directors were appointed on the Board of the Company. The Board placed on recorded its deep appreciation and gratitude for the valuable contribution made by them.

b. Key Managerial Personnel

Mr. Nirmal Jain- Chairman, Mr. R. Venkataraman-Managing Director, Mr. Prabodh Agrawal- Chief Financial Officer and Mr. Gajendra Thakur- Company Secretary are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder. There is no change in the Key Managerial Personnel during the year under review.

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2019 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as "**Annexure II**" and forms a part of this report of the Directors.

14. MEETING OF DIRECTORS & COMMITTEE/BOARD EFFECTIVENESS

Meetings of the Board of Directors

The Board met Five (5) times during the year to discuss and approve various matters including financials, appointment of auditor, declaration of dividend, review of audit reports and other board businesses. For further details please refer to the report on Corporate Governance.

Committees of the Board

In accordance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Audit Committee

The Audit Committee comprises Mr. Nilesh Vikamsey, Independent Director, Mr. Vijay Kumar Chopra, Independent Director, Ms. Geeta Mathur, Independent Director and Mr. R. Venkataraman, Managing Director.

The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

The Committee met during the year under review and discussed on various matters including financials, internal audit reports and Audit Report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The details of Committee meeting held during the year under review and the terms of reference of Audit Committee are provided in the Corporate Governance Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors viz. Mr. Vijay Kumar Chopra, Independent Director, Mr. Nilesh Vikamsey, Independent Director and Mr. A K Purwar, Independent Director, as members of the Committee.

The role, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination and Remuneration policy in compliance with the aforesaid provisions for selection and appointment of Directors, KMP, senior management personnel of the Company. The Nomination and Remuneration policy is available on the website of the Company i.e. www.iifl.com

The said policy, the details of Committee meetings and the terms of reference of Nomination and Remuneration Committee held during the year under review are provided in the Corporate Governance Report.

Corporate Social Responsibility Committee

As per Section 135 of Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) Committee, comprises Mr. Nilesh Vikamsey, Independent Director, Mr. Nirmal Jain, Whole Time Director and Mr. R. Venkataraman, Managing Director.

The Committee has approved CSR Policy of the Company and the same is available on the website of the Company i.e. www.iifl.com. The Annual Report on CSR activities in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **"Annexure I"** to this report.

The role, details of Committee meeting held during the year and the terms of reference of CSR Committee are provided in the Corporate Governance Report.

Directors' Report (Contd.)

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises Mr. A. K. Purwar, Independent Director, Mr. Nirmal Jain, Whole Time Director and Mr. R Venkataraman, Managing Director.

The role and terms of reference of the Stakeholders Relationship Committee are in conformity with the requirements of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

The details of Committee meeting held during the year under review and status of complaints are provided in the Corporate Governance Report.

Risk Management Committee

The Risk Management Committee comprises Mr. A. K. Purwar, Independent Director, Mr. Nilesh Vikamsey, Independent Director and Mr. Nirmal Jain, Whole-time Director.

The role and terms of reference of the Risk Management Committee are in conformity with the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been provided in the Corporate Governance Report.

The details of Committee meeting held during the year under review and the terms of reference of Risk Management Committee is provided in the Corporate Governance Report.

Board Effectiveness

- Familiarisation Program for the Independent Directors

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

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

  Details of the Familiarisation Programme are provided in the Corporate Governance Report and are also available on the website of the Company i.e. www.iifl.com.

- Board Evaluation

  Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no, SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by Nomination and Remuneration Committee ("NRC"). The evaluation process, manner and performance criteria for independent directors in which the evaluation has been carried out by is explained in the Corporate Governance Report.

  The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors at their meeting held on March 22, 2019 reviewed the following:

  (a) Performance of Non-Independent Directors, various Committee of Board and the Board as a whole.

  (b) Performance of the Chairperson of the Company.

  (c) Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

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

  The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the cohesiveness that exists amongst the Board Members, the two-way candid communication between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

- Declaration by Independent Directors

  The Company has received necessary declaration from each Independent Director of the Company that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  The above declarations were placed before the Board and in the opinion of the Board all the Independent Director fulfils the conditions specified under the Act and the Listing Regulation and are Independent to the Management.

- Board Diversity

  The Company recognises and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage difference in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, gender that will help us retain our competitive advantage. The policy adopted by the Board sets out its approach to diversity. The policy is available on the website of the Company i.e. www.iifl.com

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

16. RISK MANAGEMENT

The Company has in place a Risk Management Committee constituted in accordance with the SEBI (Listing Obligations and Disclosure Requirements), 2015 to assist the Board in overseeing the Risk Management activities of the Company, approving measurement methodologies and suggesting appropriate risk management procedures mitigating all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks which have been identified and assessed. There is an adequate risk management infrastructure in place capable of addressing those risks.

The Company's management monitors and reports principal risks and uncertainties that can affect its ability to achieve its strategic objectives. The Company's management systems, organisational structures, policy, processes, standards, and code of conduct together form the risk management governance system of the Company.

The Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks and optimal and mitigation responses. This integration is enabled through a dedicated team and Risk Management, Internal Control and Internal Audit systems and processes.

17. INTERNAL FINANCIAL CONTROLS

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

Directors' Report (Contd.)

18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

All contracts executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee/ Board for approval, wherever applicable.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties, which could be considered material in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy of the Company on materiality of related party transactions. The policy for determining 'material' subsidiaries and the policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the website of the Company i.e. www.iifl.com. You may refer to Note no. 35 to the Standalone Financial Statement, which contains related party disclosures. Since all related party transactions entered into by the Company were on an arm's length basis and in the ordinary course of business and the Company had not entered into any material related party contracts, Form AOC-2 disclosure is not required to be provided.

Pursuant to the Composite Scheme of Arrangement ("Scheme"), approved by Hon'ble National Company Law Tribunal, merger of India Infoline Finance Limited with the Company shall be made effective on receipt of requisite license/registration by the Company from Reserve Bank of India ("RBI") to carry on the lending business. The lending book of India Infoline Finance Limited consists of diversified products, customer segments, geographies and varying tenors (Short Term and Long Term) and accordingly India Infoline Finance Limited enters into various related party transactions in the ordinary course of business.

The Company is expected to receive RBI approval shortly. Keeping in view the present position of the proposed merger, the Company will be/continue entering into certain Related Party Transactions in the ordinary course of business and accordingly the Company has sought approval from shareholders for Material Related Party Transactions and details of same can be sought from the Notice Convening the Annual General Meeting of the Company.

19. ANNUAL RETURN

The details forming part of the extract of the Annual Return of the Company in form MGT – 9 is annexed herewith as "**Annexure - II"**. Further, the Annual Return is also available on the website of the Company i.e. www.iifl.com.

20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, except the Composite Scheme of Arrangement approved by Hon'ble National Company Law Tribunal and implemented by the Company as mentioned in Para No. 2 of this report, which had occurred between the end of the financial year of the Company to which the financial statements relate and the date of this annual report.

21. SECRETARIAL AUDIT

The Board had appointed M/s. Nilesh Shah & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2018-19. The Auditor had conducted the audit and their report thereon was placed before the Board. The report of the Secretarial Auditor is annexed herewith as "**Annexure – III**" to this report. There are no qualifications or observations in the Report.

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The additional information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is appended as **"Annexure – IV"** and forms part of this Report

23. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In Compliance of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors, Employees and Stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has disclosed the policy on the website of the Company i.e. www.iifl.com.

24. PREVENTION OF SEXUAL HARASSMENT

Your Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace and has duly constituted an Internal Complaints Committee under the same.

The details of complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Corporate Governance Report.

25. PARTICULARS OF EMPLOYEES

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

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

26. STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder, the Members at their 22nd Annual General Meeting ("AGM") held on July 22, 2017, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of the 22nd AGM till the conclusion of the 27th AGM subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter. However, pursuant to the notified Section of Companies Amendment Act (2017), the requirement related to annual ratification of appointment of Auditors by members is omitted. Accordingly the Company is not required to seek ratification of appointment of Auditors at the ensuing AGM and the Auditor shall continue their term till the conclusion of twenty seventh AGM.

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

27. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

28. RBI/FEMA COMPLIANCE

The Reserve Bank of India vide its press release dated June 10, 2016 had notified FII/ FPI investment limit of up to 80% in the paid up capital of the Company under the Portfolio Investment Scheme.

The Company has in place the system of ensuring compliance with RBI Master Direction on Foreign Investment in India and for certification from the Statutory Auditors of the Company on an annual basis.

29. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Directors' Report (Contd.)

30. COMPLIANCE WITH THE SECRETARIAL STANDARDS

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

31. GENERAL

Your Directors state that during the financial year 2018-19:

1. The Company did not accept/renew any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under and as such, no amount of principal or interest was outstanding as on the balance-sheet date.
2. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
3. The Company has not issued any sweat equity shares during the year.
4. There are no significant and material orders passed against the Company by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations.
5. The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

32. APPRECIATION

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the government, regulators, stock exchanges, other statutory bodies, Company's bankers and employees for the assistance, cooperation and encouragement extended to the Company.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. Our employees are instrumental in helping the Company scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholders is also greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Nirmal Jain
Chairman
DIN: 00010535

Date: September 03, 2019
Place: Mumbai

ANNEXURE – I

to Directors' Report

The Annual Report on Corporate Social Responsibility (CSR) Activities of IIFL Finance Limited

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2015]

1. OUTLINE OF CSR POLICY

The CSR Policy and projects of IIFL Finance Limited (Formerly known as IIFL Holdings Limited) (**"IIFL Finance"**) are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarised in one acronym – GIFTS, which stands for:

- Growth
- Integrity
- Fairness
- Transparency
- Service Orientation

By applying these values to the CSR projects, IIFL Finance undertakes initiatives that creates sustainable growth and empowers underprivileged sections of society.

The focus areas prioritised by IIFL Finance in its CSR strategy are given below:

- Water Conservation – Maharashtra
- Support to the Differently abled
- Govt. School Revival Programme – Rajasthan
- Financial Literacy – Mumbai
- Girl Child Illiteracy Eradication Programme

The IIFL Group has established the India Infoline Foundation ("generally referred as IIFL Foundation") to manage the CSR Projects on behalf of the Group Companies. The CSR Policy adopted by IIFLFinance is available on the website of the Company https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf

2. COMPOSITION OF THE CSR COMMITTEE

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

- Mr. Nirmal Jain- Chairman & Whole Time Director
- Mr. R Venkataraman- Managing Director
- Mr. Nilesh Vikamsey- Independent Director

3. PRESCRIBED CSR SPEND OF IIFL FINANCE

i. Average net profit of the Company for last three financial years

The average net profit of the Company of the last three financial years was calculated to be ₹ 56,94,28,046/-

ii. Prescribed CSR Expenditure

The recommended CSR expenditure for IIFL Finance as per Section 135 for the financial year 2018-19 was ₹ 1,13,88,561/-

iii. Amount Spent

During the financial year 2018-19, IIFL Finance spent ₹ 1,14,00,000/- on various social development activities, thereby fulfilled its commitment of spending 2 % on its CSR activities.

iv. Amount unspent

Nil

4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

During FY 2018-19, IIFL Finance spent a total of ₹1,14,00,000/- on CSR projects. A breakdown of the manner in which this expenditure was made has been depicted in the table given below:

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
1	Water Conservation	Environment	Aurangabad (Maharashtra)	35,00,000/-	35,00,000/-	35,00,000/-	Through India Infoline Foundation
2	Support to the Differently Abled	Differently abled	Mumbai (Maharashtra)	5,00,000/-	5,00,000/-	5,00,000/-	Through India Infoline Foundation
3	Govt. School Revival Programme	Education	Udaipur (Rajasthan)	29,10,000/-	29,10,000/-	29,10,000/-	Through India Infoline Foundation
4	Govt. School Revival Programme	Education	Rajsamand (Rajasthan)	3,72,766/-	3,72,766/-	3,72,766/-	Through India Infoline Foundation

Annexure – I (Contd.)

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
5	Financial Literacy & Women Empowerment	Education	Mumbai (Maharashtra)	1,50,000/-	1,50,000/-	1,50,000/-	Through India Infoline Foundation
6.	Eradicating girl child illiteracy	Education	Rajasthan	39,55,795/-	39,67,234/-	39,67,234/-	Through India Infoline Foundation

Brief Description of Key Projects:

1) **Water Conservation:** Caring for sustainability of our environment and the natural resources is an absolute need of the hour. Numerous cases of Farmers in distress due to acute shortage of water, have been surfacing for more than Two decades, especially in Maharashtra State. India Infoline Foundation hence took the lead to address the issue first-hand at Aurangabad District of Maharashtra.

   Construction of water trenches was undertaken across Five villages of Aurangabad. These trenches help to make ground water positive and recharge the wells. The work that collectively spanned approx 4.43 km, helped to conserve approx 58.92cr litres of ground water and directly benefits 10,644 individuals and 31,630 Livestock in the region.

2) **Support to the Differently abled children:** We aim towards creating an inclusive environment for every member of the society. Support for provision of learning aids and hearing aid machines to the individuals suffering from impaired hearing, belonging to economically weak families. The aid was provided completely free of cost.

3) **Government school revival program (Udaipur):** The falling standards in government schools can be attributed to both – lack of adequate teachers and dilapidated infrastructure of the school building. Also lack of adequate amenities for the children to undertake important learning. India Infoline Foundation has undertaken construction of Three fully furnished Science Laboratories. These science labs shall be setup with state of art equipment necessary to their learning and shall aid students enrolled in Secondary and Higher secondary years. The understaffed Government schools have been supported with additional staff. The support has directly impacted over 1200 children over the past year.

4) **Financial Literacy & Inclusion:** Women from self-help groups from Mumbai slums were educated in nuances of financial discipline, savings & investments. Similarly children from colleges were imparted sessions on financial planning, savings, future planning and investments.

5) **Girl Child illiteracy eradication program:** It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. India Infoline Foundation has vowed to change this in the next few years through starting community schools, which are multi grade multi-level schools started in the villages as per the convenience of the girls to enable them to get educated. With 1,156 such schools called "Sakhiyon ki Baadi" across ten districts, India Infoline foundation has already brought back over 34,452 girls into the fold of education. By 2020, we are aiming towards 100% eradication of Illiteracy from Villages that we work at.

5. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

Through this report, IIFL Finance seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalised segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the Company has also established a monitoring mechanism to track the progress of its CSR projects.

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Date: September 03, 2019
Place: Mumbai

ANNEXURE – II
to Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L67100MH1995PLC093797
ii)	Registration Date	October 18, 1995
iii)	Name of the Company	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
iv)	Category / Sub-Category of the Company	Public Company Limited by shares
v)	Address of the Registered office and contact details	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane-400604 Tel No.: (91-22) 4103 5000 Fax No.: (91-22) 25806654
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 49186000 Fax: +91 22 49186060 E-mail : rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Holding / Holding Investments (Dividend income from subsidiaries)	642	100%

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

The Company is having following 4 (Four) subsidiaries (including step down subsidiaries) and, does not have any Associate/Joint Venture

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
1	India Infoline Finance Limited	#802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069.	U67120MH2004PLC147365	Subsidiary	84.51	2(87)
2	IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)	#IIFL House, Sun Infotech Park, Road No. 16V,Plot No. B-23,MIDC, Thane Industrial Area, Wagle Estate Thane – 400604.	U65993MH2006PLC166475	Step-down subsidiary	84.51	2(87)
3	Clara Developers Private Limited	#IIFL, 30/30E, UGF, Main Shivaji Marg Najafgarh Road, Opp, CCT Mall, Delhi New Delhi -110015.	U70100DL2011PTC213406	Step-down subsidiary	84.51	2(87)
4	Samasta Microfinance Limited	#110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027.	U65191KA1995PLC057884	Step-down subsidiary	83.12	2(87)

Registered address of the Companies were changed on April 18, 2019, April 15, 2019, March 25, 2019 and May 27, 2019 respectively.

Annexure – II (Contd.)

Pursuant to the Composite Scheme of Arrangement approved by Hon'ble NCLT vide its order passed on March 07, 2019 and the scheme becoming effective from May 13, 2019, the following Companies ceased to be subsidiary/step down subsidiary/Associate of the Company:

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
1	IIFL Securities Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U99999MH1996PLC132983	Subsidiary	100.00	2(87)
2	IIFL Wealth Management Limited	IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel Mumbai-400013	U74140MH2008PLC177884	Subsidiary	53.24	2(87)
3	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	U74900MH2010PLC201113	Step-down subsidiary	53.24	2(87)
4	IIFL Commodities Limited (Formerly India Infoline Commodities Limited)	143 MGR Road, Perungudi, Chennai, Tamil Nadu, 600096.	U51100TN2004PLC077573	Subsidiary	100.00	2(87)
5	India Infoline Foundation	IIFL Centre, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U80901MH2014NPL253380	Subsidiary [Section 8 Company]	100.00	2(87)
6	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U66010MH2005PLC154486	Subsidiary	100.00	2(87)
7	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U93000MH2000PLC129816	Subsidiary	100.00	2(87)
8	India Infoline Media and Research Services Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U93090MH2006PLC165592	Subsidiary	100.00	2(87)
9	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	U74990MH2009PLC193063	Step-down subsidiary	53.24	2(87)
10	IIFL Alternate Asset Advisors Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai – 400013	U74120MH2011PLC219930	Step-down subsidiary	53.24	2(87)
11	IIFL Asset Reconstruction Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74120MH2014PLC260200	Subsidiary	100	2(87)
12	IIFL Distribution Services Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U45201MH1995PLC228043	Step-down subsidiary	53.24	2(87)
13	IIFL Investment Adviser and Trustee Services Limited	IIFL Centre, Kamala Mills, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013	U74990MH2010PLC211334	Step-down subsidiary	53.24	2(87)

Annexure – II (Contd.)

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
14	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U70102MH2007PLC176401	Subsidiary	100.00	2(87)
15	IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)	6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013	U65990MH1994PLC080646	Step-down subsidiary	53.24	2(87)
16	IIFL Private Wealth Hong Kong Limited	Room 902, Wilson House, 19-27 Wyndham Street, Central, Hong Kong	Not Applicable	Step-down subsidiary	53.24	2(87)
17	IIFL Private Wealth Management (Dubai) Limited	Level 8, Unit 8, Liberty House, P.O.Box 115064, Dubai, U.A.E.	Not Applicable	Step-down subsidiary	53.24	2(87)
18	IIFL Inc	1120 Avenue of the Americas, suite 1505, New York, NY 10036 United States	Not Applicable	Step-down subsidiary	53.24	2(87)
19	IIFL Wealth (UK) Limited	19 Berkeley Street London W1J 8ED United Kingdom	Not Applicable	Subsidiary	100.00	2(87)
20	IIFL Altiore Advisors Private Limited (Formerly known as Altiore advisors Private Limited)	Plot No.11B, Survey No.40/9, Devasandra , Industrial Area,2nd Stage, K.R. Puram Bangalore 560048	U74999KA2016PTC097306	Step-down subsidiary	53.24	2(87)
21	IIFL Capital Inc.	1114 Avenue of the Americas, 34th Floor, New York,NY – 100036	Not Applicable	Subsidiary	100.00	2(87)
22	IIFL Asset Management (Mauritius) Limited	5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Republic of Mauritius	Not Applicable	Step-down subsidiary	53.24	2(87)
23	IIFL (Asia) Pte. Ltd	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068809	Not Applicable	Step-down subsidiary	53.24	2(87)
24	IIFL Capital Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore – 068809	Not Applicable	Step-down subsidiary	53.24	2(87)
25	IIFL Securities Pte. Limited	Oue Downtown 2, # 12-11, 6 Shenton Way, Singapore - 068809	Not Applicable	Step-down subsidiary	53.24	2(87)
26	Meenakshi Towers LLP	5C, EGA Trade Centre, 809, P.H.Road Kilapuk, Chennai- 600010	AAB-2970	Associate	50	2(6)
27	IIFL Capital (Canada) Limited	121, King Street West Suite 1725, Toronto, Ontario M5H 3T9 416 792 5955	Not Applicable	Step-down subsidiary	53.24	2(87)
28	IIFL Securities Services IFSC Limited	Office No.404,4th Floor, Signature Building,Block-13-B, Zone-1, GIFT CITY Gandhinagar GJ 382355	U65929GJ2018PLC103546	Step-down subsidiary	100	2(87)
29	IIFL Wealth Securities IFSC Limited	412,Building No. 13-B, Block No.-13, Zone-1,Road 1C,GIFT SEZ,GIFT City, GIFT SEZ Gandhinagar GJ 382355	U65999GJ2018PLC102974	Step-down subsidiary	53.24	2(87)

Annexure – II (Contd.)

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
30	IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited)	Lemuir House, 10 G. N. Chetty Road, T. Nagar, Chennai 600017	U74140TN2004PLC053285	Step-down subsidiary	53.24	2(87)

* Representing aggregate percentage of equity shares/Interest held by the Company and / or its subsidiaries.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Sr. No	Category of Shareholders	Shareholding at the beginning of the year (As on April 01, 2018)				Shareholding at the end of the year (As on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	88361432	0	88361432	27.7013	88661432	0	88661432	27.7759	0.0746
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Persons Acting In Concert	4000000	0	4000000	1.2540	4000000	0	4000000	1.2531	(0.0009)
	Sub Total (A)(1)	**92361432**	**0**	**92361432**	**28.9553**	**92661432**	**0**	**92661432**	**29.0290**	**0.0737**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**92361432**	**0**	**92361432**	**28.9553**	**92661432**	**0**	**92661432**	**29.0290**	**0.0737**
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	7835128	0	7835128	2.4563	3532774	0	3532774	1.1067	(1.3496)
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	194893	0	194893	0.0611	989139	0	989139	0.3099	0.2488
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	73481190	0	73481190	23.0364	76496820	0	76496820	23.9649	0.9285
(f)	Financial Institutions / Banks	30186	0	30186	0.0095	37953	0	37953	0.0119	0.0024
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**81541397**	**0**	**81541397**	**25.5632**	**81056686**	**0**	**81056686**	**25.3935**	**(0.1697)**

Annexure – II (Contd.)

Sr. No	Category of Shareholders	Shareholding at the beginning of the year (As on April 01, 2018)				Shareholding at the end of the year (As on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	26244	0	26244	0.0082	0	0	0	0.0000	(0.0082)
	Sub Total (B)(2)	**26244**	**0**	**26244**	**0.0082**	**0**	**0**	**0**	**0.0000**	**(0.0082)**
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	11030373	73050	11103423	3.4809	11713723	48051	11761774	3.6847	0.2038
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	22592648	0	22592648	7.0828	22498581	0	22498581	7.0484	(0.0344)
(b)	NBFCs registered with RBI	0	0	0	0.0000	218930	0	218930	0.0686	0.0686
(c)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Trusts	11999	0	11999	0.0038	8676	0	8676	0.0027	(0.0011)
	Foreign Nationals	241757	0	241757	0.0758	242357	0	242357	0.0759	0.0001
	Hindu Undivided Family	443729	0	443729	0.1391	415836	0	415836	0.1303	(0.0088)
	Investor Education and Protection Fund	0	0	0	'0.0000	26244	0	26244	0.0082	0.0082
	Foreign Companies	84641445	0	84641445	26.5351	84641445	0	84641445	26.5165	(0.0186)
	Non Resident Indians (Non Repat)	6056444	0	6056444	1.8987	5963487	0	5963487	1.8682	(0.0305)
	Non Resident Indians (Repat)	16823710	225000	17048710	5.3448	16665109	225000	16890109	5.2913	(0.0535)
	Office Bearers	72000	0	72000	0.0226	72014	0	72014	0.0226	0.0000
	Clearing Member	150647	0	150647	0.0472	291254	0	291254	0.0912	0.0440
	Bodies Corporate	2612151	0	2612151	0.8189	2379267	0	2379267	0.7454	(0.0735)
	Sub Total (B)(3)	**144676903**	**298050**	**144974953**	**45.4497**	**145136923**	**273051**	**145409974**	**45.5541**	**0.1044**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**226244544**	**298050**	**226542594**	**71.0212**	**226193609**	**273051**	**226466660**	**70.9475**	**(0.0737)**
	Total (A)+(B)	**318605976**	**298050**	**318904026**	**99.9765**	**318855041**	**273051**	**319128092**	**99.9765**	**0.0000**
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	75000	0	75000	0.0235	75000	0	75000	0.0235	0.0000
	Total (A)+(B)+(C)	**318680976**	**298050**	**318979026**	**100.0000**	**318930041**	**273051**	**319203092**	**100.0000**	**0.0000**

Annexure – II (Contd.)

ii) Shareholding of Promoters:-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in Shareholding during the year*
		No. of Shares Held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Nirmal Bhanwarlal Jain	47952000	15.0330	0.0000	46402000	14.5368	0.0000	(0.4962)
2	Venkataraman Rajamani	10909432	3.4201	0.0000	10984432	3.4412	0.0000	0.0211
3	Madhu N Jain	13700000	4.2950	0.0000	12075000	3.7829	0.0000	(0.5121)
4	Aditi Athavankar	200000	0.0627	0.0000	200000	0.0627	0.0000	0.0000
5	Aditi Avinash Athavankar (In her capacity as Trustee of Kalki Family Private Trust)	9000000	2.8215	0.0000	9000000	2.8195	0.0000	(0.0020)
6	Ms. Harshita Jain & Mr. Mansukhlal Jain (In their capacity as Trustees of Nirmal Madhu Family Private Trust)	6600000	2.0691	0.0000	10000000	3.1328	0.0000	1.0637
7	Ardent Impex Pvt Ltd	2700000	0.8465	0.0000	2700000	0.8459	0.0000	(0.0006)
8	Orpheus Trading Pvt Ltd	1300000	0.4076	0.0000	1300000	0.4073	0.0000	(0.0003)
	Total	**92361432**	**28.9553**	**0.0000**	**92661432**	**29.0290**	**0.0000**	**0.0737**

Note:- *The Change in number/percentage of shareholding during the year is due to allotment of shares under Employees Stock Option Scheme to employees, purchase by the promoters and inter-se transfer of shares within the Promoter Group respectively by way of gift to Private Trust.

iii) Change in Promoters Shareholding:-

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held*	% of Total Shares of the Company*
1	Nirmal Bhanwarlal Jain	47952000	15.0330				
	Purchase			12 Feb 2019	100000	48052000	15.0537
	Purchase			14 Feb 2019	50000	48102000	15.0694
	Transfer to Ms Harshita Jain and Mr. Mansukh Jain (In their capacity as Trustees of Nirmal Madhu Family Private Trust)			29 Mar 2019	(1700000)	46402000	14.5368
	At the end of the year					46402000	14.5368
2	Madhu N Jain	13700000	4.2950				
	Purchase			12 Feb 2019	50000	13750000	4.3076
	Purchase			14 Feb 2019	25000	13775000	4.3154
	Transfer to Ms Harshita Jain and Mr. Mansukh Jain (In their capacity as Trustees of Nirmal Madhu Family Private Trust)			29 Mar 2019	(1700000)	12075000	3.7829
	At the end of the year					12075000	3.7829
3	Venkataraman Rajamani	10909432	3.4201				
	Purchase			12 Feb 2019	50000	10959432	3.4334
	Purchase			14 Feb 2019	25000	10984432	3.4412
	At the end of the year					10984432	3.4412

Annexure – II (Contd.)

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held*	% of Total Shares of the Company*
4	Ms Harshita Jain and Mr. Mansukh Jain (In their capacity as Trustees of Nirmal Madhu Family Private Trust)	6600000	2.0691				
	Transfer from Nirmal Bhanwarlal Jain and Madhu N Jain			29 Mar 2019	3400000	10000000	3.1328
	At the end of the year					10000000	3.1328
5	Aditi Avinash Athavankar (In her capacity as Trustee of Kalki Family Private Trust)	9000000	2.8215				
	At the end of the year					9000000	2.8195
6	Ardent Impex Pvt Ltd	2700000	0.8465				
	At the end of the year					2700000	0.8459
7	Orpheus Trading Pvt Ltd	1300000	0.4076				
	At the end of the year					1300000	0.4073
8	Aditi Athavankar	200000	0.0627				
	At the end of the year					200000	0.0627

Note:- *The Change in number/percentage of shareholding during the year is due to allotment of shares under Employees Stock Option Scheme to employees, purchase by the promoters and inter-se transfer of shares within the Promoter Group respectively by way of gift to Private Trust.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company*
1	FIH Mauritius Investments Ltd	84641445	26.5351				
	At the end of the year					84641445	26.5165
2	HWIC Asia Fund Class A shares	28362530	8.8917				
	At the end of the year					28362530	8.8854
3	Bharat H Parajia	15331778	4.8065				
	Sell			15 Mar 2019	(1,31,778)	15200000	4.7619
	At the end of the year					15200000	4.7619
4	Bank Muscat India Fund	12598222	3.9495				
	At the end of the year					12598222	3.9468
5	WF Asian Reconnaissance Fund Limited	6606330	2.0711				
	Purchase			05 Oct 2018	1,31,836	6738166	2.1109
	Purchase			12 Oct 2018	4,26,689	7164855	2.2446
	Purchase			19 Oct 2018	1,090,000	8254855	2.5861
	Purchase			01 Mar 2019	1,260,500	9515355	2.9810
	At the end of the year					9515355	2.9810

Annexure – II (Contd.)

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company*
6	Satpal Khattar	6171528	1.9348				
	Purchase			01 Mar 2019	25683	6197211	1.9415
	Purchase			08 Mar 2019	19317	6216528	1.9475
	At the end of the year					6216528	1.9475
7	Vanguard Total International Stock Index Fund	7,85,708	0.2463				
	Purchase			06 Apr 2018	188464	974172	0.3052
	Purchase			13 Apr 2018	10914	985086	0.3086
	Purchase			27 Apr 2018	92638	1077724	0.3376
	Purchase			22 Jun 2018	14965	1092689	0.3423
	Purchase			06 Jul 2018	4485	1097174	0.3437
	Purchase			13 Jul 2018	892	1098066	0.3440
	Purchase			27 Jul 2018	168482	1266548	0.3968
	Purchase			03 Aug 2018	88489	1355037	0.4245
	Purchase			10 Aug 2018	4525	1359562	0.4259
	Purchase			17 Aug 2018	11249	1370811	0.4294
	Purchase			24 Aug 2018	541146	1911957	0.5990
	Purchase			31 Aug 2018	4052	1916009	0.6002
	Purchase			14 Sep 2018	15522	1931531	0.6051
	Purchase			21 Sep 2018	57412	1988943	0.6231
	Purchase			29 Sep 2018	198903	2187846	0.6854
	Purchase			12 Oct 2018	185483	2373329	0.7435
	Purchase			19 Oct 2018	3339	2376668	0.7446
	Purchase			26 Oct 2018	33785	2410453	0.7551
	Purchase			09 Nov 2018	122880	2533333	0.7936
	Purchase			16 Nov 2018	744595	3277928	1.0269
	Purchase			30 Nov 2018	247084	3525012	1.1043
	Purchase			22 Feb 2019	8653	3533665	1.1070
	Purchase			01 Mar 2019	57181	3590846	1.1249
	Purchase			08 Mar 2019	109709	3700555	1.1593
	At the end of the year					3700555	1.1593
8	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	733260	0.2299				
	Purchase			06 Apr 2018	231624	964884	0.3023
	Purchase			13 Apr 2018	13415	978299	0.3065
	Purchase			27 Apr 2018	113853	1092152	0.3421
	Sell			04 May 2018	(7340)	1084812	0.3399
	Sell			11 May 2018	(6973)	1077839	0.3377
	Sell			01 Jun 2018	(5505)	1072334	0.3359
	Sell			15 Jun 2018	(5505)	1066829	0.3342
	Sell			22 Jun 2018	(15539)	1051290	0.3293
	Sell			30 Jun 2018	(25014)	1026276	0.3215
	Purchase			06 Jul 2018	460	1026736	0.3217
	Sell			13 Jul 2018	(5986)	1020750	0.3198
	Purchase			27 Jul 2018	207045	1227795	0.3846
	Purchase			03 Aug 2018	108744	1336539	0.4187

Annexure – II (Contd.)

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company*
	Purchase			10 Aug 2018	5560	1342099	0.4205
	Purchase			17 Aug 2018	12697	1354796	0.4244
	Purchase			24 Aug 2018	615445	1970241	0.6172
	Purchase			31 Aug 2018	4980	1975221	0.6188
	Purchase			29 Sep 2018	148185	2123406	0.6652
	Purchase			12 Oct 2018	138188	2261594	0.7085
	Purchase			19 Oct 2018	2488	2264082	0.7093
	Purchase			26 Oct 2018	25170	2289252	0.7172
	Purchase			09 Nov 2018	288139	2577391	0.8074
	Purchase			16 Nov 2018	633580	3210971	1.0059
	Purchase			23 Nov 2018	57862	3268833	1.0241
	Purchase			30 Nov 2018	199264	3468097	1.0865
	Purchase			07 Dec 2018	7581	3475678	1.0889
	Purchase			21 Dec 2018	21546	3497224	1.0956
	Purchase			01 Feb 2019	22040	3519264	1.1025
	Purchase			08 Feb 2019	41678	3560942	1.1156
	Purchase			15 Feb 2019	28622	3589564	1.1245
	Purchase			29 Mar 2019	8970	3598534	1.1273
	At the end of the year					3598534	1.1273
9	Prabodh Agrawal	2731019	0.8562				
	At the end of the year					2731019	0.8556
10	Dimensional Emerging Markets Value Fund	2793003	0.8756				
	Sell			10 Aug 2018	(2015)	2790988	0.8744
	Sell			24 Aug 2018	(1764)	2789224	0.8738
	Sell			29 Sep 2018	(9060)	2780164	0.8710
	Sell			05 Oct 2018	(15790)	2764374	0.8660
	Sell			12 Oct 2018	(1471)	2762903	0.8656
	Sell			19 Oct 2018	(16376)	2746527	0.8604
	Sell			26 Oct 2018	(16824)	2729703	0.8552
	Sell			02 Nov 2018	(20397)	2709306	0.8488
	Sell			28 Dec 2018	(5526)	2703780	0.8470
	Sell			11 Jan 2019	(2443)	2701337	0.8463
	Sell			18 Jan 2019	(1822)	2699515	0.8457
	Sell			01 Feb 2019	(5212)	2694303	0.8441
	Sell			08 Feb 2019	(2980)	2691323	0.8431
	Sell			15 Feb 2019	(11498)	2679825	0.8395
	Sell			01 Mar 2019	(13642)	2666183	0.8353
	Sell			08 Mar 2019	(23186)	2642997	0.8280
	Sell			22 Mar 2019	(12239)	2630758	0.8242
	Sell			29 Mar 2019	(3816)	2626942	0.8230
	At the end of the year					2626942	0.8230

*The changes in the % of the shareholdings of the above shareholders was due to allotment of shares under Employee Stock Option Scheme to the employees and purchases/sell made by the shareholders during the year.

Annexure – II (Contd.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Directors and KMP	Shareholding at the beginning of the year (As on April 01, 2018)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Mr. Nirmal Jain**	4,79,52,000	15.0330	1,50,000	17,00,000	4,64,02,000	14.5368
2.	Mr. R. Venkataraman**	1,09,09,432	3.4201	75,000	0	1,09,84,432	3.4412
3.	Mr. Nilesh Vikamsey	1,65,000	0.0517	0	0	1,65,000	0.0517
4	Mr. Kranti R Sinha*	1,15,000	0.0361	0	0	1,15,000	0.0360
5.	Mr. Arun Kumar Purwar*	95,000	0.0298	0	0	95,000	0.0298
6.	Mr. Prabodh Agrawal*	27,31,019	0.8562	0	0	27,31,019	0.8556
7.	Mr. Gajendra Thakur*	1,000	0.0003	5,000	0	6,000	0.0019

*The change in % of total shares is due to allotment of shares under Employee Stock Option Scheme to employees.

** The Change in number/percentage of shareholding during the year is due to allotment of shares under Employees Stock Option Scheme to employees, purchase by the Directors and inter-se transfer of shares within the Promoter Group by way of gift to private Trust.

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of year as on April 01, 2018				
(i) Principal amount	Nil	Nil	Nil	Nil
(ii) Int. due but not paid	Nil	Nil	Nil	Nil
(iii) Int. accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Changes in Indebtedness during the year	Nil	Nil	Nil	Nil
Addition (interest)	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year as on March 31, 2019				
(i) Principal amount	Nil	Nil	Nil	Nil
(ii) Int. due but not paid	Nil	Nil	Nil	Nil
(iii) Int. accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

Annexure – II (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹)
Name of MD/WTD/Manager	***Mr. Nirmal Jain**	***Mr. R. Venkataraman**	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	6,79,10,167	4,76,56,267	11,55,66,434
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	39,600	39,600
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
Stock Option	0	0	0
Sweat Equity	0	0	0
Commission	0	0	0
- as % of profit	0	0	0
- others, specify	0	0	0
Others[Gratuity and Company's contribution towards PF, pension fund and NPS]	8,02,310	8,76,203	16,78,513
Total (A)	**6,87,12,477**	**4,85,72,070**	**11,72,84,547**
Ceiling as per the Act	₹ 147,098,569.56/- being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.		

* Entire remuneration paid by the subsidiary of the Company i.e. India Infoline Finance Limited.

B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors						Total Amount (₹)
Name of Director	**Mr. A. K. Purwar**	**Mr. Nilesh Vikamsey**	**Mr. Kranti Sinha#**	**Dr. S Narayan#**	**Ms. Geeta Mathur**	**Mr. Chandran Ratnaswami**	
Independent Directors							
- Fees for attending board/ committee meetings	3,45,000	4,95,000	4,50,000	90,000	4,20,000	N.A.	18,00,000
- Commission	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	N.A.	50,00,000
- Other	NIL	NIL	NIL	NIL	NIL	N.A.	NIL
Total (1)	13,45,000	14,95,000	14,50,000	10,90,000	14,20,000	N.A.	68,00,000
Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	NIL
- Fees for attending board/ committee							
Total (2)	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**NIL**	**NIL**
Total (B)=(1+2)	**13,45,000**	**14,95,000**	**14,50,000**	**10,90,000**	**14,20,000**	**N.A.**	**68,00,000**
Total Managerial Remuneration							**12,40,84,547***
Overall Ceiling as per the Act	₹ 16,18,08,426.52/- being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.						

*Total Remuneration paid to Managing &Whole Time Directors and Fees & Commission paid to Non Executive Directors.

Mr. Kranti Sinha and Mr. S Narayan ceased to be Director w.e.f. May 21, 2019.

Annexure – II (Contd.)

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

(Amount in ₹)

Particulars of Remuneration	Name of the Key Managerial Persons		Total
Name of Key Management Personnel	Mr. Prabodh Agrawal (Chief Financial Officer)	Mr. Gajendra Thakur (Company Secretary)	
Gross Salary			
a.Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	1,96,04,328	60,93,934	2,56,98,262
b.Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	-	39, 600
c.Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	-	-	-
^Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit	-	-	-
Others, please specify [Gratuity and Company's contribution towards PF and pension fund]	-	4,12,926	4,12,926
Total	**1,96,43,928**	**65,06,860**	**2,61,50,788**

^There were no Stock Options granted to Key Management Personnel during the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Date: September 03, 2019
Place: Mumbai

Nirmal Jain
Chairman
(DIN: 00010535)

ANNEXURE – III
to Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
IIFL Holdings Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604
Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable) / Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

(g) The Securities and Exchange Board of India (Depository and Participant) Regulations, 1996 / Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

(vi) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:

(a) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and;

Annexure – III (Contd.)

(b) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws (in addition to the above mentioned Laws (i to v) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

(b) Listing Agreement(s) entered with stock exchanges.

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no observation of instances of non Compliance in respect of the same.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors has remained unaffected during the year under review.

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

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs except as mentioned below:

1) The Company has received approval of Hon'ble National Company Law Tribunal, Mumbai Bench on 07.03.2019 for Composite Scheme of Arrangement u/s 230 to 232 of the Companies Act, 2013 amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders.

2) The Board of Directors of the Company at its meeting held on May 13, 2019 approved the implementation of the Scheme except for merger of India Infoline Finance Limited with the Company. The said merger shall be made effective on receipt of the requisite licence/ registrations by the Company from RBI to carry on the lending business.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

Signature:-

Name: Nilesh Shah
For Nilesh Shah & Associates
Company Secretaries
FCS : 4554
C.P. : 2631

Date: May 14, 2019
Place: Mumbai

'ANNEXURE A'

To
The Members,
IIFL Holdings Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:-

Name: Nilesh Shah
For Nilesh Shah & Associates
Company Secretaries
FCS : 4554
C.P. : 2631

Date: May 14, 2019
Place: Mumbai

ANNEXURE – IV
to Directors' Report

Information relating to conservation of energy, technology absorption and innovation and foreign exchange earnings/ outgo forming part of the Directors' Report in terms Section 134(3) (m) of the Companies Act, 2013.

CONSERVATION OF ENERGY

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

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

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

TECHNOLOGY ABSORPTION AND INNOVATION:

Information Technology at IIFL is the core element which drives business growth and forms the backbone of our organisation. Information technology is used as a strategic tool which comprises industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers.

With highly secured information systems and with adequate controls which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks.

IIFL remains committed to investing in technology to provide a competitive edge and contribute in business that is scalable. Digital and analytics continue to be the key focus areas to bring in agility, availability and relevance.

Highlights of the current year in relation to the Company and its subsidiaries:

- Organisation complied with various norms of regulatory bodies such as RBI, SEBI & NHB for Information Technology & Cyber Security requirements.
- Magnified digital footprint by adopting TABs for Business (8.2 K TAB users to 13.7 K TAB users).
- Implementation of Cognitive Analysis based Face Recognition Solution for attendance system.
- The Organisation adopted Cloud & SIM based call recording solution for enhanced security.
- As a part of IIFL's cloud adoption journey, moved from traditional mechanical tape based back-up system to completely automated Zero touch cloud based back-up system.
- The Organisation created In-House Cloud and adopted public clouds with a single window system for life cycle management of servers.
- Business Continuity Management and Data Privacy Framework developed.
- Organisation successfully completed the ISO 27001:2013 annual re-certification in January 2019.
- Organisation implemented tools for mitigating various security risks - privileged identity management, advanced malware detection and protection, end-point encryption and mobile device management.
- Launch of Loan Originator Mobile Application for faster processing of loans.
- Launch of new applications for managing collections for HFC and NBFC Loans.
- Successful Integration with CKYC System for uploading customer data in Central Repository

As the Organisation continues to expand its geographic reach and enhance the scale of operations, it intends to further develop and integrate technology to support growth and improve service quality. Technology is a trusted ally in creating business value.

FOREIGN EXCHANGE EARNINGS/OUTGO OF THE STANDALONE COMPANY

a) The foreign exchange earnings: Nil

b) The foreign exchange expenditure: Nil

RESEARCH AND DEVELOPMENT (R & D)

The Company is engaged in finance and financial services and so there were no activities in the nature of research and development involved in the business.

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2019	March 31, 2018
Capital	Nil	Nil
Revenue	Nil	Nil

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

Date: September 03, 2019
Place: Mumbai

ANNEXURE – V

to Directors' Report

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirement	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	*Executive Chairman – Mr. Nirmal Jain	35.59x
		*Managing Director – Mr. R Venkataraman	25.16x
		Non Executive Director@	
		Mr. Nilesh Vikamsey	0.52x
		Dr. S Narayan#	0.52x
		Ms. Geeta Mathur	0.52x
		Mr. Kranti Sinha#	0.52x
		Mr. A. K. Purwar	0.52x
		Mr. Chandran Ratnaswami	Nil
		Mr. Vijay Kumar Chopra$	N.A.
		Mr. Nagarajan Srinivasan$	N.A.
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Executive Chairman	25%
		Managing Director	25%
		CFO	10%
		CS	10%
		Non Executive Director	
		Mr. Nilesh Vikamsey	Nil
		Dr. S Narayan#	Nil
		Ms. Geeta Mathur	Nil
		Mr. Kranti Sinha#	Nil
		Mr. A. K. Purwar	Nil
		Mr. Chandran Ratnaswami	Nil
		Mr. Vijay Kumar Chopra$	N.A.
		Mr. Nagarajan Srinivasan$	N.A.
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 22%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
IV	The number of permanent employees on the rolls of the Company	The Company had 54 employees on the rolls as on March 31, 2019.	

Annexure – V (Contd.)

Sr. No.	Requirement	Disclosure
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable to the Company as all the employees are under Managerial Role.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes it is confirmed.

*The remuneration to Executive Chairman and Managing Director were paid by India Infoline Finance Limited, subsidiary Company.

@ Sitting fees is not forming part of remuneration in aforesaid calculation.

Mr. Kranti Sinha and Mr. S Narayan ceased to be Independent Director w.e.f. May 21, 2019.

$ Mr. Vijay Kumar Chopra was appointed by the Board as an Additional Director (Independent Director) and Mr. Nagarajan Srinivasan was appointed by the Board as an Additional Director (Non Executive Director) of the Company w.e.f. May 21, 2019.

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

Date: September 03, 2019
Place: Mumbai

ANNEXURE – VI

to Directors' Report

DIVIDEND DISTRIBUTION POLICY

Purpose & Scope

IIFL Finance Limited has in place Board approved dividend policy covering the Company and the Subsidiaries as adopted on March 01, 2011. SEBI has recently mandated vide Notification dated July 08, 2016 that top 500 Companies (in terms of market capitalisation) need to have a Dividend Distribution Policy in place.

Accordingly, this policy is to put into place the norms for the determination and declaration of dividend on equity capital by IIFL Finance Limited and its subsidiaries. While considering distribution and payment of dividend, the Company will ensure compliance with all the applicable provisions of the law including provisions of the Companies Act, SEBI, RBI, NHB and Income Tax Rules and Regulations etc related thereto.

Total Dividend

1. At the Holding Company level, the total dividend payout for any financial year will be minimum 15% and maximum up to 35% (including applicable taxes on distribution of Dividend) of the consolidated profit after tax of the Company after Minority Interest.
2. At the Subsidiary level, the total dividend payout may be up to 100% of the respective consolidated /standalone profit after tax of the respective subsidiary.

Factors/ parameters that would be considered while declaring Dividend

I. The financial parameters that shall be considered while declaring dividend

While considering the total dividend at Holding Company and at each of the Subsidiaries the following will be taken into account:

a. The business plan and actual performance, the capital requirements, free cash flow, debt equity ratio (considering new capital, ESOPs, retained earnings, minimum net worth requirements as per respective regulatory requirements etc.)

b. Adequacy of profits including the accumulated balance in Profit & Loss account and

c. Taxes on dividend.

The Board may consider a higher distribution with adequate justification or on special occasions.

II. The circumstances under which the shareholders:

i. May expect dividend:

a. Surplus in Profit & loss (P&L) Statement

b. Profits in any Financial Year are more than 10% of the equity capital of the Company

ii. May not expect dividend:

a. If there are losses as per P&L Statement (including accumulated balance in P&L account)

b. Profit in the any Financial Year is less than 10% of the equity capital.

c. If the total income from business/PAT from its ordinary activities in any Financial Year declines by more than 75% from the previous year.

d. If the business is seriously affected and visibility is uncertain.

III. Internal and external factors that shall be considered for declaration of dividend:

i. Internal Factors:

a. Projected investment in business/new business

b. Projected investments in Subsidiaries/Associates in the year and next year.

c. Networth/Capital adequacy as required under respective Regulatory requirements.

ii. External Factors:-

i. State of Economy/Industry/business

ii. Statutory Taxes/levies – Changes in income tax rates, DDT etc

IV. The retained earnings shall be utilised for:

i. Proposed Capital expenditure

ii. Investments/acquisitions

iii. General corporate purposes including contingencies

iv. Capital restructuring

V. Parameters that shall be adopted with regard to various classes of shares:

The Company has only one class of equity shareholders at present.

Periodicity of distribution

On a yearly basis, the Holding and Subsidiary Companies may distribute by way of Interim Dividend/s a substantial portion of the total dividend of the Company. The balance portion will be declared by way of final dividend considering the full year's accounts and will be paid after the approval of shareholders at the Annual General Meeting of the Company.

Disclosures

a. This policy will be made available on the Company's website.

b. The policy will also be disclosed in the Company's annual report

Amendments to the Policy

The Board shall review and amend this Policy as and when required. Any subsequent amendment/modification in the regulation and/or other applicable laws in this regard shall automatically apply to this policy.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No	Particulars	Reply
1.	**Corporate Identity Number (CIN) of the Company**	L67100MH1995PLC093797
2.	**Name of the Company**	IIFL Finance Limited (formerly known as IIFL Holdings Limited)
3.	**Registered Address**	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Park,Thane, Maharashtra - 400604
4.	**Website**	www.iifl.com
5.	**E-mail id**	shareholders@iifl.com
6.	**Financial Year Reported**	April 01, 2018- March 31, 2019
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Before Scheme coming into effect* National Industrial Classification 2008 Code: 6619-66190- Financial Services activities i.e. Merchant Banking, Investment Advisory and others. After Scheme coming into effect* National Industrial Classification 2008 Code: 642 Holding/Holding Investment.
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	IIFL Finance Limited is a financial services Company offering financing through varied loan products through its subsidiaries.
9.	**Total number of locations where business activity is undertaken by the Company**	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	IIFL Finance Limited has its Registered Office at Thane and Corporate Office in Mumbai in the state of Maharashtra and its subsidiaries have pan-India presence through a network of branches.
10.	**Markets served by the Company – Local/State/National/ International**	IIFL serves its customers in various local/states/national locations.

*Kindly refer Para 2 of Directors Report for details of Composite Scheme of Arrangement.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No	Particulars	Reply
1.	**Paid up capital (INR)**	₹ 638.41 million
2.	**Total turnover (INR)**	Consolidated: ₹ 50,955.28 million Standalone: ₹ 1,505.46 million
3.	**Total profit after taxes (INR)**	Consolidated: ₹ 8,043.27 million Standalone: ₹ 1,471.22 million
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	Please refer Annual Report on CSR activities annexed to Directors' Report.
5.	**List of activities in which expenditure in 4 above has been incurred**	Please refer Annual Report on CSR activities annexed to Directors' Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes – Pursuant to Demerger of securities business undertaking and wealth business undertaking in terms of Composite Scheme of Arrangement coming into effect w.e.f. May 13, 2019, IIFL Finance Limited has 4 subsidiaries including step down subsidiaries. Please refer Para no. 2 of Directors Report for detailed information of Composite Scheme of Arrangement.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The subsidiaries participated in the BR initiatives of the Company and in the financial year 2018-19 three (3) Subsidiaries participated in the CSR initiatives of the Company through India Infoline Foundation.

Business Responsibility Report (Contd.)

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number: 00011919
2. Name: Mr. R. Venkataraman
3. Designation: Managing Director

(b) Details of the BR head

Sr. No	Particulars	Details
1	DIN Number (if applicable)	00011919
2	Name	Mr. R. Venkataraman
3	Designation	Managing Director
4	Telephone number	+91 22 67881000
5	E-mail id	shareholders@iifl.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of Compliance (Reply in Y/N)

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5 - Businesses should respect and promote human rights

P6 - Business should respect, protect, and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle wise responses are as follows:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y

Business Responsibility Report (Contd.)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

Notes:

P1 Sr. No. 3 - The Company has in place Code of Conduct and other policies which are based on guidelines and key indicators prescribed under rules and regulations of RBI/SEBI/NHB/IRDAI and as per Companies Act, 2013. Sr. No. 6 - The policies are available on the website of the Company i.e. www.iifl.com. The internal policies and documents are accessible only to employees of the organisation and made available through IIFL Intranet.

P2 The Company complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability. Sr. No. 3 and 6 - The India Infoline Foundation aims to alleviate poverty and facilitate social & economic development through focused and need based programmes. The Company has a Corporate Social Responsibility Policy which is available on the website of the Company i.e. www.iifl.com. The initiatives undertaken by India Infoline Foundation can be viewed on the website of the Company i.e. www.iifl.com.

P3 Sr. No. 3- The Company has adopted various employee oriented policies covering areas such as employee benefits, whistleblower mechanism, prevention of sexual harassment policy and code of conduct for employees at the workplace as per applicable laws. Sr. No 6- These policies can be accessible online by the employees of the Company only.

P4 Sr. No. 3 and 6- The Company has prescribed processes to achieve the objectives described under this principle. The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. www.iifl.com.

P5 Sr. No. 3- IIFL has put in place code of conduct which focuses on best employment practices. The Code of Conduct is in adherence to the regulatory and business requirements. Sr. No 6- The said code of conduct is made available on the intranet of the Company.

P6 Sr. No. 3 and 6- The Company complies with applicable environmental regulations and in this regard has framed the Environmental Social and Governance Policy and framework. The policy requires the borrowers of project loans to comply with the various environmental standards and policies and to obtain necessary government approvals. The policy is accessible to the concerned employees of the Company.

P7 Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.

P8 Sr. No. 3 and 6- The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. www.iifl.com.

P9 Sr. No. 3: IIFL has Grievance Redressal Policy for its customers which conform to the regulatory guidelines. Sr. No. 6- The policies can be viewed online on www.iifl.com.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	**The Company has not understood the Principles**									
2	**The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles**									
3	**The Company does not have financial or manpower resources available for the task**									
4	**It is planned to be done within next 6 months**									
5	**It is planned to be done within the next 1 year**									
6	**Any other reason (please specify): Keeping in view the Companies nature of business i.e. financial services, such policy is not applicable to the Company.**							✓		

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Reviewed annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2018-19. The same will also be available on the website of the Company i.e. www.iifl.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

IIFL Finance Limited conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organisation.

The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the Code of Conduct, has adopted a 'zero-tolerance' approach to bribery and corruption. The Code is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The number of complaints received from shareholders in F.Y. 2018-19 was three (3) and no complaints was pending as on March 31, 2019.

With respect to employees, the Company has a mechanism as provided under the Whistle Blower Policy/Prevention of Sexual Harassment Policy whereby employees can raise their concerns. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

IIFL Finance Limited through its subsidiaries India Infoline Finance Limited and step down subsidiaries IIFL Home Finance and Samasta Microfinance Limited provides various loan products to cater to different classes of customers through an expansive network of branches and direct selling agents. Some of our customised products include home loans, gold loans, business loans to small and medium enterprises and micro finance.

Some of our products offered by its Subsidiaries which incorporate social concerns /opportunities are:

(i) Home Finance

In the home finance segment, we majorly provide small ticket home loans to borrowers from lower income segments. Our 'Swaraj' program specially caters to loans provided under the affordable housing category. Our typical borrowers are first time buyers, employed in the informal sector or owning small businesses. With this product we aim to address the essential social need of owning a house.

(ii) Microfinance

In the Microfinance Segment, we are offering credit support to women who have either limited or no access to formal banking channels. We provide financial services to the economically weaker sections of society with an aim to bring microfinance services like micro loans and credit linked insurance to the doorstep of rural and semi-urban BoP (Bottom of Pyramid) families in India. Microfinance facilitates the creation of business and markets for the economically weaker communities and leads to improvement in their quality of life.

(iii) Small Business Loans

In the SME loans segment, we provide working capital finance to small business owners. We provide small ticket loans, thereby being able to meet the needs of small scale businesses including standalone shops etc. This product helps facilitate bank-excluded customers access essential capital to keep their business running, and provides support to the plethora of micro and small scale enterprises that are crucial to India's economy.

(iv) Gold Loans

Gold has traditionally been a critical asset for Indian households, and is relied upon to meet personal and professional financial needs from time to time for example to finance marriages, education, medical emergencies working capital for small businesses etc. We provide loans against gold, catering to these needs, from a wide network of branches spread all across the country.

The India Infoline Foundation focuses on inclusive growth in the areas of elementary education, sustainable livelihoods, primary healthcare and financial inclusion. IIFL has a Corporate Social Responsibility Policy which can be viewed on the

Business Responsibility Report (Contd.)

website of the Company i.e. www.iifl.com. The initiatives of India Infoline Foundation for Inclusive Growth can be viewed on the website of the Company i.e. www.iifl.com.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? N.A.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Please refer to the response under Principle 6.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

IIFL being a financial services Company does not have any goods and raw material utilisation as part of its products and services. IIFL's major material requirements are related to office infrastructure, administration and IT related equipments and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

IIFL, being a financial services Company procures its necessary requirements from local suppliers and vendors. The Company has taken various initiatives for development of local communities; the details thereof are available in Annual Report on CSR Activities annexed to Directors' Report. Kindly refer the same.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As the Company is not a manufacturing entity; the waste generated at our premises is being managed through the process of normal waste disposal. Our Company has defined procedures in place to dispose of e-waste through authorised e-waste vendors. Most of our Company's businesses incorporate social and environmental concerns in its finance operations. As a recycling initiative waste water is entirely treated & re-utilised for gardening, flushing & cooling tower requirements in two of our large offices.

Principle 3

1. Please indicate the Total number of employees.

The Company and its subsidiaries had 16,835 employees (including contractual employees) as on March 31, 2019.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The Company and its subsidiaries had 104 employees as on March 31, 2019 on contractual basis.

3. Please indicate the Number of permanent women employees.

The Company and its subsidiaries had 3,078 women employees as on March 31, 2019.

4. Please indicate the Number of permanent employees with disabilities

IIFL does not specifically track the number of disabled employees. IIFL is an equal opportunity employer and treats all its employees equally.

5. Do you have an employee association that is recognised by management.

No

6. What percentage of your permanent employees is members of this recognised employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No cases were in the Company. Six cases of sexual harassment were reported in subsidiaries during the financial year 2018-19 and all were disposed off after due verification/investigation and appropriate actions initiated, if any. No complaints were received in other areas.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

Safety at Work place is looked at in a multidimensional approach at IIFL. Following elements fall under the purview of employee safety:

1. Fire and Safety Training

Fire and Safety trainings are provided by qualified Security inspectors at our Zonal, regional and area offices, and awareness drive is also undertaken at our branches regularly.

2. Information Security Awareness

Information security awareness and training is regularly undertaken to ensure that there is no data theft or leakage or malicious content which may disrupt the functioning of the organisation.

3. Prevention against Sexual Harassment at Work place

Apart from the presence of a Prevention of Sexual Harassment Committee, e-learning courses are also deployed to every employee in the organisation, under the set of mandatory courses for completion.

4. Health and Insurance Safety

a. Regular blood donation and other health camps are organised through HR and CSR teams to spread the word of living a healthy life.

b. Often health checkup camps and yoga sessions are conducted to ensure mental and physical well being of employees, irrespective of gender.

5. Safety against indulging in Insider trading activities

The Company has laid down clear policies on Insider trading norms and every employee undertakes a commitment towards not engaging in acts which fall under the purview of insider trading norms. We also have digital learning content which clearly explain the expectations from management w.r.t. compliance of insider trading rules and norms.

6. Work Process Adherence and Safety

a. Through sensitising employees on 'Gifts Policy' through an online medium, organisation ensures that employees are adequately informed and trained on nuances with regard to acceptance of gifts from third party Associates/ Consultants/ Customers/ Vendors.

b. Through our e-learning module on 'Anti-Bribery & Corruption', awareness among employees is developed on various organisational policies on bribery and corruption, clearly demarcating the do's and don'ts of business

7. Retention and Career Growth Sessions for women

a. Building personal & professional Brand on LinkedIn

b. Through Financial planning workshop we have made them learn about financial health through various women centric investment tools, managing expenses, tax saving strategies and retirement planning.

c. Self Defense Workshops annually at various regional/zonal locations to train and equip the women on mental, verbal and physical self-defense techniques.

Apart from above areas, Skill enhancement and a safe place to work aspects of learning are incorporated through various digital learning modules, which employees have access round the year. Key organisational aspects like Anti Money Laundering, Prevention of Sexual Harassment, Anti Bribery & Corruption, Data Privacy, Information Security Awareness etc are part of the mandated learning curriculum for all employees at IIFL, irrespective of gender, grade and business function.

A structured Induction process for new recruits ensures that all role related functional and skill inputs are made available for self directed learning on day 1 of joining itself, through high quality video modules, delivered through our Learning Management system.

Key business skills like Gold Valuation, Systems/ Process orientation, Lead generation etc are imparted through a blended learning approach which uses video base learning modules as sustainable learning supplements along with live hands on experiential sessions driven through classroom formats and system simulations. These learning events are imparted for all employees at designated roles. As per business nominations, as per role demands critical roles/ employees are covered through role specific skill building interventions. Overall we covered close to 4700 unique employees through various skill development programs this year.

Leadership capabilities are also institutionalised in employees through Management Development Programs and First Time Manager programs at desired levels of hierarchy, covering more than 700 first line and mid level managers across the organisation.

Workshops like Self Defence, Work Life Balance, LinkedIn Profile enhancements etc are organised exclusively for Women employees across grades/ roles at IIFL.

Principle 4

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company under its CSR Policy and through India Infoline foundation has started community schools for

Business Responsibility Report (Contd.)

out of school girls in the state of Rajasthan. Many of these girls are completely illiterate and cannot go to school due to poverty and other compelling reasons. We also aim to provide Learning aids and hearing aids machine to differently abled children.

For details, please refer Annual Report on CSR Activities annexed to Directors' Report.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   IIFL follows the code of conduct which covers the Company and all its subsidiaries. In addition, the Company's whistle blower program covers all its internal and external stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer response to question number 2 under Principle 1

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiaries are in compliance with applicable environmental regulations.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   As an environmentally responsible corporate, our Company has been striving towards imbibing green sustainable products, processes, policies and practices. Energy conservation measures such as installation of energy efficient equipment, chillers and pumps are some of the key initiatives undertaken by us. Our Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Since the Company is not a manufacturing entity, the above question is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   As outlined above, IIFL participates in several initiatives in the area of environment and sustainability. We have also taken several measures to minimise our environmental impact due to business travel. These measures include carpooling, company bus service, video / audio conferencing facilities at all major offices. Apart from this we have also moved to digitalisation platform wherein we save on paper and stationery.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   IIFL and its subsidiaries are member of trade bodies/ Associations such as CII, FICCI, Microfinance Institutions Network (MFIN), Association of Karnataka Microfinance Institutions (AKMI), Odisha State Association of Financial Inclusion Institutions (OSAFII), Kerala Association of Microfinance Institutions (KAMFI) and FIDC etc.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company through various associations and trade bodies provides suggestions with respect to development and regulation of financial services sector. The Company, through India Infoline Foundation has been working on several initiatives for promotion of Girl Child Illiteracy eradication program and Financial Literacy Program etc.

   The members of Board/senior management participated in various committees/ working groups constituted by the Government of India/ RBI/SEBI/NHB.

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Principle 8

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes – educating the illiterate or semi-literate and schooling the unschooled is the key program under which we work by starting community schools in remote locations to facilitate education opportunities for girls. We do this by starting community schools in remote locations where girls are out of school due to problems such as access, poverty as well as cultural and other issues and by conducting Financial Literacy programs for women and youth in rural areas. The initiative pays special attention towards participation & inclusion of women in financial planning of their household, by developing their interest in planning & management of savings, investments and availing government schemes. Also initiatives to conserve water through construction of check dams and rejuvenation of river, making draught prone areas water positive to aid farmers and agriculture practice are conducted.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   Both – directly as well as in association with a local partner.

3. **Have you done any impact assessment of your initiative?**

   Yes – quarterly tracking is done to check the progress of the activities.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Please refer Annual Report on CSR Activities annexed to Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. All the community school programs are implemented with the community at the centre. At the beginning of the program a SICOM (school inspiration committee) is constituted with community members at the helm. All the decisions regarding the school such as location, teacher appointment, school timing etc. are taken by the SICOM. This ensures that the community owns the program and works towards achieving the goals and objectives alongside us. Also, community is encouraged to adopt the learning centers, thus promoting sustainability of the initiative.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   No customer complaints/consumer cases are pending against IIFL Finance Limited as on the end of financial year. As regards subsidiaries, in their normal course of business they resolve / reply to the customer grievances within the given timelines. As on March 31, 2019, the numbers of pending complaints are negligible i.e. less than 1% of the total complaints received during the year and the same have since been resolved/ replied.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Since the Company is not a manufacturing entity, the above question is not applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   In the ordinary course of business, some customers may have grievance/disputes against the Company/its subsidiaries. The Company and its subsidiaries always endeavour to maintain cordial relationship with its customers and attach utmost importance to verify/investigate the matters and arrive at an amicable settlement, but in some cases where it is not possible, the Company pursues legal resolution for the same.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   In the normal course of the Company's services to customers, the customer service teams do ascertain the satisfaction of the customers as per its systems and methodologies as also the management assesses the customer satisfaction level on important/critical areas from time to time. However, no such formal consumer survey/ consumer satisfaction trend has been carried out by the Company.

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

Date: September 03, 2019
Place: Mumbai

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2019 has been issued in compliance with the applicable provisions of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof and forms a part of the Report of the Directors to the Members of IIFL Finance Limited (formerly known as IIFL Holdings Limited) ('the Company').

1. OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

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

2. BOARD OF DIRECTORS

(a) Composition of the Board of Directors

The Board of Directors ("Board") of the Company has an optimum combination of executive and non-executive directors (including one independent woman director) in line with the provisions of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time. The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

The Chairman of the Board is an Executive Director and majority of the Board comprises Non-Executive and Independent Directors. None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Executive Directors	Mr. Nirmal Jain (Chairman & Promoter)
	Mr. R Venkataraman (Managing Director & Co-Promoter)
Independent Directors	Mr. Vijay Kumar Chopra
	Mr. Nilesh Vikamsey
	Mr. Arun Kumar Purwar
	Ms. Geeta Mathur
Non Executive Directors other than Independent Directors	Mr. Chandran Ratnaswami
	Mr. Nagarajan Srinivasan

Mr. Kranti Sinha and Mr. S Narayan ceased to be Independent Directors of the Company w.e.f. May 21, 2019. Mr. Vijay Kumar Chopra was appointed by the Board as an Additional Director (Independent Director) and Mr. Nagarajan Srinivasan was appointed by the Board as an Additional Director (Non Executive Director) of the Company w.e.f. May 21, 2019.

The Board of Directors of the Company has adopted the policy on Board Diversity. It seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For purposes of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender, and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates. Accordingly, Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively.:

Sr. No	Skills and Attributes
1.	Knowledge of sector
2.	Accounting & Finance
3.	Corporate Governance & Compliances
4.	Marketing Experience
5.	Strategy Development and Implementation
6.	Information Technology
7.	Stakeholders Relationship
8.	Risk Management System
9.	CEO / Senior Management Experience/Leadership

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

◈ MR. NIRMAL JAIN (Chairman)

Mr. Nirmal Jain is the founder and Chairman of the Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited. He founded Probity Research and Services Private Limited (later renamed as India Infoline Limited) in 1995; one of the first independent equity research companies in India. He was instrumental in steering the groups foray into various financial sector activities that have grown over the years into significant businesses in terms of net worth and profitability. Under his leadership, IIFL Group has attainted its position as a dominant and diversified player in the financial services space over the past 24 years.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	India Infoline Finance Limited	Executive Director
	IIFL Home Finance Limited	Non-Executive Director

MR. R. VENKATARAMAN (Managing Director)

Mr. R. Venkataraman, is the Co-Promoter and Managing Director of the Company. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group over the past 20 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as an Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 28 years in the financial services sector.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	India Infoline Finance Limited	Non- Executive Director
	IIFL Home Finance Limited	Non- Executive Director
	Samasta Microfinance Limited	Non-Executive Director

MR. VIJAY KUMAR CHOPRA (Independent Director)

Mr. Vijay Kumar Chopra is a fellow member of the Institute of Chartered Accountants of India. He was the whole-time member of SEBI for two years; prior to that he has been a career banker and has held several top positions during his 36 years of experience in banking industry. Some of his accomplishments include being the Chairman and Managing Director in Corporation Bank and SIDBI, 3 years as an Executive Director in Oriental Bank of Commerce and 31 years in various capacities in Central Bank of India.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	Greenlam Industries Limited	Independent Director
	Havells India Limited	Independent Director
	Future Enterprises Limited	Independent Director
	Sheela Foam Limited	Independent Director
	India Infoline Finance Limited	Independent Director
	IIFL Facilities Services Limited	Independent Director

MR. NILESH VIKAMSEY (Independent Director)

Mr. Nilesh Vikamsey is a senior partner at Khimji Kunverji & Co LLP, an 82-year-old Chartered Accountants firm (converted to LLP w.e.f. 08-05-2019) and member firm of HLB International. He is presently member of the Advisory Committee on Mutual Funds & Corporate Governance Committee of Securities and Exchange Board of India (SEBI), Quality Review Board established by the Government of India under the Chartered Accountants Act, 1949, Risk Management Committee of Central Depository Services (India) Limited (CDSL), and Subgroup formed by Audit Committee of Coal India Limited (CIL) to consider revaluation of assets of CIL and its subsidiaries as on March 31, 2019.

He is the Past President of the Institute of Chartered Accountants of India (ICAI). He was an observer on Board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was a member of IRDA. He was chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance Committee chaired by Uday Kotak, Primary Market Advisory Committee and committee on Disclosures and Accounting Standards.

He is a speaker/ chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of RBI, Comptroller & Auditor General of India (C&AG) and various other organisations.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	Navneet Education Limited	Independent Director
	Thomas Cook (India) Limited	Independent Director
	PNB Housing Finance Limited	Independent Director
	SBI Life Insurance Company Limited	Independent Director
	India Infoline Finance Limited	Independent Director

MR. A. K. PURWAR (Independent Director)

Mr. Purwar is currently the Chairman of Tadas Wind Energy Private Limited as well as Eroute Technologies Private Limited. He also works as an independent director in leading Companies across diverse sectors, viz. Power including Solar, Wind, Thermal & Gas based power projects, Steel, Pharmaceuticals, Telefilms, Engineering Consultancy, Financial Services as well as Fintech. He also acts as an Advisor to Mizuho Securities, Japan. Mr. Purwar was the Chairman of State Bank of India the largest Bank in the country from November, 2002 to May, 2006. He held several important and

Corporate Governance Report (Contd.)

critical positions like Managing Director of State Bank of Patiala, Chief Executive Officer of Tokyo Branch covering almost the entire range of commercial banking operations in his long and illustrious career at the Bank. He was also associated in setting up of SBI Life. Mr. Purwar also worked as Chairman of Indian Bank Association during 2005-2006. He has received CEO of the year Award from The Institute of Technology and Management (2004), "Outstanding Achiever of the year" award from Indian Banks' Association (2004) "Finance Man of the Year" Award by the Bombay Management Association in 2006.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	Reliance Communications Limited	Independent Director
	Jindal Steel and Power Limited	Independent Director
	Alkem Laboratories Limited	Independent Director
	Balaji Telefilms Limited	Independent Director

MR. CHANDRAN RATNASWAMI (Non Executive Director)

Mr. Chandran Ratnaswami, is a Non-Executive Director of the Company. He is the Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. He is a director and CEO of Fairfax India Holdings Corporation. Mr. Ratnaswami serves on the Boards of, among others, Quess Corp Limited, Bangalore International Airport Limited, National Collateral Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance, Thailand, and Fairfirst Insurance Limited, Sri Lanka. Mr. Ratnaswami holds a Bachelor's degree in Civil Engineering from IIT Madras, India and MBA from the University of Toronto, Canada.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	Thomas Cook (India) Limited	Non- Executive Director
	Quess Corp Limited	Non- Executive Director
	Sanmar Engineering Services Limited	Director

MR. Nagarajan SRINIVASAN (Non Executive Director)

Mr. Nagarajan Srinivasan is a Managing Director and Head–Asia of CDC India, a wholly owned subsidiary of CDC Group Plc., London, based in Bangalore since 2013. This relates to all CDC's investments in South Asia for its three lines of activity; Fund of Funds, Direct Equity investments and Debt/Structured Finance. He joined Commonwealth Development Corporation, London in 1990, and was seconded to Africa where he served for about 8 years. He moved to India in 1998 and worked for Actis Private Equity Fund. He has been on the board of several companies as Director and currently he is on the boards of 9 of the investee companies in India.

Mr. Nagarajan Srinivasan holds MA (Economics) from Madras University and PGDBM from Warwick School of Business and Leadership program from Harvard Business School.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	India Infoline Finance Limited	Non Executive Director

MS. GEETA MATHUR (Independent Director)

Ms. Geeta Mathur is a Chartered Accountant and a graduate in commerce from Shriram College of Commerce, Delhi University. She specialises in the area of project, corporate and structured finance, treasury, investor relations and strategic planning. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance. She represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She is the co-chair for the India Chapter of Women Corporate Directors Foundation, a global organisation working towards increasing the participation of women on corporate boards and board leadership position.

List of Directorship held in other Listed Companies	Name of the Company	Category of Directorship
	Motherson Sumi Systems Limited	Independent Director
	NIIT Limited	Independent Director
	JTEKT India Limited	Independent Director
	India Infoline Finance Limited	Independent Director
	Schneider Electric Infrastructure Limited	Independent Director
	Info Edge (India) Limited	Independent Director

Note: The above list of Directorship of all the Directors in other listed Companies is as on June 30, 2019.

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

During the year under review, Five (5) Board Meetings were held on the following dates: May 03, 2018, June 19, 2018, July 31, 2018, November 01, 2018 and January 30, 2019.

As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, none of the Directors on the Board of the Company is Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. None of the Independent Directors serves as an Independent Directors on more than Seven Listed Entities (Equity Listed). The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies. The table below gives the details of the names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), their Directorships, Committee Memberships and Chairmanships in Indian Companies as on March 31, 2019:

Name of the Director (DIN)	Date of appointment/ Re appointment	Category	Number of board meetings attended during the year	Attendance at last AGM	Directorships in Indian Public Limited Companies (Including IIFL Finance Limited)	Membership of Committees (including of IIFL Finance Limited)[1]	
						Member	Chairman[2]
Mr. Nirmal Jain (DIN:00010535)	18/10/1995	Executive Chairman	5	Yes	4	1	0
Mr. R. Venkataraman (DIN: 00011919)	05/07/1999	Managing Director	5	Yes	6	5	0
Mr. Kranti Sinha (DIN: 00001643)[3]	27/01/2005	Independent Director	5	Yes	5	2	4
Mr. Nilesh Vikamsey (DIN: 00031213)	11/02/2005	Independent Director	5	Yes	10	8	2
Mr. A. K. Purwar (DIN: 00026383)	10/03/2008	Independent Director	5	No	6	1	2
Mr. Chandran Ratnaswami (DIN: 00109215)	15/05/2012	Non-Executive Director	4	Yes	7	3	0
Dr. S. Narayan (DIN: 00094081)[3]	01/08/2012	Independent Director	2	No	8	3	3
Ms. Geeta Mathur (DIN: 02139552)	18/09/2014	Independent Director	5	Yes	9	5	4
Mr. Vijay Kumar Chopra (DIN: 02103940)[4]	21/05/2019	Independent Director	NA	NA	NA	NA	NA
Mr. Nagarajan Srinivasan (DIN: 01480303)[4]	21/05/2019	Non-Executive Director	NA	NA	NA	NA	NA

1. The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.
2. This is in addition to the number of committees in which the director is designated as a committee member.
3. Mr. Kranti Sinha and Dr. S Narayan resigned as an Independent Director w.e.f. May 21, 2019 due to proposed re-organisation of the IIFL Group whereby India Infoline Finance Ltd shall merge into the Company and majority of Directors of India Infoline Finance Limited were appointed on the Board of the Company and there is no other reason of resignation.
4. Mr. Vijay Kumar Chopra was appointed by the Board as an Additional Director (Independent Director) and Mr. Nagarajan Srinivasan was appointed by the Board as an Additional Director (Non-Executive Director) of the Company w.e.f. May 21, 2019.
5. No recommendation of any Committee which is mandatorily required to have Board approval in FY 2018-19 was rejected/not accepted by the Board.

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d) **Board Level Performance Evaluation:**

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

The criteria for performance evaluation are as under:

For Chairman:

The criteria for evaluation of Chairman, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, impartial in conducting discussions, sufficiently committed to the Board, ability to keep shareholders' interest in mind during discussions and decisions.

For Executive Directors:

The criteria for evaluation of Executive Directors, inter alia, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors):

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

For Board as a whole:

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members, proper mix of competencies to conduct and enough experience to conduct affairs effectively.

e) **Separate meetings of the Independent Directors:**

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a seperate meeting of Independent Directors of the Company was held on March 22, 2019, inter alia, to discuss the following:

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

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole and some suggestions were being discussed with the Promoter Director. They also expressed their satisfaction over the quality, quantity and flow of information between the Company management and the Board / Committees of the Board from time to time and performance of Chairman of the Company.

f) **Familiarisation programme for Independent Directors:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarisation programmes of the Company may be accessed on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-governance.

g) **Meetings of the Board:**

- Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulations, as permitted by law, which are noted in the next Board Meeting.

- Board Meeting Location: The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- Notice and Agenda distributed in advance: The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. The Company has implemented App based e-meeting system accessible through secured iPads provided to the directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary in consultation with the Chairperson of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ committee Members.
- Presentations by Management: The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- Access to employees: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board/Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the issues being considered.

h) **Information Supplied to the Board / Committees:**

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

- Annual Budget and updates thereof.
- Quarterly, half yearly and annual results of the Company as per the format prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Status of important/material litigations etc.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of material nature of investments, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Corporate Governance Report (Contd.)

- Non-Compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others and steps taken by company to rectify instances of non compliances, if any.

i) Minutes of the Meetings:

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

j) Post meeting follow-up mechanism:

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

k) Confirmation of Independence:

The Board is of the opinion that the Independent Director fulfills the conditions specified in SEBI (Listing Obligations and Disclosure Requirements), 2015 and Companies Act, 2013 and are independent of the Management.

3. AUDIT COMMITTEE

The Audit Committee of your Company comprises three (3) Independent Directors (Mr. Nilesh Vikamsey, Mr. Vijay Kumar Chopra and Ms. Geeta Mathur) and one (1) Executive Director (Mr. R. Venkataraman). Mr. Vijay Kumar Chopra, an Independent Director, is the Chairman of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgment by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transactions;
    g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;

Corporate Governance Report (Contd.)

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilisation of loans and/ or advances from/investment by the Company in its subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Reviewing the following information:

    I. Management discussion and analysis of financial condition and results of operations;

    II. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

    III. Management letters/letters of internal control weaknesses issued by the statutory auditors;

    IV. Internal audit reports relating to internal control weaknesses; and

    V. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

    VI. Statement of deviations:

    a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

    b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

During the year under review, the Audit Committee of the Company met Seven (7) times on May 01, 2018, May 03, 2018, June 19, 2018, July 31, 2018, October 09, 2018, November 01, 2018, and January 30, 2019. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The Audit Committee was last reconstituted on May 21, 2019. The constitution of the Audit Committee and details of attendance of each member of the committee at the aforesaid Meeting(s) of Committee as on March 31, 2019 is given below:

Name of the members	Designation	Category	No. of committee meetings held	Committee meetings attended
Mr. Kranti Sinha*	Chairman	Independent Director	07	07
Mr. Vijay Kumar Chopra#	Chairman	Independent Director	NA	NA
Mr. Nilesh Vikamsey	Member	Independent Director	07	07
Mr. R Venkataraman	Member	Executive Director	07	06
Ms. Geeta Mathur	Member	Independent Director	07	07

*Ceased to be a Member and Chairman w.e.f. May 21, 2019

#appointed as Member and Chairman w.e.f. May 21, 2019.

Corporate Governance Report (Contd.)

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

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 31, 2018.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of your Company comprises three (3) Independent Directors with Mr. Vijay Kumar Chopra as the Chairman of the Committee, Mr. Nilesh Vikamsey and Mr. A K Purwar as members of the Committee.

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

1. Succession planning of the Board of Directors and Senior Management Employees;
2. Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
3. Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
4. Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long-term objectives of the Company.
6. devising a policy on diversity of board of directors
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee also administer your Company's Stock Option plans. The stock options granted by the Committee are disclosed in detail in the Directors' Report.

During the year under review, the Nomination and Remuneration Committee of the Company met Two (2) times on May 03, 2018 and January 30, 2019. The necessary quorum was present at the meetings.

The Nomination and Remuneration Committee was last reconstituted on May 21, 2019. The constitution of the Nomination and Remuneration Committee and details of attendance of each member of the committee at the aforesaid Meeting(s) of Committee as on March 31, 2019 is given below:

Name of the members	Designation	Category	No. of committee meetings held	Committee meetings attended
Mr. Kranti Sinha*	Chairman	Independent Director	2	2
Mr. Vijay Kumar Chopra#	Chairman	Independent Director	NA	NA
Mr. Nilesh Vikamsey	Member	Independent Director	2	2
Mr. A K Purwar	Member	IndependentDirector	2	2

*ceased to be Member and Chairman w.e.f. May 21, 2019
#appointed as Member and Chairman w.e.f. May 21, 2019

During Financial Year 2018-19, the Committee also approved matters relating to allotment of stock option(s), through circular resolutions.

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

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on July 31, 2018.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of Nomination & Remuneration policy and remuneration paid to Directors is as follows:

Corporate Governance Report (Contd.)

(a) Nomination and Remuneration Policy:

I. Appointment and removal of Directors, Key Managerial Personnel and Senior Management:

1. Appointment Criteria and Qualifications:

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

b) Independent Director:

(i) Qualifications of Independent Director:

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

(ii) Positive attributes of Independent Directors:

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

2. Removal:

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

3. Retirement:

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

II. Remuneration:

1. Directors:

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

(i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.

(ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.

(iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short-term and long- term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered , the industry
- The Company's performance vis-à-vis the annual budget achievement and individual performance.

b. Non-Executive Director:

(i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

Corporate Governance Report (Contd.)

(iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.

(iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

(v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.

(vi) The commission shall be payable on prorate basis to those Directors who occupy office for part of the year.

2. KMP & Senior Managerial Personnel:

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

a. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

b. Compensation should be reasonable and sufficient to attract, retain and motivate KMP and senior management;

c. Remuneration payable should comprise a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company;

d. Remuneration shall be also considered in the form of long -term incentive plans for key employees, based on their contribution, position, and length of service, in the nature of ESOPS/ESPS.

III. Evaluation:

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

(b) Details of Remuneration paid to Directors during FY 2018-19 and details of number of shares and convertible instruments held by Directors as on March 31, 2019 is as under:

Name of the Director	Designation	Salary and perquisite	Commission	Sitting Fees	Contribution to PF and other funds, Gratuity	Stock options	No. of equity shares held
Mr. Nirmal Jain*	Chairman	6,79,10,167	-	-	8,02,310	-	4,64,02,000
Mr. R. Venkataraman*	Managing Director	4,76,95,867	-	-	8,76,203	-	1,09,84,432
Mr. Kranti Sinha	Independent Director	-	10,00,000	4,50,000	-	-	1,15,000
Mr. Nilesh Vikamsey	Independent Director	-	10,00,000	4,95,000	-	-	1,65,000
Mr. A. K. Purwar	Independent Director	-	10,00,000	3,45,000	-	-	95, 000
Dr. S. Narayan	Independent Director	-	10,00,000	90,000	-	-	-
Ms. Geeta Mathur	Independent Director	-	10,00,000	4,20,000	-	-	-
Mr. Chandran Ratnaswami	Non-Executive Director	-	-	-	-	-	-

* Entire Remuneration paid to Mr. Nirmal Jain and Mr. R.Venkataraman is by the subsidiary of the Company i.e India Infoline Finance Limited.

The term of office of the Managing Director and Chairman is for five years from the date of their respective appointments. This employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation, the notice period is as per the Company's policy.

In the event of termination for any of the reasons specified above, they or their Nominee shall be entitled to receive as a lump sum severance payment, a sum equal to 5 times the annual salary. The Company has not issued any convertible instruments.

(c) Remuneration to Non-Executive/ Independent Directors:

During the year under review, the Independent Directors were paid ₹ 30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each Board Meeting and Audit Committee Meeting and ₹ 15,000/- (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

Apart from above, the Non-Executive Directors and Independent Directors are eligible for commission as approved by the shareholders of the Company at the Annual General Meeting held on July 29, 2016. The amount of commission is based on the overall financial performance of the Company and Board of Directors. The Independent Directors were granted with ESOPs under the Company's ESOPs Schemes prior to the notification of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 which are being exercised after due vesting as per the terms of grants. No ESOP grants were made to the Independent Directors after the aforesaid notifications in compliance with Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014. Apart from the above, no other remuneration is paid to the Non-Executive/ Independent Directors. There are no pecuniary relationships or transaction of the Non-Executive Directors with the Company.

The Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises Mr. A.K. Purwar, Independent Director as the Chairperson and Mr. Nirmal Jain and Mr. R. Venkataraman, Executive Directors. The broad terms of reference of committee are as under:

1. Approval of transfer/transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;
2. Approval to issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. Approval to issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. To approve and monitor dematerialisation of shares / debentures / other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors / stakeholders grievances;
7. Review of measures taken for effective exercise of voting rights by shareholders
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
10. All other matters incidental or related to shares, debentures and other securities of the Company.

During the year 2018-19, the Company received Three (03) complaints from investors including complaints received through SEBI's SCORES portal. Complaints were redressed to the satisfaction of the shareholder. The details of the Complaints are given below.

Sr. No.	Particulars	No. of Complaints
1	Investor complaints pending at the beginning of the year	4
2	Investor complaints received during the year	3
3	Investor complaints disposed of during the year	7
4	Investor complaints remaining unresolved at the end of the year	Nil

No pledge has been created over the Equity Shares held by the promoters as on March 31, 2019.

Corporate Governance Report (Contd.)

The constitution of the Stakeholders Relationship Committee and details of attendance of each member of the committee at the meeting of Committee held on May 03, 2018, July 31, 2018, November 01, 2018 and March 22, 2019 is given below:

Name of the members	Designation	Category	No. of committee meetings held	Committee meetings attended
Mr. A.K. Purwar	Chairman	Independent Director	4	4
Mr. Nirmal Jain	Member	Executive Director	4	4
Mr. R. Venkataraman	Member	Executive Director	4	4

The name, designation and address of Compliance Officer of the Company is as under:

Name and designation : Mr. Gajendra Thakur, Company Secretary & Compliance Officer

Corporate Office Address : 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069.

Contacts : Tel: +91 22 6788 1000 Fax: +91 22 6788 1010

E-mail : shareholders@iifl.com

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

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013 rules made there under, the CSR Committee of the Board of Directors of the Company was constituted on March 29, 2014.

The constitution of the Corporate Social Responsibility Committee and details of attendance of each member of the committee at the Meeting of Committee held on March 22, 2019 is given below:

Name of the members	Designation	Category	No. of committee meetings held	Committee meetings attended
Mr. Nirmal Jain	Chairman	Executive Director	1	1
Mr. Nilesh Vikamsey	Member	Independent Director	1	1
Mr. R. Venkataraman	Member	Executive Director	1	1

The terms of reference of Corporate Social Responsibility Committee (CSR) is mentioned below:

1. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR policy of the Company may be accessed on the website of the Company i.e. https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf.
2. To provide guidance on various CSR activities and to monitor the same.

7. RISK MANAGEMENT COMMITTEE

In compliance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee on October 21, 2014 to oversee the risk management performed by the management, reviewing the risk framework of the Company, defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

The constitution of the Risk Management Committee and details of attendance of each member of the committee at the Meeting of Committee held on November 01, 2018, December 12, 2018 and March 22, 2019 is given below:

Name of the members	Designation	Category	No. of committee meetings held	Committee meetings attended
Mr. Nirmal Jain	Chairman	Executive Director	3	3
Mr. Nilesh Vikamsey	Member	Independent Director	3	3
Mr. A. K. Purwar	Member	Independent Director	3	3

The broad terms of reference of the committee are as under:

1. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;
2. To monitor and review the risk management plan of the Company;
3. To oversee risk management process, systems and measures implemented to mitigate the same; and
4. Any other matter as may be mandated/referred by the Authority/Board.

8. FINANCE COMMITTEE (NON-MANDATORY COMMITTEE)

The Finance Committee comprises Mr. Nilesh Vikamsey, Independent Director, Mr. R. Venkataraman, Managing Director and Mr. Prabodh Agrawal, Chief Financial Officer. The broad terms of reference of committee are as under:

- to undertake borrowings by way of availing any Financial / Credit Facilities from any Bank or Financial Institution or any Corporate
- issue of commercials papers, certificate of deposits
- issue of debentures / bonds or other securities subject to the limits approved by the shareholders / Board of Directors of the Company
- to invest the funds of the Company in debentures, bonds, securities, units of mutual fund / AIFs / REITs or in any other securities
- to give guarantee for any loan, credit / financial facility.

9. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

Your Company follows a system whereby all the acts, rules and regulations applicable to your Company are identified and compliance with such acts, rules and regulations is monitored by dedicated team on a regular basis. Verification of the compliances with the major acts/regulations is carried out by suitable external auditors/lawyers/ Consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company and respective subsidiaries / associates in respect of various laws, rules and regulations applicable to your Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

10. GENERAL BODY MEETINGS

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	Time	Whether any special resolutions passed
July 31, 2018	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4:30 pm	Yes. One (1) Special Resolution was passed
July 22, 2017	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4:30 pm	Yes. One (1) Special Resolutions was passed.
July 29, 2016	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 pm	Yes. Three (3) Special Resolutions were passed.

National Company Law Tribunal Convened Meeting:

A National Company Law Tribunal ("NCLT") convened meeting of shareholders of the Company was held on December 12, 2018 for approving the Composite scheme of arrangement as mentioned in para 2 of Director's report.

Postal Ballot:

During the year under review, there was no resolution passed through Postal Ballot and there is no resolution to be passed by Postal Ballot in the ensuing Annual General Meeting.

11. DISCLOSURES

(i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In line with the amended SEBI Listing Regulations, this Policy has been suitably amended.

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable.

Corporate Governance Report (Contd.)

During the year, the Company had not entered into any material contract / arrangement / transaction with related parties, which could be considered material in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subsection (1) of section 188 of the Act and the policy of the Company on materiality of related party transactions. The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-governance. You may refer to Note no. 35 to the Standalone Financial Statement which contains related party disclosures.

(ii) Details of non-compliance

No strictures/penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the last three financial years.

(iii) Whistle Blower Policy/ Vigil Mechanism

In Compliance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimisation of Whistle Blower who avails of such mechanism and provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee. The said policy has been as approved by the Board may be accessed on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-governance.

(iv) Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed Company has formulated and adopted a new code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required.

In line with the recent amendment in SEBI (Prohibition of Insider Trading), Regulation 2015, the Company has revised its code for prevention of Insider Trading including Code of Practices and Procedure for Fair Disclosure of unpublished Price Sensitive Information and the same is effective from April 01, 2019.

(v) Compliance with Mandatory and Non-Mandatory Provision

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The status on the Compliance with the Non-mandatory recommendation in the SEBI Regulations is as under

- The position of the Chairman of the Board of Directors and Managing Director are separate.
- Submission of Internal Audit Report to the Audit Committee
- The Company follows a robust process of communicating with the shareholders which has been explained earlier in the report under "Means of Communication"

(vi) Disclosure of accounting treatment

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company.

(vii) Details of unclaimed Dividend of the Company

Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The due date for transferring the unclaimed/unpaid dividend pertaining to Interim Dividend declared in FY 2011-12 was July 21, 2019. The Company has accordingly transferred ₹ 6,46,308/- being the unpaid and unclaimed dividend amount, pertaining to interim dividend declared in Financial Year 2011-12 to the IEPF. The members, who have not enchased the dividend warrants up to the said period, are requested to claim the amount from the Ministry of Corporate Affairs, Mumbai.

12. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company www.iifl.com. The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, are regularly sent to Stock Exchanges and uploaded on the website of the Company. Quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Chairman, Managing Director, Chief Compliance Officer, Chief Financial Officer and the Company Secretary of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

All the disclosure made to the stock exchanges are also available on the website of the Company i.e. https://www.iifl.com/investor-relations/investor-news

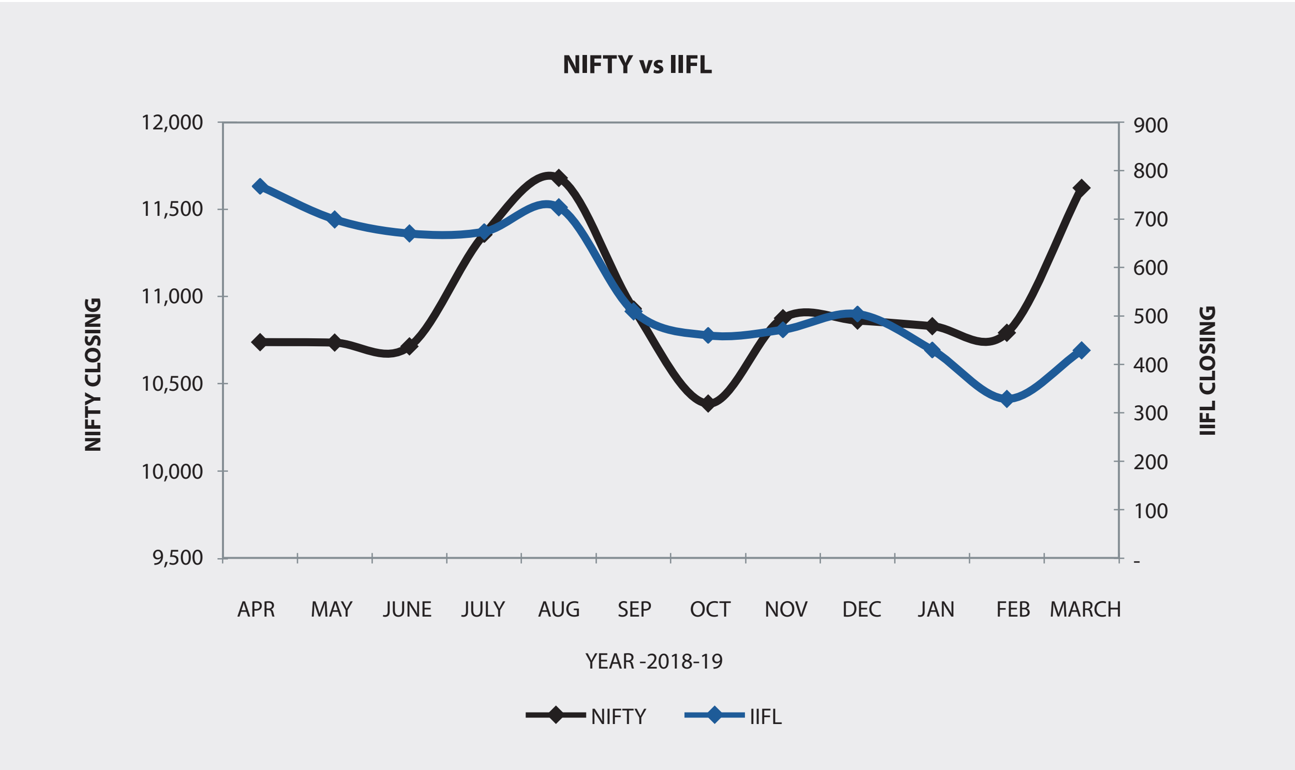
The quarterly and annual results of your Company are published in widely circulated English newspaper like "Free Press Journal" and Marathi newspaper "Navshakti". Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on the website of the Company i.e. https://www.iifl.com. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

13. GENERAL SHAREHOLDERS' INFORMATION

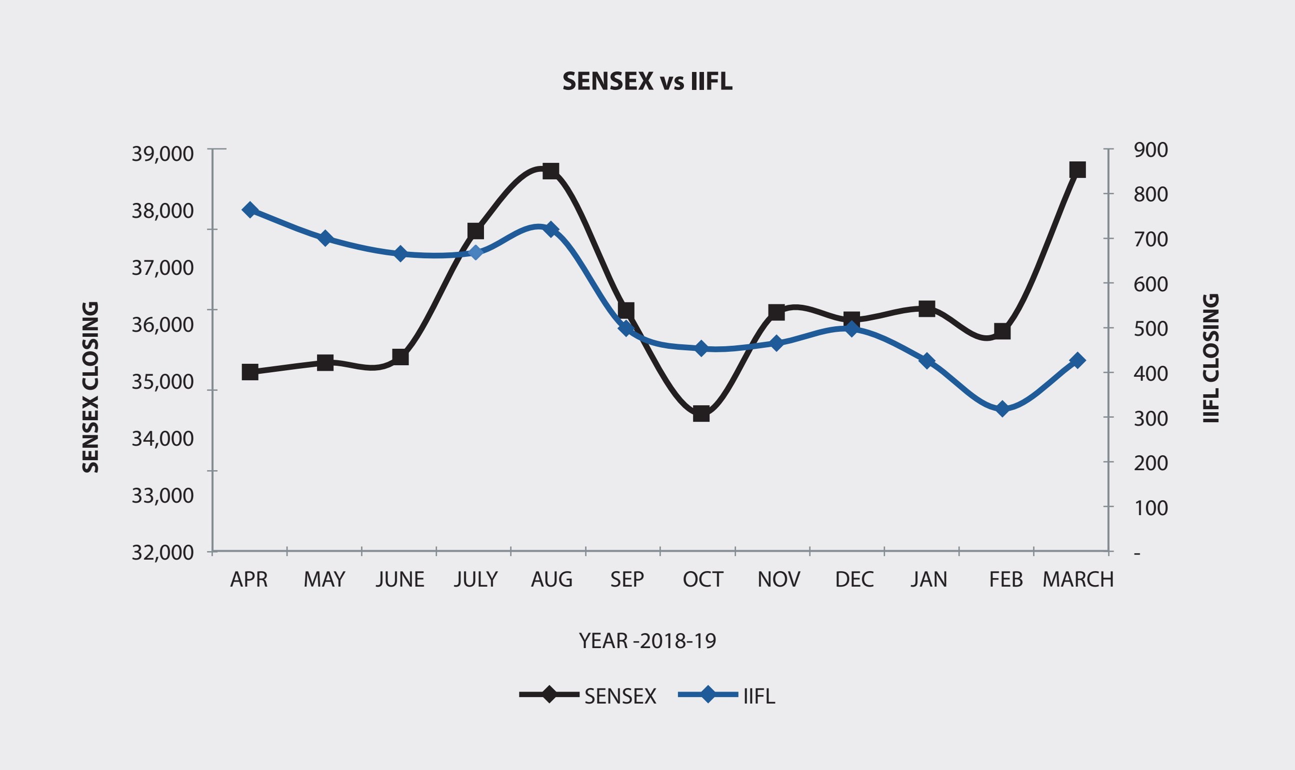
1.	**Annual General Meeting**	Monday, September 30, 2019 10.00 a.m. at Hall of Harmony, Ground Floor, Discovery of India, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.
2.	**Financial calendar**	April 01, 2019 to March 31, 2020
	(2019-2020)	Results for the quarter ended June 30, 2019 – within 45 days from the end of the quarter
		Results for the quarter ended September 30, 2019 – within 45 days from the end of the quarter
		Results for the quarter ended December 31, 2019 – within 45 days from the end of the quarter
		Results for the quarter and year ended March 31, 2020 – within 60 days from the end of the quarter
3.	**Book closure date**	September 24, 2019 to September 30, 2019.
4.	**Interim dividend**	During FY 2018-19, your Company had declared an interim dividend of ₹ 5/- per Equity Shares on January 30, 2019 and the same was paid on February 11, 2019.
5.	**Listing of equity shares on stock exchanges at**	**1. National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai-400 051. **2. BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001. The Listing Fees as applicable have been duly paid to the aforesaid Stock Exchanges.
6.	**Stock code**	National Stock Exchange of India Limited – IIFL BSE Limited – 532636
7.	**Stock market data**	Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the current year. The chart below plots the monthly closing price of IIFL Finance Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2019.

Corporate Governance Report (Contd.)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2018	810.00	701.00	1,88,852	806.05	695.55	31,13,919
May, 2018	770.00	655.60	1,92,387	774.00	653.20	26,28,290
June, 2018	747.80	660.00	1,65,418	748.00	660.20	35,19,136
July, 2018	687.80	593.40	10,09,725	685.00	590.00	16,38,535
August, 2018	752.15	670.00	2,65,086	754.00	669.40	38,35,945
September, 2018	739.00	444.90	11,85,375	739.80	445.95	41,95,350
October, 2018	535.30	341.00	6,44,445	530.00	341.00	1,03,23,303
November, 2018	520.00	439.00	2,53,780	520.00	438.50	57,28,796
December, 2018	514.35	416.15	1,51,041	514.00	418.05	15,92,157
January, 2019	510.00	424.05	1,27,546	510.00	424.30	20,11,543
February, 2019	437.60	297.50	8,57,287	439.35	297.00	75,04,076
March, 2019	470.00	325.35	4,32,798	464.40	326.45	67,15,418



Corporate Governance Report (Contd.)



8.	**Demat ISIN numbers in NSDL and CDSL for equity shares**	ISIN - INE530B01024
9.	**Registrar & Transfer Agent**	Link Intime India Private Limited C-101, 247, L.B.S. Marg, Vikhroli West, Mumbai, Maharashtra 400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in
10.	**Share transfer system**	Your Company's shares are compulsorily traded in dematerialised form. The transfer, if any, of physical shares are processed and returned to the Shareholders within the prescribed statutory period. Pursuant to SEBI Notification dated June 8, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository w.e.f. December 5, 2018. The said date was further extended vide SEBI circular till April 1, 2019. All share transfers and other share related issues are approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.
11.	**Dematerialisation of shares**	As on March 31, 2019, 99.91% of the paid-up share capital of the Company was in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
12.	**Correspondence** **for dematerialisation, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company**	Link Intime India Private Limited C-101, 247, L.B.S. Marg, Vikhroli West, Mumbai, Maharashtra 400083. Contact Person: Mr. Jai Prakash VP, Tel: 022-49186270
13.	**Address for correspondence**	Mr. Gajendra Thakur Company Secretary and Compliance Officer 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069. Email: shareholders@iifl.com

Corporate Governance Report (Contd.)

14.	**Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**	The Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs (vested or Not vested) of 9,48,456 stock options as on March 31, 2019 under its ESOP plans which may be exercised by the grantees as per the vesting period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will accordingly increase.
15.	**Credit Rating**	The Company has not issued any debt instruments or proposed any mobilization of funds during the financial year ended March 31, 2019. The ratings given by CRISIL for proposed short-term borrowings of the Company is A1+ respectively. There was no revision in the said ratings during the said financial year.

14. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on March 31, 2019:

Category	Number of equity shares held	Percentage of holding
Clearing Members	2,91,254	0.09
Other Bodies Corporate	23,79,267	0.75
Directors	3,75,000	0.12
Foreign Company	8,46,41,445	26.52
Financial Institutions	28,189	0.01
Foreign Inst. Investor	-	-
Government Companies	-	-
Hindu Undivided Family	4,15,836	0.13
Mutual Funds	35,32,774	1.11
Nationalised Banks	-	-
Non Nationalised Banks	9,764	0.00
Foreign Nationals	2,42,357	0.08
Non Resident Indians	1,68,90,109	5.29
Non Resident (Non Repatriable)	59,63,487	1.87
Office Bearers	72,014	0.02
Persons Acting In Concert	40,00,000	1.25
Public	3,38,85,355	10.62
Promoters	8,86,61,432	27.78
Trusts	8,676	0.00
Employee Welfare Trust / ESOPs	75,000	0.02
Foreign Portfolio Investors (Corporate)	7,64,96,820	23.96
Alternate Investment Funds	9,89,139	0.31
NBFCs registered with RBI	2,18,930	0.07
Investor Education And Protection Fund	26,244	0.01
Grand Total	**31,92,03,092**	**100**

15. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

The distribution of shareholders as on March 31, 2019 is as follows:

No. of equity shares held (range)	No. of shareholders	% of shareholders	No. of shares	% of share Holdings
1 to 500	36,996	89.75	39,62,170	1.24
501 to 1000	2,065	5.01	15,44,749	0.48
1001 to 2000	907	2.20	13,19,324	0.41
2001 to 3000	354	0.86	8,90,610	0.28
3001 to 4000	159	0.38	5,63,766	0.18
4001 to 5000	122	0.30	5,65,858	0.18
5001 to 10000	232	0.56	17,08,389	0.54
10001 and more	387	0.94	30,86,48,226	96.69
Total	**41,222**	**100**	**31,92,03,092**	**100**

16. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

Your Company did not raise money through any public issue, right issue or preferential issue, preferential allotment and qualified institutions placement during the FY 2018-19.

17. SUBSIDIARY COMPANIES

For the financial year 2018-19 your Company had four Material Indian Subsidiaries i.e. India Infoline Finance Limited, IIFL Wealth Management Limited, IIFL Wealth Finance Limited and IIFL Home Finance Limited. Pursuant to the Composite Scheme of Arrangement as explained in para 2 of the Directors Report, IIFL Wealth Management Limited and IIFL Wealth Finance Limited ceased to be subsidiary of the Company. Ms. Geeta Mathur, Independent Director on the Board of the Holding Company is also an Independent Director on the Board of India Infoline Finance Limited. Mr. Nilesh Vikamsey, Independent Director on the Board of Holding Company is also an independent director in India Infoline Finance Limited. Mr. A. K. Purwar, Independent Director on the Board of the Holding Company is also an Independent Director of IIFL Home Finance Limited. As for the financial year 2019-20, your Company has two material subsidiaries i.e. India Infoline Finance Limited and IIFL Home Finance Limited.

The Audit Committee reviews the financial statements including particulars of investments made by all the unlisted subsidiary companies.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of all the unlisted subsidiary companies at the Meeting of Board of Directors of Holding Company.

The policy for determining 'material' subsidiaries as approved by the Board may be accessed on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-governance.

18. CEO/CFO CERTIFICATE

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly signed by the CEO and CFO was submitted to the Board and the same is annexed to this Report.

19. PREVENTION OF SEXUAL HARASSMENT

Your Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace.

Your Directors further state that the during the fiscal year 2018-19, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints received in the year : Nil

b) Number of complaints disposed off during the year : Nil

c) Number of cases pending as on end of the year: Nil

d) Number of workshops or awareness programme against sexual harassment carried out: The Company has conducted an online training for creating awareness against the sexual harassment against the women at work place.

e) Nature of action taken by the employer or district officer: Not applicable

20. TOTAL FEES TO STATUTORY AUDITOR:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (₹ In Million)
Audit Fees	3. 40
Certification Expenses	6.14
Out Of Pocket Expenses	1.22
Total	**10.76**

21. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained the certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretary required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Directors on Board of the Company as on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

22. CODE OF CONDUCT

The confirmation from the Chairman regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company i.e. www.iifl.com

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

Date: September 03, 2019
Place: Mumbai

ANNEXURE

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
We certify that;

(a) We have reviewed the financial statements and the cash flow statement of IIFL Finance Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit Committee:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) that there are no significant changes in accounting policies during the year;

   (iii) that there are no instances of significant fraud of which we have become aware.

Nirmal Jain	**R. Venkataraman**	**Prabodh Agrawal**
Chairman	Managing Director	Chief Financial Officer
DIN: 00010535	DIN: 00011919	

Date: September 03, 2019
Place: Mumbai

Declaration on Compliance with the Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2019, received from the senior management team of the Company and the Members of the Board, declaration of compliance with the Code of Conduct as applicable to them.

For **IIFL Finance Limited**
(Formerly known as IIFL Holdings Limited)

Nirmal Jain
Chairman
(DIN: 00010535)

Date: September 03, 2019
Place: Mumbai

Independent Auditors Certificate on Corporate Governance

To the Members of
IIFL Finance Limited
(Formerly IIFL Holdings Limited)
Mumbai

1. This certificate is issued in accordance with the terms of our engagement letter reference no. PG/6626 dated 28 September 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of IIFL FINANCE LIMITED (FORMERLY IIFL HOLDINGS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31 March, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

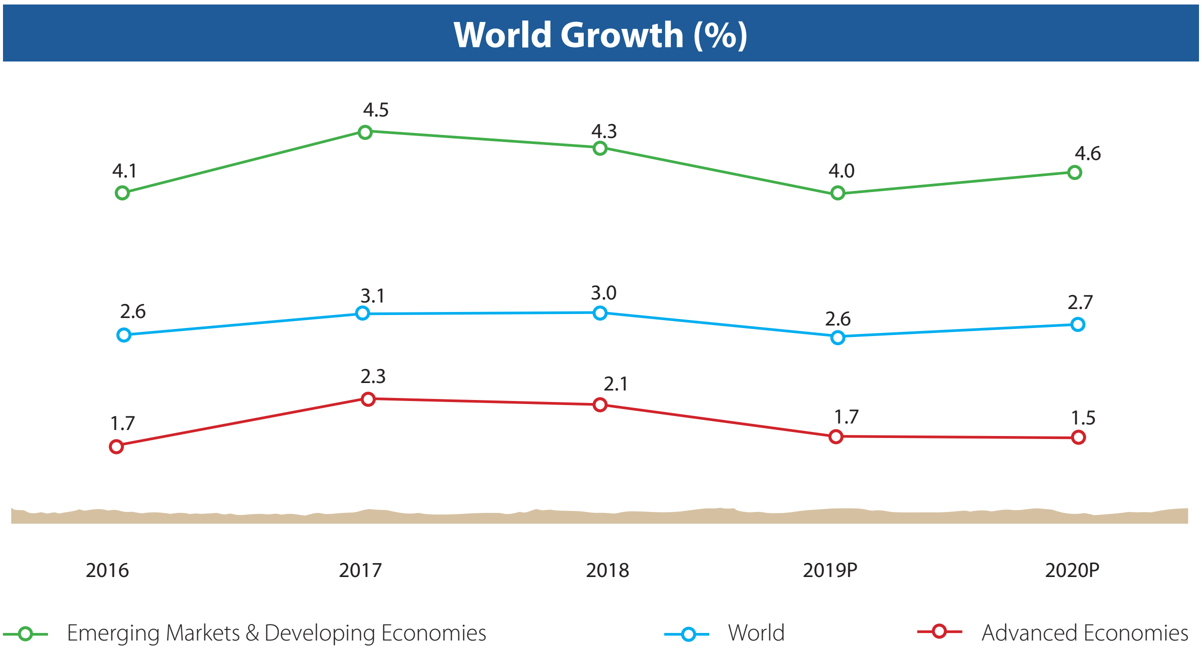
Pallavi A. Gorakshakar
(Membership No. 105035)

Date: September 03, 2019
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

Global economic growth moderated during the year as both, developed and emerging market economies, underperformed as compared to the last year. Trade and manufacturing activities slowed down in the latter half of 2018. Trade tensions among major economies are high in spite of the ongoing negotiations. (World Bank). A long-running US-China trade war, liquidity tightening in US, rising crude oil prices, political issues in Euro zone and Brexit uncertainty led to deterioration of global trade. Factory activity in US and Europe contracted in the last quarter of 2018 while industrial output growth fell to 17-year low in China. According to World Bank, global growth (Real GDP growth) for 2018 is at 3.0%. The IMF downgraded world GDP growth at 2.6% in 2019 and 2.7% in 2020, below January 2019's projections of 2.9% and 2.8% respectively.



Source: World Bank

INDIAN ECONOMY OVERVIEW

India has emerged as the fastest growing major economy in the world, mainly due to improvement in the performance of agriculture and manufacturing sectors. The Indian economy grew at 7.1% in FY19, with a marginal reduction as compared to previous fiscal (Source: World Bank). Though government consumption had reduced, it was offset by more investments due to public infrastructure spending. India's urban consumption was supported by a pickup of credit growth, whereas rural consumption was hindered by soft agricultural prices.

India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Introduction of GST and demonetisation has encouraged a shift from the informal to formal sector.

According to World Bank, India's GDP is expected to grow at 7.5% in FY20. This is a result of lower inflation and increased consumption and investment. Also, the economy is regaining after a temporary slowdown due to demonetisation and the implementation of GST.

FINANCIAL SERVICES INDUSTRY

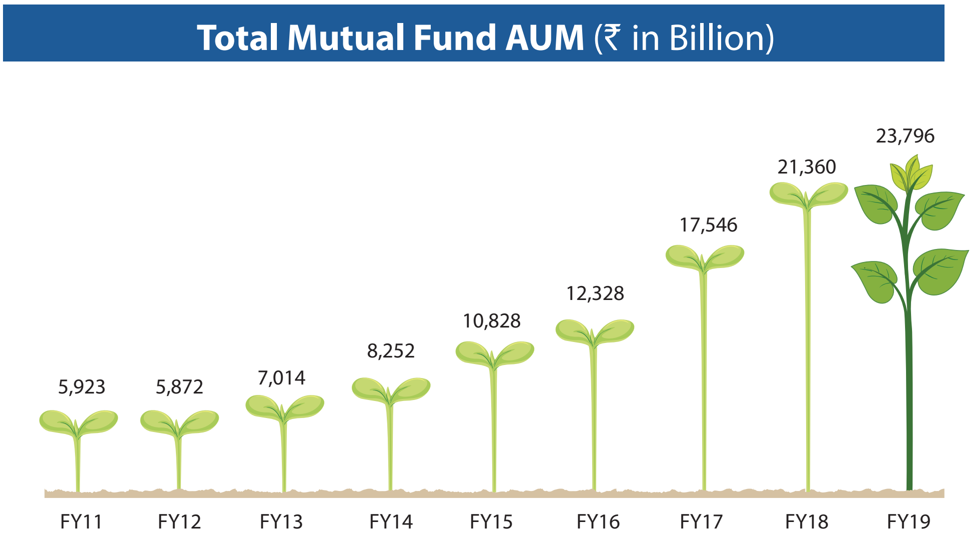
The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Financial inclusion drive by RBI has expanded the target market to semi-urban and rural areas. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country. Financial services sector is poised to grow on the back of rising incomes, significant government attention and the increasing pace of digital adoption.

The Government has undertaken various initiatives to promote growth and ease of operations in the financial sector. In December 2018, Securities and Exchange Board of India (SEBI) proposed direct overseas listing of Indian companies and other regulatory changes. SEBI has also allowed exchanges in India to operate in equity and commodity segments simultaneously, starting from October 2018. In November 2018, Bombay Stock Exchange (BSE) has enabled

Management Discussion and Analysis (Contd.)

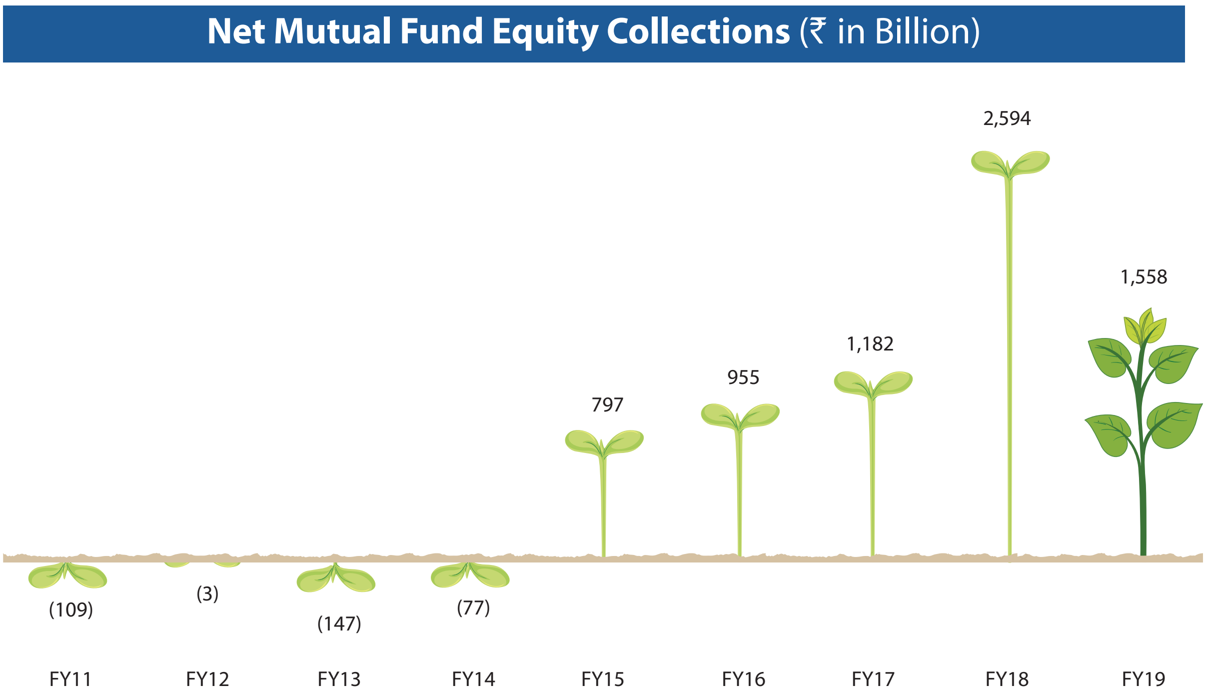
offering live status of applications filed by listed companies on its online portal and also introduced weekly futures and options contracts on Sensex 50 index. The Government of India is planning to launch a global exchange traded fund (ETF) in FY20 to raise long term investments from overseas pension funds.

The Mutual Fund industry in India had seen rapid growth in total Assets Under Management (AUM) for two years from FY16 to FY18. However, in FY19, the total AUM of the industry increased marginally by only 11% y-o-y to clock ₹ 23,796 billion. From an equity inflow perspective though, FY19 was the fifth successive year of net equity inflows. According to AMFI, investments in equity-oriented mutual fund schemes in FY19 were at ₹ 1.11 trillion, a decline of 35% compared to ₹ 1.71 trillion inflows in FY18.



Source: AMFI, CEIC, IIFL Research

There were substantial corrections in the small and mid cap stocks category as a result of which markets were volatile in FY19. The net inflows were at ₹ 1,558 billlion in FY19 (including balanced fund category)

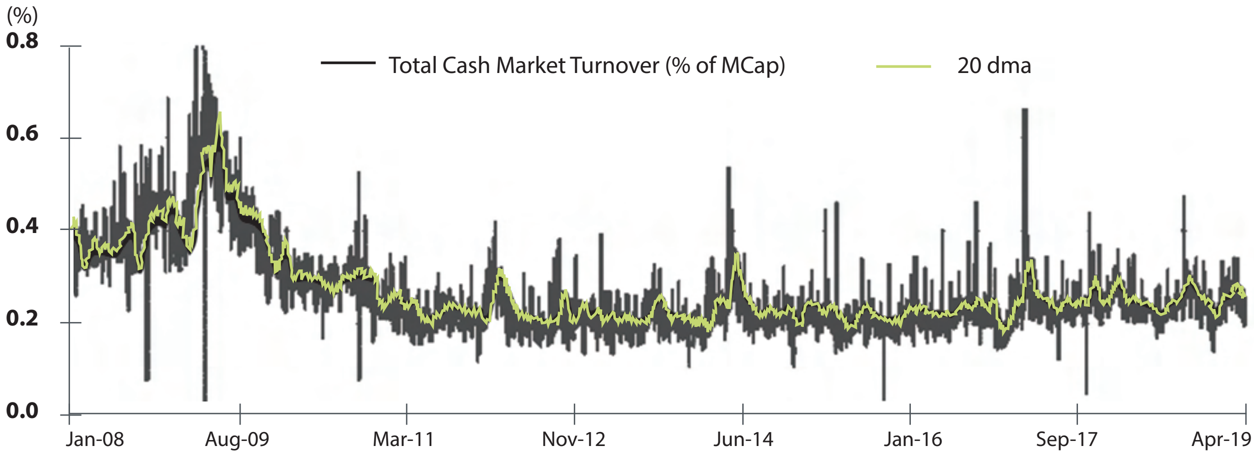


Source: CEIC, IIFL Research

Management Discussion and Analysis (Contd.)

Capital markets consisting of both primary and secondary markets have seen moderate growth in activities over the last one year. FY18 saw a record ₹ 2 trillion capital raising through primary markets. But only ₹ 670 trillion of capital was raised FY19. Funds raised via IPO fell drastically by 82% YoY in FY19. Foreign funds became net sellers of ₹ 445 billion in FY19 as against net buyer of over ₹ 1.4 trillion in FY18. Improved global liquidity and ease of trade tensions between US and China were major reasons for the capital flight. Investment in mutual funds also plunged in FY19. However, stock markets delivered more returns compared to the last fiscal year. Even as mutual funds asset base continues to swell in India on the back of robust inflows, experts point out that the total AUM is still very low at about 11% of the country's GDP, India lags behind most major nations of the world in terms of AUM of mutual funds as a percentage of GDP at just 11% versus the world average of about 62%. MF AUM as a % of GDP for USA is at 101%, France at 76%, Canada at 65%, Brazil at about 59% and UK at 57%.

Average daily cash trading volumes went up ~4% YoY to ₹ 351 billion/day in FY19 from ₹ 338 billion/day in FY18. Also, the share of institutions (FII + DII) edged up to 33.2% in FY19 from 31.9% in the previous year. Bond markets saw a volatile year due to multiple factors. Some of them are i) potential fiscal slippage due to revenue shortfall, ii) risks from rising crude oil prices can increase import bill, iii) a declining currency and iv) liquidity crunch.



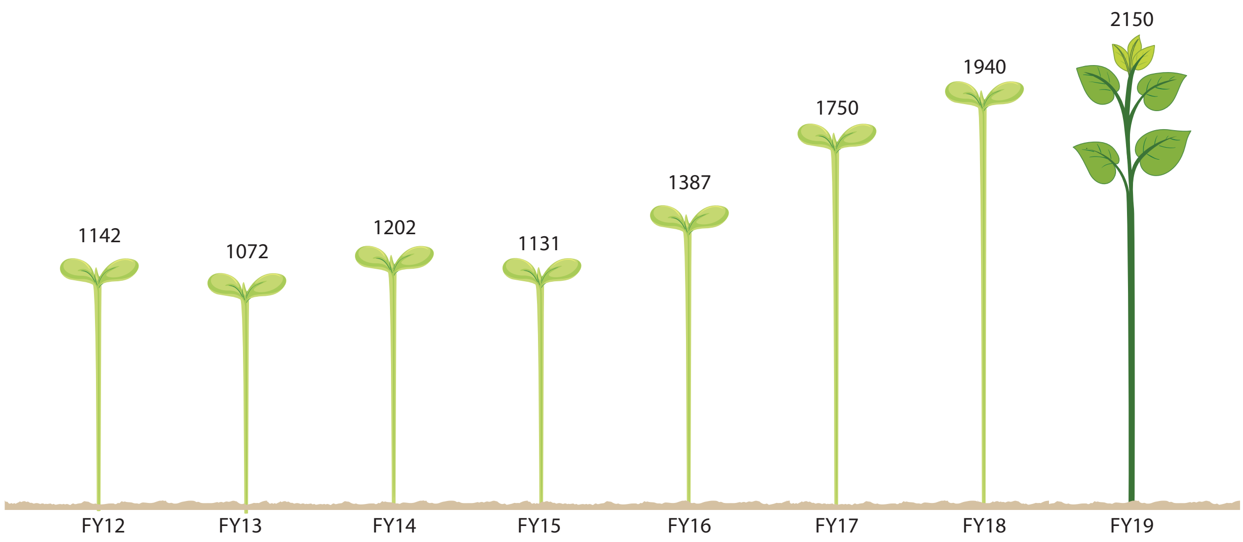
Source: Bloomberg, IIFL Research

The brokerage industry has posted a moderate a growth of 5-10% in FY19. Last year, industry turnover was at ₹ 180-190 billion and year-on-year (Y-o-Y) growth of over 30%. While, the volatility in the markets is expected to encourage trading turnover, the recent corrections in valuations, coupled with the cautious investor stance, would have a bearing on industry revenues in the current fiscal.

On the Insurance side, which is a major component of the Indian financial service sector, growth in FY19 of first-year premium of life insurers was driven by a 39% increase in group non-single premium. The first-year premium of life insurers increased by 10.7% to ₹ 2,150 billion in FY19 from ₹ 1,940 billion in FY18. There was traction in first year premium in retail and individual policies.

Management Discussion and Analysis (Contd.)

First Year Insurance Premium (₹ in Billion)

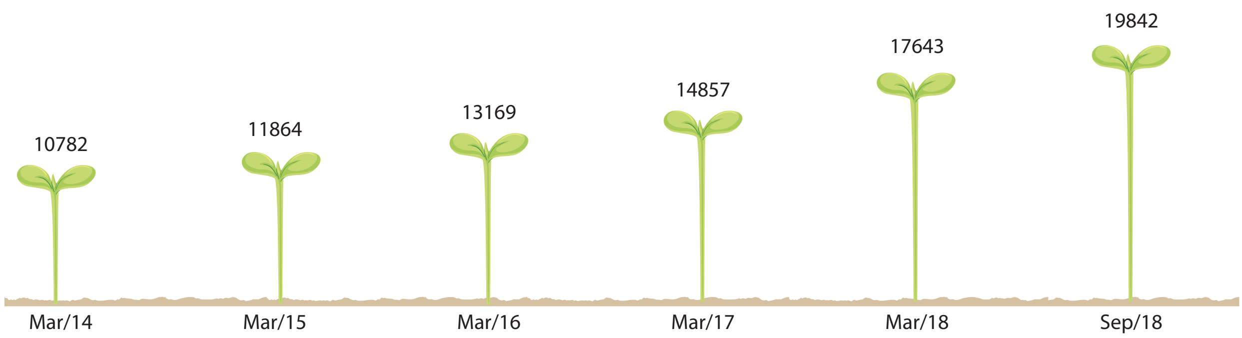


Source: IRDA

The amount of loans advanced by NBFCs rose to ₹ 19,842 billion in September-18, growing at a robust 12.5%, from ₹ 17,643 billion in FY18 (RBI Report). In the previous year, the NBFC sector has witnessed a significant credit growth of 19.6% in FY18 over a growth of 10.5% in FY17 (CARE). This growth in FY18 has been significantly higher than the bank credit growth of 10% in FY18.

The NBFC credit growth at double the rate than the bank credit growth is attributed to the banking system witnessing challenges such as adherence to capital adequacy norms, stress in asset quality, banks under the prompt correction action (PCA) and lower credit demand from manufacturing in particular.

Loans and Advances by NBFCs (₹ in Billion)



(Source: RBI)

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Government initiatives

The Government of India has introduced several reforms to regulate and enhance the financial service industry. RBI has Launched Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA), to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). Other Government initiatives include:

- In December, 2018, Securities and Exchange Board of India (SEBI) proposed direct overseas listing of Indian companies and other regulatory changes. It has provided companies with a broader investor base, better valuation, increased awareness, analyst coverage and visibility.
- Bombay Stock Exchange (BSE) introduced weekly futures and options contracts on Sensex 50 index from October 26, 2018.
- In September 2018, SEBI asked for recommendations to strengthen rules which will enhance the overall governance standards for issuers, intermediaries or infrastructure providers in the financial market.
- The Government of India launched India Post Payments Bank (IPPB), to provide every district with one branch which will help increase rural penetration

OPPORTUNITY

Shift of savings to financial instruments

The shift to financial instruments from physical assets and bank deposits has been largely on account of high inflation and high interest rate scenario over the period. Tax policy has been used to provide incentives and promote savings in financial assets and encouraging long-term saving. Recently, both gold and real estate have been losing attractiveness. The government efforts to increase banking penetration through its Jan Dhan Yojna and the integration of PAN and Aadhar are expected to further increase the share of savings in financial assets. The number of digital transactions in India has already increased manifold over the past two years and the access to investments via digital channels is expected to increase. The strong flows into equity markets, mutual funds and insurance are expected to continue in the long run. Due to positive regulatory work, massive investor outreach to educate about mutual funds and the hard work of financial advisers (IFAs) over the years led to the systematic investment plan (SIP) book touching an all time high of ₹ 80.9 billion in the month of February 2019 and then closing at the year at ₹ 80.5 billion in March 2019. This shows that there is a gradual shift in the mindset of people towards savings in the country, inclining more towards financial savings in the years ahead.

Co-orignation of loans

A significant development in the current moment has been the revival of the co-origination model for retail asset classes. The application of the co-origination model under the new RBI guidelines is going to be a game changer for NBFCs, given the risk sharing with banks and the vast business opportunity presented by the informal segment. The doorstep servicing model of NBFCs, strengthening balance sheets of banks and cheaper funds have the potential to greatly enhance the distribution outreach and effective penetration of NBFCs in the retail segment and MSME sector in India providing further lending opportunities. This is expected to create considerable synergies between banks and NBFCs.

Growth of Digital Financial Services

The financial services industry is no exception to growing digitisation. It is embracing digitization and exploring how it can increase internal efficiencies, provide value-added customer service, minimize risk and become the engine for growth. According to a study by Deloitte, digitally invested AUM are likely to grow by nearly 80% from ₹ 250 billion in 2018 to ₹ 450 billion in 2019. At the same time, overall retail AUM is expected to grow by 37%. If the projected growth for 2019 continues beyond as well, the AUM for individual investments in mutual funds invested digitally will cross ₹ 1 trillion by 2021; FDs booked through digital channels will exceed 50% of all FDs booked by 2022; and 1 in every 2 retail investors will use a digital platform to buy or sell equities by 2025

Aritificial Intelligence

Financial institutions are looking at aritificial intelligence (AI) solutions to deliver superior customer experiences, reduce costs and unlock new revenue streams. As per a NASSCOM-CMR survey (Artificial Intelligence for Banking, Financial Services and Insurance Sector, 2018) on adoption of AI in financial services sector in India, it will help financial institutions to offer enhanced customer experience, followed by automation of back-end business processes, and effective compliance and risk management

Blockchain

Payments, clearing and settlement, trade finance, and identity management are key services currently being explored for the application of blockchain to resolve inherent system complexities and reduce fraud risks in the financial service sector worldwide. The Institute for Development and Research in Banking Technology (IDRBT), RBI's technology research arm has developed a proof-of-concept on blockchain's applicability in trade finance along with prominent government bodies, leading private and public sector banks and an emerging fintech firm. The proof-of-concept enables automation of Letter of Credit (LC). It has real-

Management Discussion and Analysis (Contd.)

time automated tools for AML, and other customs and payments activities. The RBI has also formed an inter-departmental group to study and provide guidance on feasibility to introduce fiat digital currency, backed by blockchain.

Data analytics, Blockchain, and Artificial Intelligence are going to give institutions like NBFCs a great leverage over the traditional banking systems and drive maximum growth possible. It has to become that the success of an NBFC or a FinTech company is largely dependent on its ability to make the best use of data. What NBFCs have is the large base of customers and what FinTech companies have is the right technological support to amplify the processes. The right collaboration between NBFCs and FinTech companies will only yield positive results for both the parties and also the borrowers.

Credit gaps in India- Tech enabled lending

More than half of India's population finds difficulty in accessing finance easily. In the past, a significant part of this access to finance gap was on account of reluctance of customers to transact digitally and inadequate infrastructure. However, currently the gap largely remains on the part of incumbent banks who have demonstrated slower than required pace of investment and commitment to adopt digital processes and systems. NBFCs in partnership with fintechs, with features such as quick and digitally driven processes, unique credit appraisal approaches and flexible product structure to suit the income earning and repayment capacity of the borrowers, can fill up this credit gap successfully. With innovative credit assessment models, they can access alternate data like social media records of the borrower, building detailed demographic profiles, reading SMS data and using advanced algorithms to filter out the right set of customers.

Rising incomes are expected to enhance the need for credit in rural areas & therefore drive growth of the sector. Programmes like MNREGA have helped in increasing rural income, which was further aided by the recent Jan Dhan Yojana.

Low banking credit penetration points towards a large area without access to banking services, often dependent on informal sources of credit. Government initiatives for financial inclusion and the steady rise of digitisation are expected to create analytics, operational and business synergies for NBFCs and MFIs that can then capture these markets through operationally efficient and cost-effective models.

MSME credit

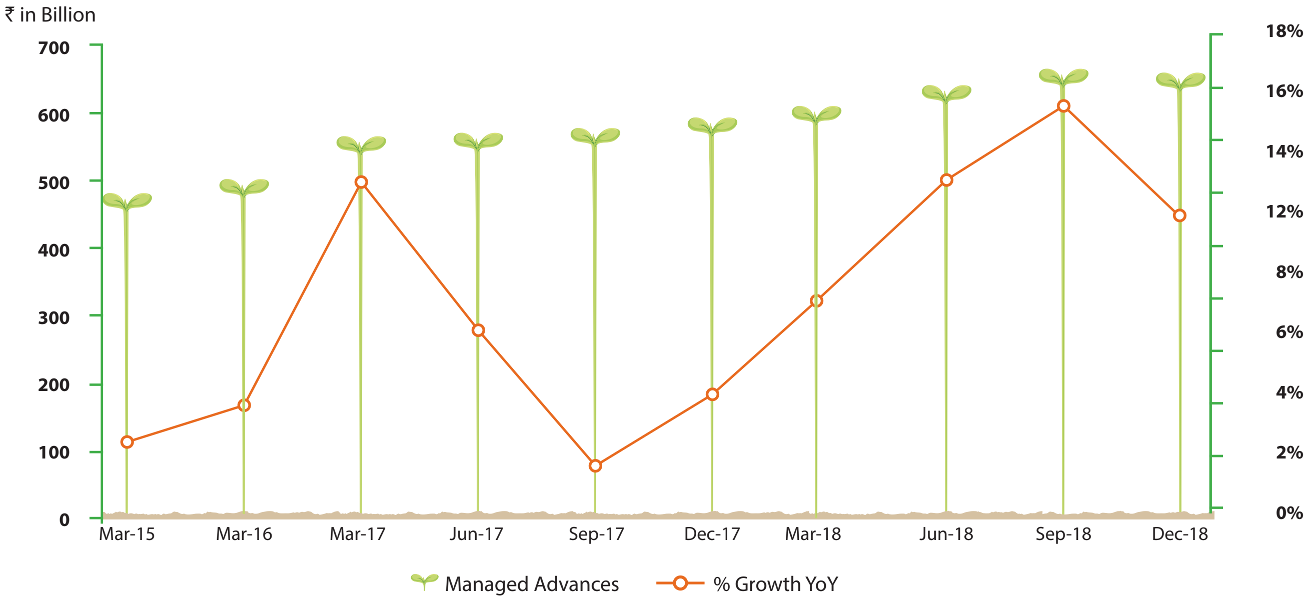
Micro, small and medium enterprises (MSMEs) still find access to formal credit a challenge with nearly 40% of lending happening through informal sources, according to a report by the Omidyar Network and BCG. The challenges faced by MSMEs in access to formal credit included long processing times, lack of transparency in timelines and insufficient loan sizes. According to an ICRA report, the amount of credit provided to the MSME sector was ₹ 16 trillion for FY17, when the actual unmet demand for credit from the sector was ₹ 25 trillion. Being India's second-largest sector in terms of the number of people employed (80 million), MSMEs' ability to grow is seriously hindered due to the lack of funds to grow and scale. But, with growing formalisation of the sector due to demonetisation and the introduction of the Goods and Services Tax and growing API-based data availability there is great potential for digital lending to MSMEs for NBFCs.

Gold Demand

After two consecutive quarters of year-on-year decline, Indian jewellery demand had grown 10% from 134.8 tonnes in Q3 FY18 to 148.8 tonnes in Q3FY19, according to data from the World Gold Council. Growth in demand for gold in India and China outweighed weakness in the Middle East. The annual demand for gold in India has increased by 304% from 165 tonnes in 1987 to 666 tonnes in 2016.

The demand for gold loan increased in H1 FY19 then moderated from Q3FY19 onwards as a result of liquidity constraints. NBFC credit to the gold loan segment stood at about ₹ 655 billion as on December 31, 2018, up 11% YoY. As per ICRA estimates, gold loan growth will be about 8-10% in FY19 and at 10-12% in FY20, lower than the Retail-NBFC credit expansion.

Exhibit 45: AUM Movement In NBFC - Gold Loan Segment



Source: ICRA research, NBFCs, investor presentations

THREATS

- Sudden regulatory changes or increase in regulatory scrutiny/restrictions may affect the manner in which the current products or services are produced or delivered
- With rapid changes in technology and innovations, companies need to increase its attention towards innovation objectives alongside business growth objectives. With increasing performance expectations related to quality, timings and cost, technological upkeep is very important to keep in line with competitors, especially new competitors that are "born digital" and with a low-cost base for their operations. The risk of disruptive innovations enabled by new and emerging technologies is always present.
- Uncertainty in the global markets, owing to slow growth in the advanced economies and increased strain in certain emerging economies can result in volatile capital inflows and currency fluctuations. Increased restrictions on migration and global trade could hurt productivity and incomes and take an immediate toll on market sentiment. In Indian context, slow implementation of regulatory reforms and lack of consensus on important legislations can further delay growth.
- Notable risks to global economy include a possible shift towards inward-looking policies and protectionism, a sharper than expected tightening in global financial conditions that could interact with balance sheet weaknesses in parts of the euro area and in some emerging market economies, increased geopolitical tensions, and more trade tensions in the global market

SEGMENT OVERVIEW

NBFC

Over the past few years, non-banking finance companies (NBFCs) have undergone a significant transformation and today they form an important component of India's financial system. Playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country.

Most NBFCs, whether online or offline, leverage alternative and tech-driven credit appraisal methodologies to gauge the credit worthiness of prospective borrowers.

This differentiated and unique approach allows them to meet loan requirements of dividuals and businesses left traditionally underserved by banks. With the introduction of e-KYC and digital loan agreements making borrowing an instant and hassle-free experience, NBFC lenders are already offering the right financial products to consumers and small businesses in a closely customised manner. The use of technology to optimise business processes also keeps cost overheads to a minimum, enabling credit to be availed at highly competitive interest rates.

Management Discussion and Analysis (Contd.)

Moreover, NBFCs often have deep regional reach, which they leverage to build robust relationships with their target customer bases. Many new-age NBFCs have started investing in analytics and AI capabilities to connect to their customers in a hyper-personalised manner to serve their credit needs better.

Fintech and P2P lending

P2P lending enables low cost measures in delivering financial services to the masses. It eliminates paper work, saves lead time and cost to financial institutions. It also improves accessibility to customers in the remote areas. FinTech revolution has to also become a financial inclusion revolution, hence government push in the segment is very evident. FinTech startups are also better suited to cater to more than 60 million SMEs in this country. They offer solutions that are efficient and effective at a lower scale, that benefit SMEs by providing them with increased access to more diverse funding options. Banks primarily only rely on high credit worthy customers since they lack credit history. In consumer credit, the urban population is likely to leverage FinTech lending services to avoid heavy documentation, and the rural population (which is new to credit) can benefit from alternative credit scoring mechanisms.

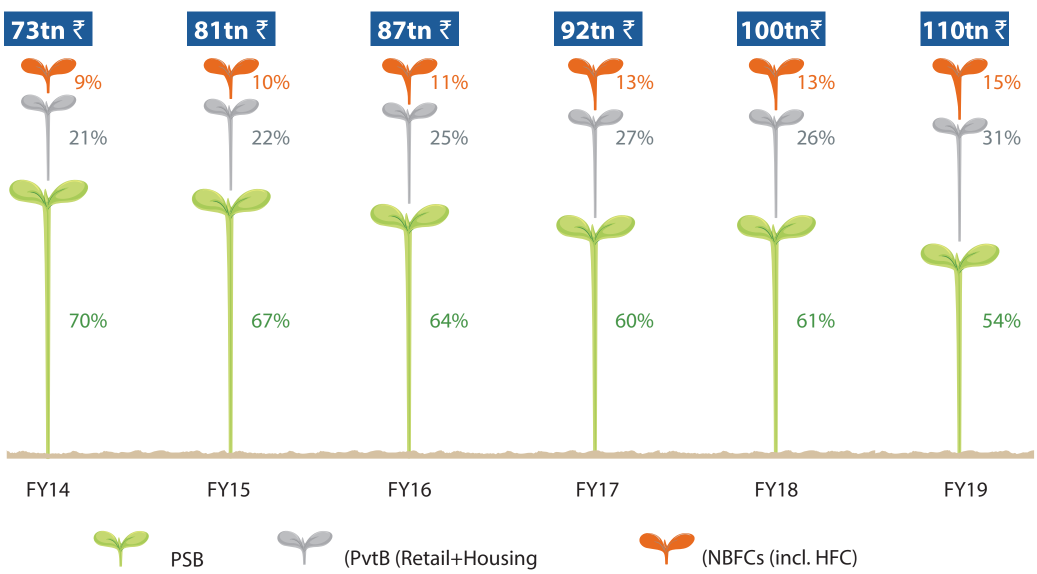
Co-origination of loans

Co-origination of loans is a great avenue of funding for NBFCs as well as helping banks to meet their priority sector lending requirements. NBFCs focused on micro finance and MSME lending have strong business growth potential over the medium to long term and hence require continued funding support. The arrangement entails joint contribution of credit at the facility level by both lenders. It also involves sharing of risks and rewards between the bank and the NBFC for ensuring appropriate alignment of respective business objectives, as per the mutually decided agreement between the bank and the NBFC. Significant scale-up is possible of the co-origination model over the next two years.

Going Forward

NBFCs, including Housing Finance Companies (HFCs), have been steadily increasing their share in the total credit market. As per an analysis done by IIFL Research, the share of NBFCs in total system credit increased from 9% in FY14 to 15% in FY19. During this period, the share of private banks increased from 21% to 31% and that of public sector banks (PSBs) reduced from 70% to 54%. With liquidity conditions expected to improve in the long run, NBFCs are poised to grow further at a faster pace and cater to the financial needs of the country.

Share of total credit market in India (₹ in trillion)



Source: IIFL Research

Note: The analysis is based on aggregate data for 15 large NBFCs and 14 HFCs

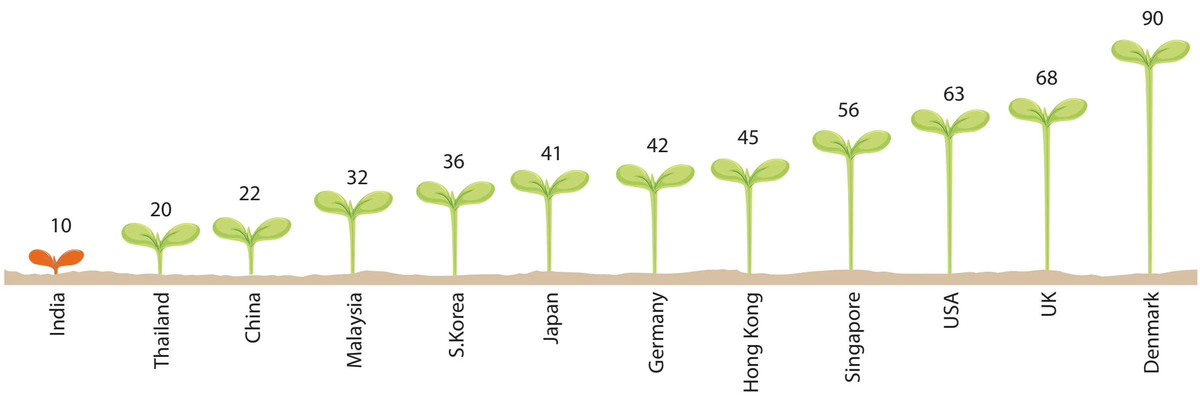
Management Discussion and Analysis (Contd.)

However, with the expected quantum of growth in the future, NBFCs need to have stricter underwriting practices and closely monitor client repayment. The most significant driver of growth will be the ability to create innovative products, delivered efficiently through the use of technology.

Home Finance - the catalyst for growth

India's housing finance sector has remained relatively underpenetrated compared to its peers as evident by the low mortgage-to-GDP ratio of less than 15% in end FY18.

Mortgages (% of Nominal GDP)



Housing finance is the second-largest portfolio after infrastructure for non-banking financial companies (NBFC). Several NBFCs shifted focus to secured lending post global slowdown in 2008-09, when delinquencies on unsecured loans soared. The shift in focus can be gauged from the fact that a large number of players started full-fledged housing finance divisions as a result of which loan outstanding by HFCs accelerated. The change in focus to secured assets helped de-risk the loan books of NBFCs and HFCs and resulted in continuous improvement in asset quality.

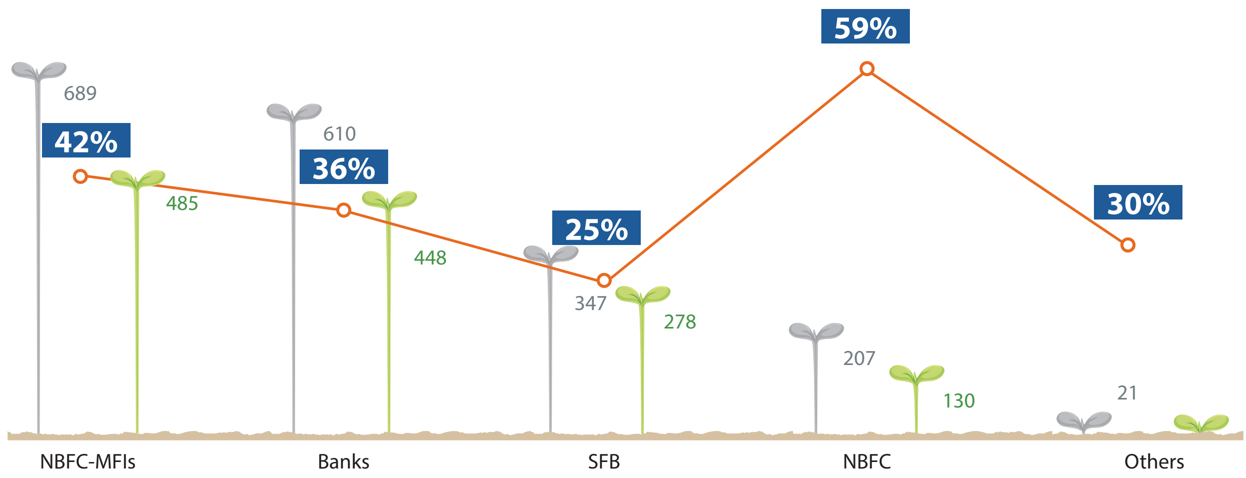
Since the Pradhan Mantri Awas Yojana provides home buyers with a Credit Linked Subsidy Scheme, the effective rate of interest payment falls below rental yields. This improves the conditions for buying affordable housing property, enabling HFCs to begin investing more in this segment. With regulations and government policy pushing developers to focus on the affordable housing market, there is potential for growth by investing in and financing these properties for HFCs.

Micro Finance

Micro Finance is very significant to the process of attaining financial inclusion in India. There is a huge gap in demand and supply in micro credit in India and that a large part of gap is serviced by informal sources including money lenders. This represents an attractive business opportunity for MFIs in India. The RBI has undertaken various initiatives to promote financial inclusion such as the 'no frills accounts' (2005) and the business correspondent model (2010). Under-penetration of banking facilities in India, especially in the Eastern region, has pushed the customers to avail options that are of higher risk such as chit funds, which has led to several scams that has duped retail investors. Thus MFIs may encash on this opportunity to provide small scale loans and financial services to individuals primarily in rural and semi-urban areas that have been traditionally excluded from the formal financial system due to multiple constraints including geographical presence, unavailability of financial history etc. Microfinance industry posted 38 % growth in 2019 as compared to the year-ago period, with a total loan portfolio of ₹ 1,873.86 billion (Source: MFIN report)

Management Discussion and Analysis (Contd.)

Portfolio Outstanding of Microfinance Industry (₹ in Billion)



Source: MFIN Report

COMPANY OVERVIEW

IIFL Finance Limited (formerly IIFL Holdings Limited) is a leading player in the Indian financial services space. IIFL offers Gold loans, Business loans, home loans and microfinance loans through its wide network of branches.

Promoted by first generation entrepreneurs, Mr. Nirmal Jain and Mr. R. Venkataraman, IIFL is backed by number of marquee institutional investors including Fairfax Group and CDC Group Plc. The company is led by highly qualified and experienced management team who promote a culture of growth, entrepreneurship and innovation among the huge talent pool of more than 16,000 people. IIFL Group has a strong geographic footprint in India with more than 1,950 business locations.

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the reorganization of IIFL Group, which will result in three listed entities – IIFL Finance, IIFL Wealth and IIFL Securities and the same has become effective from May 13, 2019.

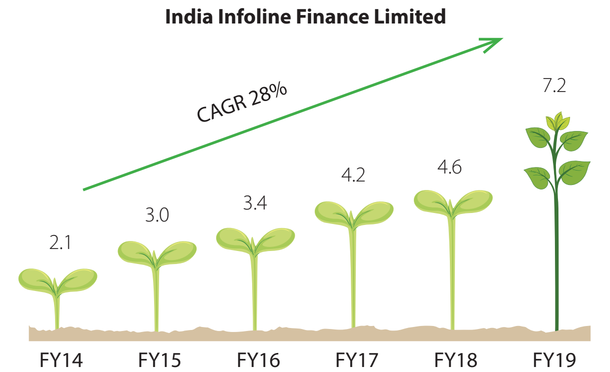
IIFL Wealth and IIFL Securities have been demerged. IIFL Holdings has been now renamed as IIFL Finance.

Founded in 1995 as a research firm, IIFL has consistently innovated, reinvented and adapted itself to the dynamic business environment without losing focus on its domain of financial services. Today, IIFL has diversified into a full range of financial services, serving over 4 million customers across various business segments. IIFL's strong presence across various customer segments (retail and corporate) and wide network encompassing branches, online and mobile platforms help in catering to the financial credit needs of aspiring and growing India.

Financial Performance and Operations Review

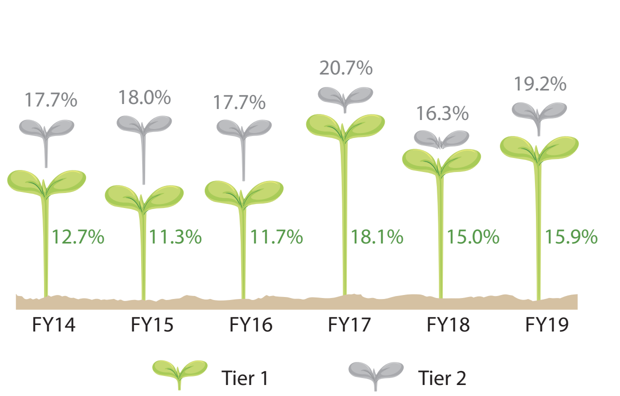
The Company has continued to diversify its portfolio with a range of products comprising of home loan, loan against property, gold loan, SME loan, micro finance, real estate finance and capital market finance. During the year, AUM has grown by 29% Y-o-Y to ₹ 349.0 billion. The profit after tax of our material subsidiary has grown 55% Y-o-Y to ₹ 7.2 billion (post non-controlling interest).

PROFIT AFTER TAX (₹ in Billion)



Our Tier-I CAR stands at a healthy 15.9%, whereas the total CAR stands at 19.2%.

TOTAL CAR (%)



Management Discussion and Analysis (Contd.)

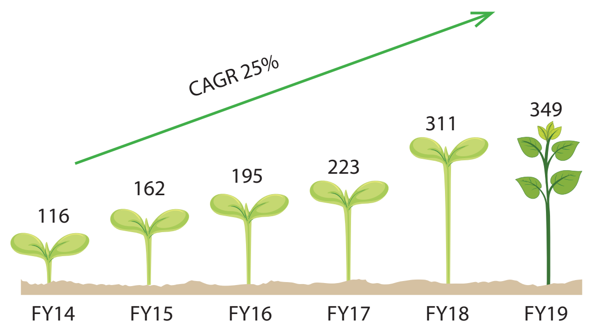
The primary drivers of our AUM growth are small ticket home loans, which grew by 42% YoY, Gold loans, which grew by 53% YoY, small ticket MSME loans, which grew by 18% YoY and Micro-finance loans, which grew by 172% YoY, coming off a small base.

On the other hand, construction & real-estate finance, LAP and Capital Market loans have a declining share in our portfolio.

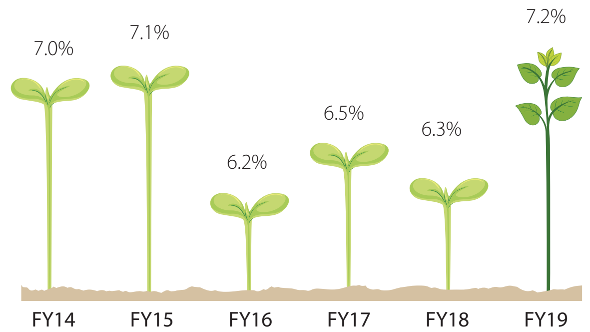
loans to raise long-term resources. The share of loans sold down was 21% of total AUM as on 31st March, 2019.

Our Net Interest Margin was at 7.2%, with an expansion of 90bps YoY mainly due to increase in share of high yielding assets such as Gold, SME and MFI.

AUM (₹ in Billion)



Net Interest Margin (%)



In home loans, our focus continues to remain primarily on Swaraj loans which are small-ticket loans in affordable home segment to both salaried and self-employed sections with average ticket size of ₹ 1.3 million Swaraj loans accounted for 33% of our home loan disbursements in Q4FY19. Our Swaraj product is especially designed to support the informal income segment in fulfilling their dream of owning a house.

As on 31st March 2019, we had over 9,000 approved housing projects, up nearly 1.5x from 6,200 approved projects a year ago. 57% of home loans were made through these approved projects. We expect that this approach will reduce our operating and credit costs going forward.

IIFL Home Finance has been a significant player in PMAY-CLSS. Till date it has benefited over 29,800 customers and disbursed subsidies of more than ₹ 6,900 million.

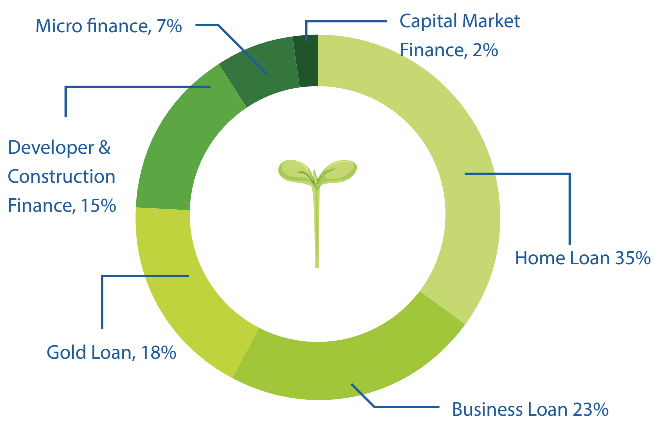
In the near term, we plan strategic deeper penetration in certain geographies and further innovations in our digital processes to grow a granular book and ensure healthy portfolio quality. Retail loans, including consumer loans and small business finance constitute about 85% of our loan book.

Another strong characteristic of our loan book is the large proportion of loans that are compliant with RBI's priority sector lending norms. About 57% of our HL, 54% of LAP, 44% of SME and nearly all of our MFI loans are PSL compliant. In aggregate, nearly 41% of our loans are PSL compliant.

The large share of retail and PSL compliant loans are of significant value in the current environment where we can sell-down these

Medium and high yielding assets currently constitute 47% of our AUM. These include Micro-finance loans, MSME loans, Gold, and construction finance. The other half of AUM consists of relatively low yielding assets including home loans, LAP and capital market loans.

AUM break-up (%)



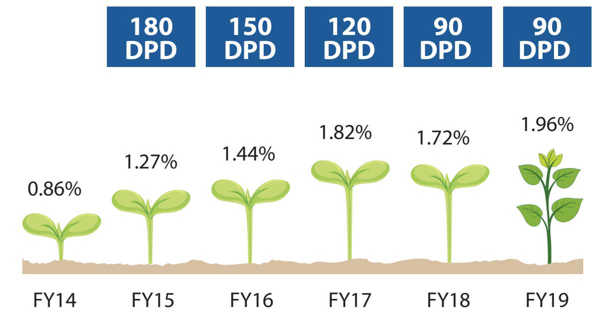
85% of our AUM comprises loans that are secured and about 15% of loans are unsecured. We believe our AUM mix is well balanced,

We currently have 1,947 branches, primarily for our HFC, Gold and Micro-finance businesses.

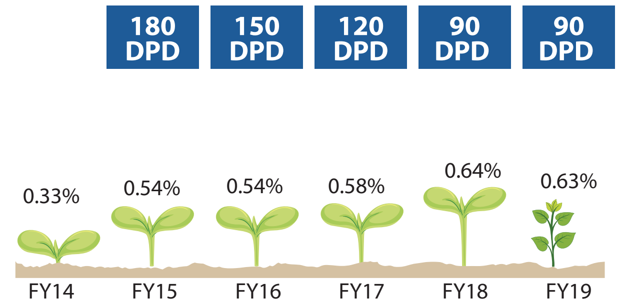
Consolidated GNPAs and NNPAs, recognized as per RBI's prudential norms (considered as accounts with days past due greater than 90 days) and provisioned per Expected Credit Loss (ECL) method prescribed in IndAS, stood at 1.96% and 0.63% of loans respectively.

Management Discussion and Analysis (Contd.)

GROSS NPA (%)



NET NPA (%)



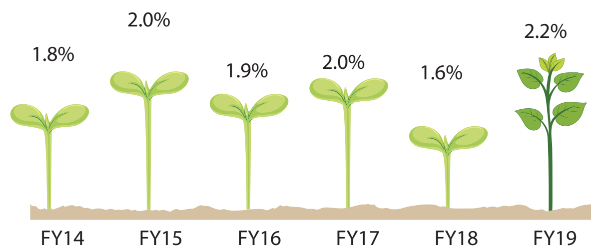
Under Expected Credit Loss provisioning under IndAS, provisioning coverage on NPAs stood at 139%, including standard asset coverage.

Return on assets for FY19 was at 2.2% and return on equity at 18.3%.

Return on equity for FY18 was at 13.3%. It has majorly increased in FY19 due to exceptional item of profit on divestment of commercial vehicle (CV) business of ₹ 1,153.3 million (Pre-tax).

Return on assets (%)

India Infoline Finance Limited



We have continued our focus on digitization encompassing every aspect of customer loan journey. We have focused on backend process digitization through multiple innovations as well as partnerships, helping us achieve process efficiencies. IIFL Loans app had 6,20,000 downloads as at March 2019, with 110K active users at any point of time. We have integrated new CRM with IIFL Loans app, which helps us in providing better services to our customers.

In analytics, we continue to drive the use of credit scores and automated decisioning across products, and strengthened our risk mitigation processes by developing and deploying behavioural, collection and fraud score-cards. There is continued focus on cross-sell and win-back, with our analytically driven Gold –Loan win-back generating strong volumes for both Gold business as well as group-wide products.

Divestment of Commercial Vehicle Business

As at March 31, 2019, commercial vehicle business was divested as a going concern, on a slump sale basis with the rationale of scaling up other existing business segments namely affordable home homes, gold loans, small business loans and micro finance.

Segment-wise Performance

Gold Loan

The organised gold loan market in India is expected to grow to over ₹ 3 trillion by 2020 at a three-year Compound Annual Growth Rate (CAGR) of 13.7%, according to KPMG based on an industry survey. Two-thirds of India's gold demand comes from villages, where jewellery is traditionally used for investment. India, along with China, is among the world's largest gold consumer.

NBFCs have been a major driving force behind the growth of the organized gold loan market given their extensive network, faster turnaround time and the ability to serve non-bankable customers. A better economic environment will also drive funding needs of small businesses, which will further boost demand for gold loans.

Business Overview

IIFL Finance offers loan against gold jewellery to small businessmen, vendors, traders, farmers and salaried people at competitive rates and fast turnaround time. The Company follows a strong verification process and our officers are experienced, certified and trained in asset quality practices. Further, the gold ornaments pledged with us are safely stored in fire-proof and burglary-proof vaults in our gold loan branches, which are under electronic surveillance at all times.

FY19 UNDER REVIEW

The company's major focus was to increase profitability and operational efficiency along with tightening of our risk framework. It is because of our continued investments in digitization that helped us in providing enhanced customer experience and reduced turnaround time.

Outlook

We expect gold loan industry to exhibit healthy growth in FY20 and we are we well placed to capitalize on this opportunity. We also plan to reap on the benefits of digital capabilities built during the past year and bring in cost optimization by going completely paperless.

MSME & Others

Traditionally, SMEs have remained a financially unorganised sector. The operations and ownership of such businesses have remained confined to the family or a small group of associates. The credit gap in the SME segment has been very high in India. As a part of the financial inclusion drive, the government has, in Budget 2018-19, rightly focused on micro, small and medium enterprises (MSMEs) as the preferred route for rapid job creation and self-employment. The MSME sector employs over 111 million people and contributes nearly 31% of India's GDP.

With increasing synergy between banks and NBFCs on account of co-origination, assignment etc., the future remains very positive to explore the MSME lending space.

Business Overview

Our focus is to create a significant position in the rapidly growing low ticket and high yielding MSME segment. We have been providing financial solutions to MSMEs by using technology as an enabler and deliver faster turnaround time to ensure customer satisfaction. We have also e-integrated with all our partners for seamless end-to-end process.

FY19 UNDER REVIEW

Loan assets grew significantly during FY19 on the back of strong growth in the customer base. The Company continued to leverage its customized product offerings and strengthened its sales as well as support team. Investments in technology and partnerships during the year have helped in achieving operating efficiency.

Outlook

The company will continue to target the under-served MSME segment that lack adequate financial facilities due to small loan ticket sizes, difficulties in credit evaluation, distribution etc while focusing on proprietary underwriting methods. We will continue to focus on enhancing customer experiences by providing seamless and integrated services throughout the customer life-cycle.

Mortgage Loans

A burgeoning middle class, rising disposable income and support from the government in terms of interest rate subsidy as well as tax reliefs have increased the affordability of homes in Asia's third-largest economy. The home loans segment in India, the largest business segment for NBFCs (incl. HFCs), is expected to grow at 14-16% in FY20, as they focus on self-employed customers and lower ticket size, according to a report by ICRA. The housing credit growth was driven by disbursements on construction linked loans, growth in the small ticket affordable housing segment and demand from Tier II/III cities.

Business Overview

The company provides loans for purchase of residential property, home construction, home improvement, and plot loans. It also offers a range of loans backed by mortgage of residential or commercial properties to small & medium enterprises for working capital requirements, business use, purchase of commercial property and other similar purposes. IIFL has in place a robust platform to undertake necessary checks regarding the borrowers' credit background, and to conduct legal and technical security evaluation. It leverages on external as well as internal appraisal of properties, including valuations by international property consultants for large mortgage loans.

FY19 UNDER REVIEW

IIFL believes in "Housing for all" mission of the government and is actively participating in their initiatives – mainly the credit linked subsidy scheme. The company is also looking forward to build associations with various state housing boards as a key loan partner for affordable housing projects.

The company has expanded its reach in Tier 2 areas and plans to leverage group company network of 1000+ touch points to increase our presence. The company has also started sourcing all its Home loans to salaried customers through tablet and in the coming year all home loans will be sourced digitally.

Outlook

On the regulatory front, National Housing Bank amendments in capital adequacy, deposit mobilisation and leverage norms are positives for HFCs going forward. Also, with the implementation of a single tax (GST), consumers will not be subjected to the pain of double taxation. The year ahead is full of opportunities as the confidence of customers has increased after implementation of RERA. The company expects the growth to sustain by focusing on affordable housing, investments in technological infrastructure and prudent risk management.

RISK MANAGEMENT & GOVERNANCE

Risk management is a key element of IIFL's business strategy and is integrated seamlessly across all of its business operations. The objective of IIFL's risk management process is to optimise the risk-return equation and ensure meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities.

IIFL seeks to foster a strong and disciplined risk management culture across all of its business activities and at all levels of

Management Discussion and Analysis (Contd.)

employees. IIFL takes a holistic view of risk management and undertakes an enterprise-wide risk management approach under the Enterprise Risk Management (ERM) Framework. IIFL believes that ERM provides a sound foundation to ensure that the risk-taking activities across the company are in line with the business strategy, the risk appetite approved by the Board and regulatory requirements.

The Company operates primarily in the financial services space. India Infoline Finance Ltd. is an NBFC registered with RBI, and the housing finance subsidiary namely India Infoline Housing Finance Ltd.. is registered with National Housing Bank.

Your company adopts the 'three lines-of-defence' model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function.

The compliance function forms a critical part of the Company's operations. IIFL's experienced compliance and audit and risk management teams play a vital role in ensuring that rules and regulations are strictly followed in all processes, not just in letter but also in spirit. The risk management discipline is centrally initiated but implemented at across the company. Each of the main businesses viz. NBFC, HFC and MFI, have a dedicated risk management teams in place.

IIFL has adopted digital initiatives in all its key businesses, starting with loans and credit as well as customer service, internal operations and HR. Digitization helps in growing business faster and to achieve critical mass and further grow exponentially using Do-It-Yourself model in a seamless manner with the cutting edge technology with minimum physical infrastructure and manpower. Digitization ensures less human intervention and superior customer service. Moreover, technology vastly eliminates the scope for any fraud, omission, and commission of errors.

The diversified financial services at IIFL are exposed to various risks that are either inherent to the business or exposed to the changes in external environment. In order to maintain financial soundness of the company, it seeks to promote a strong risk culture throughout the organization. All major risk classes viz Credit Risk, Market Risk, Operational Risk, Fraud Risk, Liquidity Risk, Business Risk and Reputational Risk are managed via well defined risk management processes.

Risk	Risk Response Strategies
Credit, Liquidity and Finance Risk	◈ IIFL has a separate multi-level Credit and Investment Committee, consisting of Directors of the Board / Head of the Departments, for India Infoline Finance Ltd and India Infoline Housing Finance Ltd., to consider medium to large credit proposals. However, smaller proposals are decided at appropriate level as per the approval matrix.
	◈ The Group has in place Risk Management Committee and Asset Liability Management Committee (ALCO), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. The Risk Management Committee reviews the risk management processes, covering credit and underwriting controls, operations, technology and compliance risks.
	◈ Also in place are product specific lending policies, credit approval committees and regular monitoring of exposures.
	◈ In the housing finance business, every policy and procedure is approved jointly by CEO, CRO and policy head in consultation with concerned functional heads.
Technology Risk	◈ Management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.
	◈ Company has put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting.
	◈ Audit logs are reviewed for any anomalies and pattern deviations on a periodic basis
	◈ Company has implemented tools for mitigating various security risks - restriction of tool access, mobile device management and secured internet access.

Management Discussion and Analysis (Contd.)

Risk	Risk Response Strategies
Compliance Risk	◈ The Company has a full-fledged compliance department manned by knowledgeable and well-experienced professionals in compliance, corporate, legal and audit functions. The department guides the businesses/support functions on all regulatory compliances and monitors implementation of extant regulations/circulars, ensuring all the regulatory compliances, governance and reporting of the company.
	◈ The company has implemented business-specific Compliance Manuals, limit monitoring systems and AML/ KYC policies.
	◈ In the year, compliance with corporate acts, including Companies Act, RBI-NBFC regulations, NHB-HFC regulations and so on was verified by independent secretarial auditors on the holding company and major subsidiaries, during the year. Their reports and recommendations were considered by the Board and necessary implementations have been initiated.
	◈ The compliance requirements across various service points have been communicated comprehensively to all through compliance manuals and circulars. To ensure complete involvement in the compliance process, reporting processes have been instituted by heads of all businesses/ zones/area offices and departments, through submission of quarterly compliance reports. The compilations of these reports are reviewed by the Audit Committee/Board and are also submitted to regulatory authorities, periodically. Besides, the internal auditors verify the compliances as part of their audit process.

HUMAN RESOURCES

IIFL's human resource department is aligned with business strategy, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. The Company continued to put in place people-friendly policies and practices in the past year and continues to focus on adopting best practices for its HR policies.

Strong Management Team

The Company continues to attract professional and experienced talent from various sectors including, BFSI, Technology, Software and Start-ups. This has created a transparent, meritocratic and performance driven culture. With the right leadership at the helm, we are able to attract and create a professional team driven by a sense of purpose.

Training & Development

Leveraging technology and ensuring the last mile employee connect and reach has been the motto of learning and development efforts at IIFL. Various learning methodologies like video based learning, micro learning modules, learning in vernacular languages, blended mix of classroom supported by digital learning etc have been deployed here across roles and business verticals. Our flagship pre trained model – Readiness for IIFL through Skill Enhancement (RISE), won the most coveted People Matter's recognition for being the 'Best in On boarding Solutions' this year. Micro/ byte sized anytime anywhere learning is implemented through our mobile learning app – Handy Train. Leadership development at IIFL focuses on building capability of the front line managers through structured classroom interventions and at mid and senior levels through various Management Development Programs (MDP) through premiere institutes like IIMs, ISB, MDI etc in India & abroad, including Kellog's in USA. Regulatory and compliance sensitization is brought in at all levels across the organization through learning events and modules on aspects such as Anti Bribery & Corruption, Information Security, Data Privacy, Anti Money Laundering, Prevention of Sexual Harassment etc.

Fast Track Career Path

In line with our meritocratic culture we have introduced the 'Role Elevation Panel Process' to fast track careers of high-performers through a fair and transparent panel process. This has encouraged employees to perform their best and grow rapidly in their career within the organisation.

Special fast track program was formulated for the recognized high potential employees. These include program towards honing their skills and competencies, special learning and development initiatives which will enable them to meet their career aspirations within the organisation.

Employee Engagement

IIFL believes in engaging its work force and grooming them to become leaders of tomorrow. We have participated and received certification by "Great Place to work" survey that studies the work culture. According to GPTW survey a great workplace culture is a High-Trust, High-Performance Culture. A great workplace is one where employees TRUST the people they work for, take PRIDE

Management Discussion and Analysis (Contd.)

in what they do, and ENJOY (Camaraderie) the company of the people they work with. Such organizations are characterised by great leadership, consistent employee experience, and sustainable financial performance.

The certification represents the most definitive employer-of-choice and workplace quality recognition that any organization can receive

We also use Workplace as a creative and robust communication platform that serves multipurpose as employees are able to communicate business information, posts relevant articles news and photographs, conduct polls and surveys to actively engage on this platform which proves to be a quicker and interesting way of communication

Monthly, Quarterly and Annual Rewards and Recognition programs are conducted to not only appreciate the exemplary contributions of performing employees, but also to make it aspirational for the others to leverage their potential.

Other engaging events like sports, cultural and festive celebrations, contests, etc are regularly conducted which enable employees to de-stress, improve team bonding and bring about a new spurt of exuberance within the employees.

Encouraging Performance

IIFL, as an organisation, holds performance and potential to determine employee growth and promotions. Individual Performance Measures (IPMs) for employees is IIFL's very own way of setting expectations across clearly demarcated parameters. Thereafter an effective feedback mechanism from time to time helps the employees to improve their skills. This helps in alignment of the organizational objectives and employees personal goals. An effective PMS helped Company in recognition and rewarding people's performance.

Technology Enablement

The Company uses Adrenalin as a one stop employee interface for all their human resources related requirements. This system is easily accessible 24X7 through intranet and as a mobile app.

Apart the yearly survey regular connect with employees is enabled via adoption of an AI Bot to chat with employees during their service completion years in the organization to understand their work experience , seek their feedback and suggestions, with an aim of creating a more conducive work environment.

Management Connect

Considering the importance of management interaction, our Chairman has a periodic live connect session "Ask Nirmal" with all employees through Facebook @ Work. During this session the management discusses the company overview, goals and future plans, opportunities and challenges etc. The sessions are also opened to live questions from employees which are answered by the management. These sessions have enabled all employees to be aligned with the Company's vision, get clarification or bring to the management's notice any concerns and helped enhance management connect across hierarchy. The Top 10 Performing employees across all business are announced on this forum by the Chairman for their significant contributions during the previous month.

Business Heads too conduct regular Town halls @Workplace which enables them to connect with all their employees at one go and set their business expectations. This is apart from their frequent interactions with their team during the monthly and quarterly reviews. Business suggestions are accepted from all the employees and the feasibility of these suggestions are discussed during the Town hall

As on March 31, 2019, the company has a strong workforce of 16,779 employees.

INTERNAL CONTROLS

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check on leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations. Moreover, the Company successfully re-audited ISO/IEC 27001:2013 certificate during the year and implemented effective information security processes reinforcing our commitment to provide robust and secure technology for all our customers.

The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. For Company-wide internal audits, the Company has distributed the audit of major businesses to separate top audit firms to have wider and heterogeneous verification approach and inputs, and derive larger value from the audit process. In this regard, the Company has in place KPMG for NBFC, HFC and MFI businesses.

The Company has put in place enhanced risk based supervision systems and ensures continuous monitoring. The Company has an internal team of audit professionals at its head office in Mumbai, supported by regional teams at zonal offices. The Company has in place separate internal audit teams dedicated for major business verticals i.e., NBFC, HFC and MFI. The internal team undertakes special situation audits and follows up on implementation of internal auditors' recommendations and action taken reports. In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges /

Management Discussion and Analysis (Contd.)

Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team. The Audit Committee reviews major instances of fraud on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes have been designed to ensure adequate checks and balances, regulatory compliances at every stage. Internal audit team carries out a risk-based audit of these processes to provide assurance on the adequacy and effectiveness of internal controls for prevention, detection, reporting and remediation of frauds.

INTERNAL FINANCIAL CONTROLS

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

OUTLOOK

The outlook for Indian economy remains optimistic as there is a sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. It is expected that the government will focus on faster policy implementation and encourage private sector spending to boost investments. While focusing on government spending, India needs to maintain fiscal deficit within the target range. Meeting the revenue collection and disinvestment targets would be crucial to ensure the budgeted reduction in the fiscal-deficit-to-GDP ratio. Continued implementation of structural and financial sector reforms with efforts to reduce public debt is important to ensure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening Goods & Services Tax compliance and further reducing subsidies.

That said, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative crude oil and other prices and hurt current and fiscal account deficit. Trade tensions are also high on account of trade wars between countries. As said above, fiscal expansion is the key to growth. However, the pressure will be on government spending if private investments loose steam.

Our company in past few years has made substantial investments in people, processes and technology and continues to focus on delivering steady performance. We are cognizant of the changes in the financial services sector and well prepared to overcome challenges and sustain performance.

For IIFL Finance Limited
(formerly IIFL Holdings Limited)

Nirmal Jain
Chairman
DIN: 00010535

Date: September 03, 2019
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Holdings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **IIFL Holdings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention Note No. 34.1 to the standalone financial statements which describes the reasons for implementation of the Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, IIFL Distribution Services Limited and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"),in Parts, based on the legal opinion obtained by the Company. The Scheme has been approved by the National Company Law Tribunal vide its order dated 07 March 2019 and filed with the Registrar of Companies on 11 April 2019.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td><u>Accounting for Composite Scheme of Arrangement:</u>
On January 31, 2018, the Board of Directors of IIFL Holdings Limited (the "Holding Company") approved the draft composite scheme of arrangement amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, India Infoline Limited, IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders ("Scheme") under sections 230 -232 and other applicable provisions of the Companies Act 2013.
The Holding Company received shareholders' approval on December 12, 2018. Further, the Holding Company received the National Company Law Tribunal (NCLT), Mumbai approval on March 7, 2019 and filed the scheme with the Registrar of Companies (ROC), Mumbai on April 11, 2019.
As at the date of filing of the Scheme with the ROC, the Company had not received the final approval from the Reserve Bank of India (RBI) for transfer of Non-Banking Finance Company (NBFC) business license from India Infoline Finance Limited to IIFL Holdings Limited and had requested the ROC to permit refiling of the Scheme after receipt of all the approvals.
Pending the approval for transfer of NBFC business license, with the necessary legal consultation, the Board of Directors of the Holding Company have decided to give effect to the Scheme in Parts.
Accounting for Composite Scheme of Arrangement is considered to be a key audit matter because the transaction and its accounting is non-routine and involves significant management judgements.
Refer note 34.1 of the standalone financial statements.</td><td><u>Principal audit procedures performed:</u>
- We obtained and read the Composite Scheme of Arrangement under sections 230 and 232 and other applicable provisions of the Companies Act, 2013.
- We obtained and read the NCLT order March 7, 2019 approving the scheme.
- We obtained and read the letter dated April 11, 2019 filed with the ROC.
- We obtained and read the legal consultation obtained by the Management confirming the implementation of Scheme in Parts.
- We evaluated the management's conclusions on the accounting for the scheme of demerger in parts.
- We performed procedures to verify the completeness and accuracy of the assets and liabilities pertaining to the demerged business undertakings as identified by the management of the Company, including their measurement and presentation in accordance with IND AS 103.
- Our procedures included but were not restricted to:
• Verifying the basis of allocation of assets and liabilities to the demerged business undertakings including assumptions and estimates used by the Management for recording the same.
• Computation of Capital Reserve to be recorded in the books of the Company upon transfer of net assets and liabilities pertaining to the demerged business undertakings.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

Independent Auditor's Report (Contd.)

are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of India Infoline Media and Research Services Limited ("IMRL"), which has been merged with the Company with effect from April 1, 2017 as per the Scheme, whose financial statements reflect total assets of ₹ 267.28 million as at March 31, 2018 and ₹ 248.09 million as at April 01, 2017, total revenues of ₹ 164.19 million and net cash inflows 25.79 million for the year ended March 31, 2018, as considered in the standalone financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of IMRL and our report in terms of subsection (3) of the Section 143 of the Act, in so far as it relates to the IMRL is based solely on the report of the other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

The comparative financial information of the Company for the year ended 31st March 2018 and the related transition date opening balance sheet as at 1st April 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai, May 15, 2019

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 Holdings Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)

Mumbai, May 15, 2019

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 Company has a program of verification of fixed assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program no physical verification has been conducted by the management during the year.

(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) The Company has not granted any 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.

(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. Hence reporting under clause (v) of CARO 2016 is not applicable to the Company

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Services Tax and Profession Tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ In Millions)	Amount Deposited under protest (₹ In Millions)
Income Tax Act, 1961	Income Tax	High Court	A.Y 2008-09	-	21.97
Income Tax Act, 1961	Income Tax	High Court	A.Y 2009-10	-	19.61
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2010-11	21.95	42.63
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2011-12	25.39	17.12
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2012-13	73.75	48.97
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2013-14	9.55	42.7
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2016-17	61.44	15.4
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y 2017-18	38.50	21.85
The Finance Act, 1994	Service Tax	Adjudicating Authority	Apr 2007 - Mar 2012	1.10	0.04
The Finance Act, 1994	Service Tax	CESTAT Mumbai	April 2007 to 13 May 2008	57.94	2.15

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ In Millions)	Amount Deposited under protest (₹ In Millions)
The Finance Act, 1994	Service Tax	CESTAT Mumbai	July 2012 to March 2014	86.97	3.39
The Finance Act, 1994	Service Tax	CESTAT Mumbai	April 2008 to March 2012	244.92	9.54
The Finance Act, 1994	Service Tax	Commissioner Appeals	April 2007 to March 2013	23.04	1.20
The Finance Act, 1994	Service Tax	CESTAT Mumbai	July 2012 to March 2014	177.08	13.34
The Finance Act, 1994	Professional Tax	Commissioner Appeals	F.Y 2007-08	1.09	0.47

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(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 material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order 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 subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) As per the Reserve Bank of India's Circular "DNBR.PD.001/ 03.10.119/2016-17", dated August 25, 2016, the Company is exempted from registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)

Mumbai, May 15, 2019

STANDALONE BALANCE SHEET

As at March 31, 2019

(₹ in Millions)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
1. Financial Assets				
(a) Cash and cash equivalents	4	0.34	236.14	90.27
(b) Bank balance other than (a) above	5	13.57	10.79	7.80
(c) Receivables				
(I) Trade receivables	6	-	25.42	53.22
(II) Other receivables	6	-	1.54	6.98
(d) Investments	7	10,201.83	14,190.54	14,251.40
(e) Other financial assets	8	0.63	63.79	81.41
Sub-total		**10,216.37**	**14,528.22**	**14,491.08**
2. Non-Financial Assets				
(a) Current tax assets (net)		412.37	365.75	267.40
(b) Deferred tax assets (net)	9	70.03	81.29	194.21
(c) Property, Plant and Equipment	10	6.26	18.22	18.73
(d) Other intangible assets	11	0.61	8.33	12.76
(e) Other non-financial assets	12	31.56	9.65	7.49
Sub-total		**520.83**	**483.24**	**500.59**
Total Assets		**10,737.20**	**15,011.46**	**14,991.67**
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
(a) Payables				
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	6.00	14.10	94.63
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	-	-	-
(b) Debt securities	14	-	-	499.63
(c) Other financial liabilities	15	13.73	42.85	135.51
Sub-total		**19.73**	**56.95**	**729.77**
2. Non-Financial Liabilities				
(a) Current tax liabilities (Net)		-	3.01	13.59
(b) Provisions	16	3.95	37.15	78.19
(c) Other non-financial liabilities	17	11.22	87.27	15.89
Sub-total		**15.17**	**127.43**	**107.67**
3. EQUITY				
(a) Equity share capital	18	638.41	637.96	635.82
(b) Other equity	19	10,063.89	14,189.12	13,518.41
Sub-total		**10,702.30**	**14,827.08**	**14,154.23**
Total Liabilities and Equity		**10,737.20**	**15,011.46**	**14,991.67**
See accompanying notes forming part of the standalone financial statements	1-38			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

(₹ in Millions)

Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
1. REVENUE FROM OPERATIONS			
(a) Interest income	20	-	99.95
(b) Dividend income	21	1,505.46	1,487.69
(c) Fees and commission income	22	-	875.00
Total revenue from operations		**1,505.46**	**2,462.64**
2. OTHER INCOME	23	-	237.93
3. TOTAL INCOME (1 + 2)		**1,505.46**	**2,700.57**
EXPENSES			
(a) Finance costs	24	-	50.50
(b) Employee benefit expenses	25	5.22	84.34
(c) Depreciation, amortization and impairment	26	4.43	11.43
(d) Other expenses	27	24.83	91.39
4. TOTAL EXPENSES (a)+(b)+(c)+(d)		**34.48**	**237.66**
5. Profit / (loss) before exceptional items and tax (3-4)		**1,470.98**	**2,462.91**
6. Exceptional items		**-**	**-**
7. PROFIT BEFORE TAX (5-6)		**1,470.98**	**2,462.91**
8. TAX EXPENSE:			
(a) Current tax	28	-	261.87
(b) Deferred tax	28	(0.90)	34.38
(c) Short/Excess	28	0.66	19.75
Total tax expenses (a+b+c)		**(0.24)**	**316.00**
9. PROFIT FOR THE YEAR (7-8)		**1,471.22**	**2,146.91**
10. OTHER COMPREHENSIVE INCOME			
(A)			
(i) Items that will not be reclassified to profit or loss		1.66	(1.38)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.48)	0.40
Subtotal (A)		**1.18**	**(0.98)**
(B)			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other Comprehensive Income (A + B)		**1.18**	**(0.98)**
11. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (9+10)		**1,472.40**	**2,145.93**
EARNINGS PER SHARE			
Basic (in ₹)	29	4.61	6.75
Diluted (in ₹)	29	4.60	6.73
See accompanying notes forming part of the standalone financial statements	1-38		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in Millions)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2019 (Refer note 18)	637.96	0.45	**638.41**
As at March 31, 2018 (Refer note 18)	635.82	2.14	**637.96**

B. OTHER EQUITY

(₹ in Millions)

Particulars	Share application money pending allotment (Note - 1)	Reserves and Surplus						Employee Stock option reserve (Note - 8)	Total
		Capital Reserve (Note - 2)	Securities Premium Reserve (Note - 3)	Capital Redemption Reserve (Note - 4)	Debenture Redemption Reserve (Note - 5)	General reserve (Note - 6)	Retained Earnings (Note - 7)		
Balance as at April 01, 2017	**1.46**	**-**	**10,461.63**	**51.11**	**84.48**	**453.27**	**2,378.77**	**87.69**	**13,518.41**
Profit for the year							2,146.91	-	**2,146.91**
Remeasurement of defined benefit (net of tax)							(0.98)		**(0.98)**
Interim dividend	-	-	-	-	-	-	(1,592.38)	-	**(1,592.38)**
Dividend distribution tax on Interim dividend							(0.96)		**(0.96)**
Transfer to/from other reserves	-	-	47.99	-	-	8.48	-	(56.47)	**-**
Addition during the year	2.70	-	94.45	-	31.22	-	(31.22)	20.97	**118.12**
Transfer to/from DRR	-	-	-	-	(115.70)	115.70	-	-	**-**
Balance as at March 31, 2018	**4.16**	**-**	**10,604.07**	**51.11**	**-**	**577.45**	**2,900.14**	**52.19**	**14,189.12**
Profit for the year	-	-	-	-	-	-	1,471.22	-	**1,471.22**
Remeasurement of defined benefit (net of tax)							1.18		**1.18**
Interim dividend							(1,595.43)		**(1,595.43)**
Dividend distribution tax on Interim dividend							(18.49)		**(18.49)**
Transfer to/from other reserves	-	-	15.57	-	-	0.21	-	(15.78)	**-**
Addition during the year	(4.16)	-	36.54	-	-	-	-	12.34	**44.72**
On account of demerger (Refer note 34.1)		(4,005.08)					1.59	(24.94)	**(4,028.43)**
Balance as at March 31, 2019	**-**	**(4,005.08)**	**10,656.18**	**51.11**	**-**	**577.66**	**2,760.21**	**23.81**	**10,063.89**

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

Notes:

1. **Share application money pending allotment :** Money received for share application for which allotment is pending.
2. **Capital Reserves :** Capital reserve is created on account of Composite Scheme of Arrangement (Refer note 34.1).
3. **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
4. **Capital Redemption Reserve:** This reserve has been created on buy back of equity shares and on amalgamation with India Infoline Marketing Services Limited in previous years.
5. **Debenture Redemption Reserve:** Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 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 offered through private and public issue. The company has transferred an amount of ₹ 115.70 millions in FY 17-18 from Debenture Redemption Reserve account to general reserve on account of redemption of Debentures.
6. **General Reserve:** This reserve can be distributed/utilised by the Company, in accordance with the Companies Act, 2013.
7. **Retained Earnings:** These are the profits that the Company has earned till date, less any transfers to Debenture Redemption Reserve, General Reserve, Dividend distribution.
8. **Employee Stock Option reserve:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2019

(₹ in Millions)

Particulars	Notes	Year ended March 31, 2019		Year ended March 31, 2018	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**1,470.98**		**2,462.91**
Adjustments for:					
Depreciation, amortisation and impairment	26	4.43		11.43	
Impairment on financial instruments	27	-		(10.66)	
(Profit)/ loss on sale of assets	27	-		4.88	
Net (Gain)/ loss on fair value changes - unrealised	23	-		(7.21)	
Net (Gain)/ loss on fair value changes - realised	23	-		(59.92)	
Employee benefit expenses - share based		12.34		20.97	
Employee benefit expenses - others	25	0.93		0.72	
Dividend income		(1,505.46)		(1,487.88)	
Interest income on preference share	20	-		(99.95)	
Interest income on deposits with banks	23	-		(0.48)	
Interest expenses	24	-		50.50	
Interest income on inter-corporate deposit	23	-		(15.52)	
Interest income on investments	23	-	(1,487.76)	(46.88)	(1,640.00)
Operating profit before working capital changes			**(16.78)**		**822.91**
Decrease in financial and non financial assets		80.42		57.91	
Increase/(decrease) in financial and non financial liabilities		64.36	144.78	(18.41)	39.50
Cash generated from operations			**128.00**		**862.41**
Taxes paid			(50.27)		(311.61)
Net cash generated from operating activities (A)			**77.73**		**550.80**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(0.07)		(11.58)
Sale of property, plant and equipment and other intangible assets			-		0.23
Inter-corporate deposit given			-		(4,828.00)
Inter-corporate deposit given received back			-		4,828.00
Interest income on inter-corporate deposit	23		-		15.52
Purchase of investments					(70,192.66)
Proceeds from sale/ maturity of investments					71,126.33
Capital gains distributed by Alternate Investment Fund			-		4.68
Interest income on Alternate Investment Fund			-		46.88
Deposit placed with bank			-		(1.55)
Interest income received on Fixed Deposit			-		0.48
Dividend income			1,505.46		1,487.88
Interest income on Preference share	20				99.95
Investment in subsidiaries			(12.12)		(1,560.35)
Sale/Redemption in investment of subsidiaries			-		750.00
Net cash generated from investing activities (B)			**1,493.27**		**1,765.81**

STANDALONE STATEMENT OF CASH FLOWS
For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity share capital		32.83	99.29
Dividend paid (including dividend distribution tax)		(1,613.93)	(1,593.34)
Repayment of debt securities		-	(500.00)
Proceeds from Inter-corporate deposit		-	1,069.00
Repayment of Inter-corporate deposit		-	(1,069.00)
Interest Paid		-	(176.68)
Net cash used in financing activities (C)		**(1,581.10)**	**(2,170.73)**
Net (decrease)/ increase in cash and cash equivalents (A + B + C)		**(10.10)**	**145.88**
Add : Opening cash and cash equivalents as at the beginning of the year		**236.12**	**90.24**
Less : Cash and cash equivalents transferred through Composite Scheme of Arrangement (Refer note 34.1)		(225.68)	-
Cash and cash equivalents as at the end of the year		**0.34**	**236.12**
See accompanying notes forming part of the standalone financial statements	1-38		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019

NOTE 1. CORPORATE INFORMATION:

IIFL Holdings Limited was incorporated on October 18, 1995 and was engaged in Merchant Banking and Investment Advisory services besides holding investments in subsidiaries till April 01, 2018, There after the Company is holding only investment in India Infoline Finance Limited.

Note: 1.1 Composite Scheme of Arrangement.

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("Company/IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i. Amalgamation of IIFL M&R with the Company;

ii. Demerger of the Securities Business Undertaking (as defined in the Scheme) of the Company into IIFL Securities;

iii. Demerger of the Wealth Business Undertaking (as defined in the Scheme) of the Company into IIFL Wealth;

iv. Transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e. IIFL Distribution; and

v. Amalgamation of "IIFL Finance" with "the Company", on a going-concern basis.

The Appointed Date for the amalgamation of IIFL M&R with the Company is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Company have approved the Scheme on December 12, 2018. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by the "Company" on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with the Company shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by the Company from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by the Company, the Board of Directors of the respective companies at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

a) Merger of IIFL M&R with the Company with effect from the Appointed Date i.e. April 01, 2017;

b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from the Company with effect from the Appointed Date i.e. April 01, 2018; and

c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed i.e. Date April 01, 2018.

d) Merger of the IIFL Finance with Company to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of the Company will be entitled to:

a) additional 1 fully paid up equity share of ₹ 2 each in IIFL Securities for every 1 share held in the Company for the demerger of Securities Business Undertaking;

b) additional 1 fully paid up equity share of ₹ 2 each in IIFL Wealth for every 7 shares held in the Company for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with the Company, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of ₹ 2 each in the Company for every 100 shares held in IIFL Finance.

In accordance with the said Composite Scheme of Arrangement, on the effective date:

a) All assets and liabilities of IIFL M&R will be transferred to the Company at their respective book values with effect from April 01, 2017, the appointed date.

b) The whole of the undertaking including all assets and liabilities of the Securities Business Undertaking and Wealth Business Undertaking will be transferred to and vested from Company to IIFL Securities and IIFL Wealth respectively at their respective book values with effect from April 01, 2018, the appointed date.

c) The excess of net assets value of Securities Business Undertaking and Wealth Business Undertaking transferred to IIFL Securities and IIFL Wealth

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

respectively, as reduced by the value of investments in IIFL Securities and IIFL Wealth, referred in (b) above, has been adjusted against "Capital Reserves" (Refer note 34.1).

d) In accordance with the scheme, the investments made by the Company in the followings companies have been transferred to IIFL Securities

   i. IIFL Commodities Limited (Formerly India Infoline Commodities Limited)

   ii. IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)

   iii. IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)

   iv. IIFL Facilities Services Limited (Formerly IIFL Realty Limited)

   v. IIFL Wealth UK Limited

   vi. IIFL Assets Reconstruction Limited

   vii. IIFL Capital Inc.

The Company has ceased to be the holding company of the above companies effective April 01, 2018 by virtue of the said composite scheme. Accordingly these financial results of the Company has been drawn up after giving effect to the Scheme for merger of "IIFL M&R", demerger of the "Securities Business Undertaking" and "Wealth Business Undertaking" (as defined in the Scheme).

The merger and demergers have been accounted under the "pooling of interest" method in accordance with Appendix C of Ind AS 103 "Business Combination".

Note 1.2. Purpose and Basis of Accounting and Preparation of Financial Statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(a) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(b) Statement of compliance

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

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment.

The financials for the year ended March 31, 2019 of the Company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 01, 2017. The financial statements up to the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer note 3 for the details of first-time adoption exemptions availed by the Company.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

Note 1.3. Basis of carved out financial information:

a) The management of IIFL Holdings Limited, IIFL Securities Limited and IIFL Wealth Management Limited have identified the specific items of assets and liabilities relating to "Securities Business Undertaking" and "Wealth Business Undertaking" which have been transferred to IIFL Securities Limited and IIFL Wealth Management Limited pursuant to the Scheme approved by the NCLT and the related income and expenses which forms part of the "Securities Business Undertaking" and "Wealth Business Undertaking". The scheme sets out the assets and liabilities to be transferred; hence financial statement of the company for March 31, 2019 has been prepared after considering effect of transfer of assets and liabilities to respective undertakings.

b) As per the composite scheme of arrangement excess of book value of assets over book value of liabilities of "Securities Business Undertaking" and Wealth Business Undertaking" as on April 01, 2018 is adjusted in capital reserve as there is no cash settlement, hence movement of assets and liabilities and profit and loss and other comprehensive income for the period ended March 31, 2019 has been adjusted against capital reserve.

c) As set out in the scheme the carved out business i.e. the "Securities Business Undertaking" and Wealth Business Undertaking" transferred to IIFL Securities Limited and IIFL Wealth Management Limited does not include transfer of the tax assets and tax liabilities. The tax charge/ benefit available to IIFL Securities Limited and IIFL Wealth Management Limited may be different to that available to the carved out business.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Interest and Dividend Income

Dividend on equity shares and interest on preference shares recognised as income when the right to receive the dividend is established.

ii) Fees and Charges

Income related to Investment Banking and advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as services are rendered.

iii) Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

b) Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value in the erstwhile I-GAAP on the transition date of April 01, 2017.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

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 case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Building *	20
Computer *	3
Office equipment	5
Electrical equipment*	5
Furniture and fixtures*	5
Vehicles*	5

* 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss statement.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

Intangible assets i.e. Software are amortised on straight line basis over the estimated useful life of 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the profit and loss statement when the asset is derecognised.

d) Impairment of tangible and intangible assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

e) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

f) Employee Benefits

Defined contribution plans:

The Company's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Profit and Loss Statement.

Defined benefit plans:

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plan above.

Short term employee benefits: The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences.

Employee Benefit Obligations:

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences. The company has provided for compensated absences on the basis of actuarial valuation.

g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Lease rentals on assets under operating lease are charged to the Profit and Loss Statement on a straight line basis over the term of the relevant lease unless

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

h) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

i) Taxes on income

Current 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 tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/ business losses/ losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year:

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

j) Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the profit and loss statement.

Financial assets

Classification and measurement:

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit and loss statement.

All recognised financial assets that are within the scope of "Indian Accounting Standard (Ind AS) 109 Financial Instruments" are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial instruments measured at amortised cost:

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to profit or loss.

Financial instruments measured at fair value through Profit and Loss (FVTPL):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

measurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement.

Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividends from these investments are recognised in the statement of profit and loss when the Company's right to receive dividends is established.

Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets:

Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Expected Credit Loss is calculated using a model which captures portfolio performance over a period of time and assessment of cash flows.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate.

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables. The application of simplified approach does not require the Company to track changes in credit risk. rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Profit and Loss Statement.

Significant increase in credit risk:

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

There is no expected credit loss on Inter-corporate deposit given to Group/Related party under common promoter.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit and loss statement.

k) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

l) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

m) Borrowing Costs

Borrowing costs include interest expense calculated using the EIR method.

n) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

p) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

Note 2.1. Recent pronouncements

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Leases Standard, Ind AS 17 Leases, and related interpretations. The standard set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The Company is in the process of evaluating the option to be exercised for implementation of Ind AS 116 and assessing the impact of this standard.

Ind AS 12 Appendix C, uncertainty over income tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over income tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Amendment to Ind AS 12–Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 01, 2019.

The Company is currently assessing the impact of this amendment on the financial statements.

Amendment to Ind AS 19 – Employee Benefits:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019.

The Company is currently assessing the impact of this amendment on the financial statements.

NOTE 3. FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2019 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018 the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019 together with the comparative period data as at and for the year ended March 31, 2018 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017 the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018. Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property, plant and equipment and investment property as deemed cost of such assets at the transition date.

(ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2017.

(iii) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

(iv) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

(v) The Company has elected to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.

(vi) The estimates as at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the I-GAAP.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

3.1 Reconciliation of Total Comprehensive income for the year ended March 31, 2018 is summarised as follows:

(₹ in Millions)

Particulars	FY 2017-2018	Note under
Net Profit after tax as per previous GAAP	**2,043.48**	
Add/(Less) : Adjustments as per Ind AS		
Fair valuation of Investments	6.36	3.6 (i)
Actuarial loss on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	1.38	3.6 (iv)
Compensation cost on fair valuation of employee stock option plan	(1.80)	3.6 (iii)
Tax impact on above adjustments	(1.04)	3.6 (ii)
On amalgamation of India Infoline Media and Research Services Limited with the Company	98.53	Refer Note No. 34.1
Profit after tax as per Ind AS	**2,146.91**	
Other Comprehensive Income (net of tax)	(0.98)	3.6 (iv)
Profit after tax as per Ind AS	**2,145.93**	

3.2 Reconciliation of equity as reported under previous GAAP is summarised as follows:

(₹ in Millions)

Particulars	As at March 31, 2018	As at April 01, 2017	Note under
Net worth as per previous GAAP	**14,559.84**	**14,996.38**	
Add/(less):			
Fair valuation of Investments	34.84	28.48	3.6 (i)
Share based payment	54.33	35.16	3.6 (iii)
Tax impact on above adjustments	(10.15)	(9.86)	3.6 (ii)
On amalgamation of India Infoline Media and Research Services Limited with the Company	220.75	122.26	Refer Note No. - 34.1
On demerger of 5paisa undertaking		(985.97)	Refer Note No. - 34.2
Others	(32.53)	(32.22)	
Net worth as per Ind AS	**14,827.08**	**14,154.23**	

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

3.3 Equity reconciliation

(₹ in Millions)

Particulars	Note No. 3.6	As at March 31, 2018				As at April 01, 2017				
		Previous GAAP*	Adjustments	Merger with IIFL M&R # (Refer Note - 34.1)	IND AS	Previous GAAP*	Adjustments	Demerger of 5paisa digital undertaking (Refer Note - 34.2)	Merger with IIFL M&R # (Refer Note - 34.1)	IND AS
ASSETS										
1. Financial Assets										
(a) Cash and cash equivalents		197.68	-	38.46	236.14	77.53	-	-	12.74	90.27
(b) Bank Balance other than (a) above		10.72	-	0.07	10.79	7.80	-	-	-	7.80
(c) Receivables										
(I) Trade receivables		23.04	-	2.38	25.42	10.93	-	-	42.29	53.22
(II) Other receivables		1.54	-	-	1.54	6.98	-	-	-	6.98
(d) Investments	(i)	14,090.18	34.84	65.52	14,190.54	15,218.12	28.48	(1,000.49)	5.29	14,251.40
(e) Other financial assets	(iii)	9.46	54.33	-	63.79	0.91	48.11	-	32.39	81.41
Sub-total		**14,332.62**	**89.17**	**106.43**	**14,528.22**	**15,322.27**	**76.59**	**(1,000.49)**	**92.71**	**14,491.08**
2. Non-financial Assets										
(a) Current tax assets (net)		253.87	-	111.88	365.75	226.83	-	-	40.57	267.40
(b) Deferred tax Assets (net)	(ii)	106.77	(42.68)	17.20	81.29	132.99	(42.08)	-	103.30	194.21
(c) Property, Plant and Equipment		14.83	-	3.39	18.22	7.88	-	(0.39)	11.24	18.73
(d) Other intangible assets		8.33	-	-	8.33	12.76	-	-	-	12.76
(e) Other non-financial assets		8.59	-	1.06	9.65	6.54	-	-	0.95	7.49
Sub-total		**392.39**	**(42.68)**	**133.53**	**483.24**	**387.00**	**(42.08)**	**(0.39)**	**156.06**	**500.59**
Total Assets		**14,725.01**	**46.49**	**239.96**	**15,011.46**	**15,709.27**	**34.51**	**(1,000.88)**	**248.77**	**14,991.67**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

\# On amalgamation of India Infoline Media and Research Services Limited (IIFL M&R) with the Company.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

3.3 Equity reconciliation

(₹ in Millions)

Particulars	Note No. 3.6	As at March 31, 2018				As at April 01, 2017				
		Previous GAAP*	Adjustments	Merger with IIFL M&R # (Refer Note - 34.1)	IND AS	Previous GAAP*	Adjustments	Demerger of 5 paisa digital undertaking (Refer Note - 34.2)	Merger with IIFL M&R # (Refer Note - 34.1)	IND AS
LIABILITIES AND EQUITY										
LIABILITIES										
1. Financial Liabilities										
Derivative financial instruments										
(a) Payables										
(I)Trade payables										
(i) Total outstanding dues of micro enterprises and small enterprises		-		-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.32		0.78	14.10	11.04	-	-	83.59	94.63
(II) Other payables										
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-	-	-	-
(b) Debt Securities		-	-	-	-	499.63	-		-	499.63
(c) Other financial liabilities		8.23	-	34.62	42.85	133.34	-	-	2.17	135.51
Sub-total		**21.55**	**-**	**35.40**	**56.95**	**644.01**	**-**	**-**	**85.76**	**729.77**
2. Non-Financial Liabilities										
(a) Current tax liabilities (Net)		19.28	-	(16.27)	3.01	13.59	-	-	-	13.59
(b) Provisions		37.13	-	0.02	37.15	41.00	-	(1.96)	39.15	78.19
(c) Other non-financial liabilities		87.21	-	0.06	87.27	14.29	-	-	1.60	15.89
Sub-total		**143.62**	**-**	**(16.19)**	**127.43**	**68.88**	**-**	**(1.96)**	**40.75**	**107.67**
3. EQUITY										
(a) Equity share capital		637.96	-	-	637.96	635.82	-	-	-	635.82
(b) Other equity		13,921.88	46.49	220.75	14,189.12	14,360.56	34.51	(998.92)	122.26	13,518.41
Sub-total		**14,559.84**	**46.49**	**220.75**	**14,827.08**	**14,996.38**	**34.51**	**(998.92)**	**122.26**	**14,154.23**
Total Liabilities and Equity		**14,725.01**	**46.49**	**239.96**	**15,011.46**	**15,709.27**	**34.51**	**(1,000.88)**	**248.77**	**14,991.67**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

On amalgamation of India Infoline Media and Research Services Limited (IIFL M&R) with the Company

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

3.4 Profit reconciliation for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note No. 3.6	Previous GAAP*	Adjustments	Merger with IIFL M&R # (Refer Note - 34.1)	IND AS
1. REVENUE FROM OPERATIONS					
(a) Interest income		99.95		-	99.95
(b) Dividend Income		1,487.69		-	1,487.69
(c) Fees and commission income		819.74		55.26	875.00
Total revenue from operations		**2,407.38**	**-**	**55.26**	**2,462.64**
2. OTHER INCOME	(i)	**122.64**	**6.36**	**108.93**	**237.93**
3. TOTAL INCOME (1 + 2)		**2,530.02**	**6.36**	**164.19**	**2,700.57**
EXPENSES					
(a) Finance costs		50.20		0.30	50.50
(b) Employee benefits expenses	(iii)	78.57	0.28	5.49	84.34
(c) Depreciation, amortization and impairment		8.65		2.78	11.43
(d) Others expenses		66.44		24.95	91.39
4. TOTAL EXPENSES (a)+(b)+(c)+(d)		**203.86**	**0.28**	**33.52**	**237.66**
5. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)		**2,326.16**	**6.08**	**130.67**	**2,462.91**
6. EXCEPTIONAL ITEMS				**-**	**-**
7. PROFIT/(LOSS) BEFORE TAX (5-6)		**2,326.16**	**6.08**	**130.67**	**2,462.91**
8. TAX EXPENSE:					
(a) Current tax		237.23		24.64	261.87
(b) Deferred tax		26.21	1.04	7.13	34.38
(c) Short/Excess		19.24		0.51	19.75
Total tax expenses (a+b+c)		**282.68**	**1.04**	**32.28**	**316.00**
9. PROFIT/(LOSS) FOR THE YEAR (7-8)		**2,043.48**	**5.04**	**98.39**	**2,146.91**
10. OTHER COMPREHENSIVE INCOME					
(A)					
(i) Items that will not be reclassified to profit or loss	(iv)	-	(1.52)	0.14	(1.38)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(iii)	-	0.40	-	0.40
Subtotal (A)		**-**	**(1.12)**	**0.14**	**(0.98)**
(B)					
(i) Items that will be reclassified to profit or loss		-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Subtotal (B)		**-**	**-**	**-**	**-**
OTHER COMPREHENSIVE INCOME (A + B)		**-**	**(1.12)**	**0.14**	**(0.98)**
11. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (9+10)		**2,043.48**	**3.92**	**98.53**	**2,145.93**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

On amalgamation of India Infoline Media and Research Services Limited (IIFL M&R) with the Company

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

3.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

(₹ in Millions)

Particulars	Previous GAAP*	Adjustments	Merger with IIFL M&R #	Ind AS
Net cash from/(used in) operating activities	469.20	-	81.60	550.80
Net cash from/(used in) investing activities	1,821.38	-	(55.57)	1,765.81
Net cash from/(used in) financing activities	(2,170.43)	-	(0.30)	(2,170.73)
Net increase/(decrease) in cash and cash equivalents	**120.15**	**-**	**25.73**	**145.88**
Cash and cash equivalents at the beginning of the year	**77.53**	**-**	**12.71**	**90.24**
Cash and cash equivalents at the end of the year	**197.68**	**-**	**38.44**	**236.12**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

On amalgamation of India Infoline Media and Research Services Limited (IIFL M&R) with the Company.

3.6 Explanatory notes to reconciliation of Total Equity and Total Comprehensive Income

(i) Fair Valuation of Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP.

(ii) Deferred Tax:

Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in relation to the underlying transaction either in retained earnings or a separate component of equity (OCI).

(iii) Share Based Payments

Under Previous GAAP, the cost of employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments is recognised in the statement of profit and loss for the year ended March 31, 2018 based on the fair value of the options as on the grant date.

(iv) Defined Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on the basis of actuarial valuation. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability)are recognised in OCI.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 4: CASH AND CASH EQUIVALENTS:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	-	0.05	-
Cheques in hand	-	1.47	4.63
Balance with banks			
- In current accounts	0.34	229.60	80.61
- In Deposit accounts (original maturity less than or equal to three months)	-	5.00	5.00
Total Cash and Cash Equivalents (As per Ind AS 7 Statement of Cash flows)	**0.34**	**236.12**	**90.24**
Interest accrued on fixed deposits	-	0.02	0.03
Cash and cash equivalents	0.34	236.14	90.27

NOTE 5: BANK BALANCE OTHER THAN ABOVE:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Other Bank Balances:			
Balance with Banks in earmarked accounts towards unclaimed amount dividend	13.57	8.24	6.80
- In Deposit accounts (original maturity more than three months) (Refer note 5.1 below)	-	2.55	1.00
Interest accrued on fixed deposits @		0.00	0.00
Total other bank balances	**13.57**	**10.79**	**7.80**

@ Amount less then ₹ 0.01 million hence shown as ₹ 0.00 million, wherever applicable.

Note 5.1: Out of the deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Lien marked *	-	1.49	-
Other deposit	-	1.06	1.00
Total	**-**	**2.55**	**1.00**

* Company has pledged fixed deposits with the banks for bank guarantee.

NOTE 6: TRADE & OTHER RECEIVABLES:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Trade receivables			
- Receivables considered good - secured	-	-	-
- Receivables considered good - unsecured	-	25.42	53.22
- Receivables - credit impaired (Refer note No. - 30A)		2.49	13.15
Total (i)- Gross	**-**	**27.91**	**66.37**
- Less: Provision for doubtful debts		(2.49)	(13.15)
Total (i)- Net	**-**	**25.42**	**53.22**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(ii) Other receivables			
- Receivables considered good - secured	-	-	-
- Receivables considered good - unsecured	-	1.54	6.98
Total (ii)- Net	**-**	**1.54**	**6.98**
Total (i+ii)	**-**	**26.96**	**60.20**

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. Trade receivables are non-interest bearing.

NOTE 7: INVESTMENTS

Particulars	As at March 31, 2019		
	Face value	Numbers	₹ in Millions
AT COST			
Investment In Equity shares of subsidiaries			
- India Infoline Finance Limited	₹ 10	23,73,96,476	10,201.83
Total – Gross			**10,201.83**
- Investments outside India			-
- Investments in India			10,201.83
Net			**10,201.83**

Particulars	As at March 31, 2018		
	Face value	Numbers	₹ in Millions
AT COST			
Investment In Equity shares of subsidiaries			
- India Infoline Finance Limited	₹ 10	23,73,45,270	10,189.71
- IIFL Facilities Services Limited	₹ 10	90,00,000	321.40
- IIFL Commodities Limited	₹ 10	3,13,500	20.00
- IIFL Wealth Management Limited	₹ 2	4,50,00,000	225.00
- IIFL Insurance Brokers Limited	₹ 10	5,00,000	33.41
- IIFL Management Services Limited	₹ 10	2,80,630	10.00
- IIFL Securities Limited	₹ 10	1,87,18,301	2,453.13
- IIFL Wealth (UK) Limited	£ 1	1,50,000	11.20
- IIFL Capital Inc.	$ 0.01	1,000	40.29
- IIFL Asset Reconstruction Ltd	₹ 10	41,00,000	44.13
Sub-total - (a)			**13,348.27**
Investment In Preference shares of subsidiaries			
- IIFL Management Services Limited (0.1 % Redeemable Non Convertible Non Cumulative)	₹ 10	90,000	283.78
Sub-total - (b)			**283.78**
Total (a) + (b)			**13,632.05**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Particulars	As at March 31, 2018		
	Face value	Numbers	₹ in Millions
FAIR VALUE THROUGH PROFIT & LOSS			
Investment In Alternate Investment Funds			
- Investment In IIFL Income Opportunities - Special Situation	₹ 4.6570	1,35,97,047.97	98.73
- Investment In IIFL Real Estate Fund (Domestic) - Series 2	₹ 7.5929	4,69,56,551.45	393.74
- India REIT Fund Scheme V	₹ 10	162.07	22.70
Sub-total - (c)			**515.17**
Investment In Mutual Funds			
- L & T Floating Rate Direct Plan - Growth	₹ 10	24,75,038	43.32
Sub-total - (d)			**43.32**
Total (c) + (d)			**558.49**
Total – Gross			**14,190.54**
- Investments outside India			51.49
- Investments in India			14,139.05
Net			**14,190.54**

Particulars	As at April 01, 2017		
	Face value	Numbers	₹ in Millions
AT COST			
Investment In Equity shares of subsidiaries			
- India Infoline Finance Limited	₹ 10	23,71,54,030	10,152.99
- IIFL Facilities Services Limited	₹ 10	90,00,000	605.18
- IIFL Commodities Limited	₹ 10	3,13,500	20.00
- IIFL Wealth Management Limited	₹ 2	4,50,00,000	225.00
- IIFL Insurance Brokers Limited	₹ 10	5,00,000	33.41
- IIFL Management Services Limited	₹ 10	2,80,630	10.00
- IIFL Securities Limited	₹ 10	1,69,00,100	953.13
- IIFL Wealth (UK) Limited	£ 1	1,50,000	11.20
- IIFL Capital Inc.	$ 0.01	1,000	40.29
Sub-total - (a)			**12,051.20**
Investment In Equity shares of associate			
- IIFL Asset Reconstruction Ltd	₹ 10	20,50,000	20.50
Sub-total - (b)			**20.50**
Investment In Preference shares of subsidiaries			
- India Infoline Finance Limited (8 % Non-Convertible Non Cumulative Redeemable)	₹ 10	7,50,00,000	750.00
Sub-total - (c)			**750.00**
Total (a) + (b) + (C)			**12,821.70**
FAIR VALUE THROUGH PROFIT & LOSS			
Investment In Alternate Investment Funds			
- Investment In IIFL Income Opportunities Fund	₹ 0.7693	50,00,000	3.28
- Investment In IIFL Income Opportunities - Special Situation	₹ 7.7648	1,35,97,047.97	131.59
- Investment In IIFL Real Estate Fund (Domestic) - Series 2	₹ 10	4,69,56,551.45	508.82
- India REIT Fund Scheme V	₹ 10	46.51	5.79
Sub-total - (d)			**649.48**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Particulars	As at April 01, 2017		
	Face value	Numbers	₹ in Millions
Investment In Mutual Funds			
- Kotak Liquid Direct Plan Growth	₹ 1000	2,36,611.75	780.22
Sub-total - (e)			**780.22**
Total (d) + (e)			**1,429.70**
Total – Gross			**14,251.40**
- Investments outside India			51.49
- Investments in India			14,199.91
Net			**14,251.40**

NOTE 8: OTHER FINANCIAL ASSETS:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivable from group companies/ subsidiaries	0.50	54.91	48.11
Other financial assets	0.05	0.55	33.00
Advances recoverable in cash or in kind or for value to be received	0.08	8.03	-
Receivable from funds	-	0.30	0.30
Total	**0.63**	**63.79**	**81.41**

NOTE 9: DEFERRED TAX ASSETS (CURRENT YEAR)

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

(₹ in Millions)

Particulars	2018-19					
	Opening balance (as on April 01, 2018)	On Account of Demerger (Refer note 34.1)	Recognised in profit or loss	MAT Credit utilised	Recognised in reclassified from OCI	Closing balance (as on March 31, 2019)
Deferred tax assets:						
Property, plant and equipment	4.64	(4.79)	0.67	-	-	0.52
Provisions, allowances for doubtful receivables / loans	0.73	(0.73)	-	-	-	-
Compensated absences and retirement benefits	4.55	(3.15)	0.23	-	(0.48)	1.15
Minimum alternate tax carry-forward	13.40	(13.40)	-	-	-	-
Carry-forward losses on Investments	68.36	-	-	-	-	68.36
Total deferred tax assets (a)	**91.68**	**(22.07)**	**0.90**	**-**	**(0.48)**	**70.03**
Deferred tax liabilities:						
Unrealised profit on investments	(10.39)	10.39	-	-	-	-
Total deferred tax liabilities (b)	**(10.39)**	**10.39**	**-**	**-**	**-**	**-**
Deferred tax assets (a) + (b)	**81.29**	**(11.68)**	**0.90**	**-**	**(0.48)**	**70.03**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 9: DEFERRED TAX ASSETS (PREVIOUS YEAR)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in Millions)

Particulars	2017-18					
	Opening balance (as on April 01, 2017)	On Account of Demerger (Refer note 34.1)	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance (as on March 31, 2018)
Deferred tax assets:						
Property, plant and equipment	2.99	-	1.65	-	-	4.64
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	4.55	-	(3.82)	-	-	0.73
Compensated absences and retirement benefits	3.85	-	0.30	-	0.40	4.55
Minimum alternate tax carry-forward	92.34	-	-	(78.94)	-	13.40
Carry-forward losses on Investments	100.34	-	(31.98)	-	-	68.36
Total deferred tax assets (a)	**204.07**	**-**	**(33.85)**	**(78.94)**	**0.40**	**91.68**
Deferred tax liabilities:						
Unrealised profit on investments	(9.86)	-	(0.53)	-	-	(10.39)
Total deferred tax liabilities (b)	**(9.86)**	**-**	**(0.53)**	**-**	**-**	**(10.39)**
Deferred tax assets (a) + (b)	**194.21**	**-**	**(34.38)**	**(78.94)**	**0.40**	**81.29**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CURRENT YEAR)

(₹ in Millions)

Particulars	Buildings (Including Land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
Cost as at April 01, 2018	**7.21**	**1.67**	**3.37**	**0.51**	**0.16**	**0.30**	**9.90**	**23.12**
Additions	-	-	-	-	-	0.07	-	0.07
Transfer out due to demerger (Refer Note - 34.1)	(7.21)	(1.67)	(3.23)	(0.51)	(0.16)	(0.20)	-	(12.98)
As at March 31, 2019	**-**	**-**	**0.14**	**-**	**-**	**0.17**	**9.90**	**10.21**
Depreciation								
As at April 01, 2018	**0.70**	**0.68**	**1.26**	**0.20**	**0.06**	**0.18**	**1.82**	**4.90**
Depreciation for the year	-	-	0.04	-	-	0.05	1.98	2.07
Transfer out due to demerger (Refer Note - 34.1)	(0.70)	(0.68)	(1.23)	(0.20)	(0.06)	(0.15)	-	(3.02)
Deductions/Adjustments	-	-	-	-	-	-	-	-
Up to March 31, 2019	**-**	**-**	**0.07**	**-**	**-**	**0.08**	**3.80**	**3.95**
As at March 31, 2019	**-**	**-**	**0.07**	**-**	**-**	**0.09**	**6.10**	**6.26**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (PREVIOUS YEAR)

(₹ in Millions)

Particulars	Buildings (Including Land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
Cost as at April 01, 2017 *	**7.21**	**5.63**	**3.64**	**1.06**	**0.90**	**0.29**	**-**	**18.73**
Additions	-	-	-	-	-	0.08	9.90	9.98
Deductions/Adjustments	-	(3.96)	(0.27)	(0.55)	(0.74)	(0.07)	-	(5.59)
As at March 31, 2018	**7.21**	**1.67**	**3.37**	**0.51**	**0.16**	**0.30**	**9.90**	**23.12**
Depreciation								
As at April 01, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	0.70	1.00	1.29	0.24	0.13	0.22	1.82	5.40
Deductions/Adjustments	-	(0.32)	(0.03)	(0.04)	(0.07)	(0.04)	-	(0.50)
Up to March 31, 2018	**0.70**	**0.68**	**1.26**	**0.20**	**0.06**	**0.18**	**1.82**	**4.90**
As at March 31, 2018	**6.51**	**0.99**	**2.11**	**0.31**	**0.10**	**0.12**	**8.08**	**18.22**

* Cost as at April 01, 2017 is at deemed cost.

NOTE 11: OTHER INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Millions)

Particulars	Software	
	As at March 31, 2019	As at March 31, 2018
Opening Gross Block *	**14.36**	**12.76**
Additions	-	1.60
Transfer out due to demerger (Refer Note - 34.1)	(9.10)	-
Closing Balance	**5.26**	**14.36**
Depreciation		
Opening Balance	6.03	-
Depreciation for the year	2.36	6.03
Transfer out due to demerger (Refer Note - 34.1)	(3.74)	-
Closing Balance	**4.65**	**6.03**
Net Block	**0.61**	**8.33**

* At deemed cost as on April 01, 2017

NOTE 12: OTHER NON-FINANCIAL ASSETS:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expense	1.58	5.58	3.61
Service tax/GST/other tax input credit	-	0.96	-
Deposits with government	29.66	2.19	0.05
Advances	0.32	0.92	3.83
Total	**31.56**	**9.65**	**7.49**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 13: PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(1) Trade Payable			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Outstanding dues of creditors	0.35	0.64	17.09
- Accrued salaries and benefits	0.19	0.62	2.75
- Provision for expenses	5.46	12.84	74.79
Total (a)	**6.00**	**14.10**	**94.63**
(2) Other Payable			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total	**6.00**	**14.10**	**94.63**

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

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

NOTE 14: DEBT SECURITIES (VALUED AT AMORTISED COST)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Non Convertible Debentures			
Zero Coupon Non Convertible Debentures of face value ₹ 1,000,000 each at par, date of maturity 20/03/2018 (Yield @ 11.25%)	-	-	500.00
Less : Unamortised debenture issue expenses			(0.37)
Total	**-**	**-**	**499.63**
Debt securities in India	-	-	499.63
Debt securities outside India	-	-	-
Total	**-**	**-**	**499.63**

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets and advances including receivables other than those specifically charged.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 15: OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unpaid dividend	13.56	8.24	6.79
Security deposit received	-	-	0.65
Other payable	0.17	34.61	1.52
Interest accrued but not due	-	-	126.55
Total	**13.73**	**42.85**	**135.51**

15.1 During the year 2018-19 the Company has transferred ₹ 1.43 Millions amount to Investor Education and Protection Fund (Previous year ₹ NIL.)

NOTE 16: PROVISIONS:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for gratuity (refer note 25.1)	3.21	12.74	9.51
Provision for leave encashment	0.74	2.67	2.12
Bonus/staff incentive payable	-	21.74	66.56
Total	**3.95**	**37.15**	**78.19**

NOTE 17: OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues (net of input credit)	11.22	87.27	15.89
Book overdraft@	-	-	0.00
Total	**11.22**	**87.27**	**15.89**

@Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable.

NOTE 18: EQUITY SHARE CAPITAL

a. Authorised, Issued, Subscribed and Paid up Share Capital :

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised Share Capital			
600,000,000 (March 31, 2018 - 600,000,000) (April 01, 2017 - 600,000,000) Equity Shares of ₹ 2 each	1,200.00	1,200.00	1,200.00
Addition/(Reduction) on part of Composite Scheme of Arrangement (Equity Shares of ₹ 2 each)	(439.50)	360.50	360.50
380,250,000 (March 31, 2018 - 780,250,000) (April 01, 2017 - 780,250,000) Equity Shares of ₹ 2 each	**760.50**	**1,560.50**	**1,560.50**
Issued, Subscribed and Paid-up Share Capital			
319,203,092 (March 31, 2018 – 318,979,026) (April 01, 2017 – 317,908,193) Equity Shares of ₹ 2 each fully paid with voting rights	638.41	637.96	635.82
Total	**638.41**	**637.96**	**635.82**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares				
At the beginning of the year	318,979,026	637.96	317,908,193	635.82
Add: Shares issued during the year	224,066	0.45	1,070,833	2.14
Closing at the end of year	319,203,092	638.41	318,979,026	637.96

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 company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, equity shareholders were paid an interim dividend of ₹ 5/- (March 31, 2018 of ₹ 5) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exits currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity share of ₹ 2 each fully paid up						
FIH Mauritius Investments Ltd.	84,641,445	26.52	84,641,445	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	46,402,000	14.54	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A shares	28,362,530	8.89	28,362,530	8.89	27,910,000	8.78
Venkataraman Rajamani *	10,984,432	3.44	10,909,432	3.42	19,909,432	6.26
Madhu N Jain *	12,075,000	3.78	13,700,000	4.29	17,000,000	5.35

* Position as on March 31, 2019 and March 31, 2018 is given as they were shareholders with more than 5% shareholding as on April 01, 2017.

e. During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer note 33 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

NOTE 19: OTHER EQUITY

(₹ in Millions)

Particulars	Share application money pending allotment	Reserves and Surplus						Employee Stock option reserve	Total
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General reserve	Retained Earnings		
Balance as at April 01, 2017	**1.46**	**-**	**10,461.63**	**51.11**	**84.48**	**453.27**	**2,378.77**	**87.69**	**13,518.41**
Profit for the year							2,146.91	-	2,146.91
Remeasurement of defined benefit (net of tax)							(0.98)		(0.98)
Interim dividend	-	-	-	-	-	-	(1,592.38)	-	(1,592.38)
Dividend distribution tax on Interim dividend							(0.96)		(0.96)
Transfer to/from other reserves	-	-	47.99	-	-	8.48	-	(56.47)	-
Addition during the year	2.70	-	94.45	-	31.22	-	(31.22)	20.97	118.12
transfer to/from DRR	-	-	-	-	(115.70)	115.70	-	-	-
Balance as at March 31, 2018	**4.16**	**-**	**10,604.07**	**51.11**	**-**	**577.45**	**2,900.14**	**52.19**	**14,189.12**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Share application money pending allotment	Reserves and Surplus						Employee Stock option reserve	Total
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General reserve	Retained Earnings		
Profit for the year	-	-	-	-	-	-	1,471.22	-	1,471.22
Remeasurement of defined benefit (net of tax)							1.18		1.18
Interim dividend							(1,595.43)		(1,595.43)
Dividend distribution tax on Interim dividend							(18.49)		(18.49)
Transfer to/from other reserves	-	-	15.57	-	-	0.21	-	(15.78)	-
Addition during the year	(4.16)	-	36.54	-	-	-	-	12.34	44.72
On account of demerger (Refer note - 34.1)		(4,005.08)					1.59	(24.94)	(4,028.43)
Balance as at March 31, 2019	**-**	**(4,005.08)**	**10,656.18**	**51.11**	**-**	**577.66**	**2,760.21**	**23.81**	**10,063.89**

NOTE 20: INTEREST INCOME

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest income	-	99.95
Total	**-**	**99.95**

NOTE 21: DIVIDEND INCOME

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Dividend income	1,505.46	1,487.69
Total	**1,505.46**	**1,487.69**

NOTE 22: FEES AND COMMISSION INCOME

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Investment banking income	-	819.74
Commission & other advisory fees	-	55.26
Total	**-**	**875.00**

NOTE 23: OTHER INCOME

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest Income on		
- Investment	-	46.88
- ICD	-	15.52
- Fixed deposit	-	0.48
- Income tax refund	-	3.62
Misc. income	-	7.89
Gain on financial assets measured at fair value through Profit & Loss account		
- Realised	-	59.92
- Unrealised	-	7.21
Dividend income	-	0.18
Other income	-	96.23
Total	**-**	**237.93**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 24: FINANCE COSTS

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on borrowings	-	0.30
Interest on debt securities	-	49.83
Interest on subordinated liabilities	-	-
Other finance expense	-	0.37
Total	**-**	**50.50**

NOTE 25: EMPLOYEE BENEFITS EXPENSES

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Salaries and wages	2.63	79.83
Contribution to provident and other funds	0.26	1.78
Share based payments (refer note 33)	1.40	1.81
Staff welfare expenses	-	0.20
Gratuity (refer note 25.1)	0.67	(0.22)
Leave encashment	0.26	0.94
Total	**5.22**	**84.34**

25.1 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

A. Defined Contribution Plans:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Defined Benefit Obligation at beginning of the year	**12.97**	**11.75**
Interest cost	0.33	0.80
Current service cost	0.34	1.38
Past services cost	-	(2.37)
Liability transferred In/ acquisitions	-	2.88
(Liability transferred out/ divestments)	(8.77)	(2.61)
(Benefit Paid Directly by the Employer)	-	-
(Benefit paid from the fund)	-	(0.24)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions assumptions	-	(0.69)
Actuarial (Gains)/Losses on obligations - due to change in financial assumptions	(0.56)	2.71
Actuarial (Gains)/Losses on obligations - due to experience	(1.10)	(0.64)
Defined Benefit Obligation at period end	**3.21**	**12.97**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(ii) Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Fair Value of Plan Assets at the Beginning of the Period	0.23	0.45
Interest Income	-	0.03
(Assets Transferred Out/ Divestments)	(0.23)	-
(Benefit Paid from the Fund)	-	(0.24)
Return on Plan Assets, Excluding Interest Income		(0.01)
Fair Value of Plan Assets at the End of the Period	**-**	**0.23**

(iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
(Present Value of Benefit Obligation at the end of the period)	**3.21**	**(12.97)**
Fair value of Plan Assets at the end of the year/period	-	0.23
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	(3.21)	(12.74)

(iv) Net Interest Cost for Current Period

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Present Value of Benefit Obligation at the Beginning of the Period	12.97	11.75
(Fair Value of Plan Assets at the Beginning of the Period)	(0.23)	(0.45)
Net Liability/(Asset) at the Beginning	12.74	11.30
Interest Cost	0.33	0.80
(Interest Income)	-	(0.03)
Net Interest Cost for Current Period	0.33	0.77

(v) Expenses recognised during the period

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
In income statement		
Current Service cost	0.34	1.38
Net Interest Cost	0.33	0.77
Past service cost	-	(2.37)
Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses"	**0.67**	**(0.22)**
In other comprehensive income	-	-
Actuarial (gains)/Losses on obligation for the period	(1.66)	1.37
Return on plan assets, excluding interest income	-	0.01
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	**(1.66)**	**1.38**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(vi) Balance sheet reconciliation

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Opening net liability	**12.74**	**11.31**
Expenses Recognized in Statement of Profit or Loss	0.67	(0.22)
Expenses Recognized in OCI	(1.66)	1.38
Net Liability/(Asset) Transfer In	-	2.88
Net (Liability)/Asset Transfer Out	(8.54)	(2.61)
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net liability/(asset) recognized in the balance sheet	**3.21**	**12.74**

(vii) Actuarial assumptions

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Expected return on plan assets	N.A.	7.09%
Rate of discounting	7.79%	7.09 to 7.78%
Rate of salary increase	5.00%	5 to 8%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 1% p.a.	For service 4 years and below 15 to 25% p.a. & thereafter 1 to 10% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.

(b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Projected Benefit Obligation on Current Assumptions	**3.21**	**12.97**
Delta Effect of +1% Change in Rate of Discounting	(0.92)	(1.44)
Delta Effect of -1% Change in Rate of Discounting	1.07	1.69
Delta Effect of +1% Change in Rate of Salary Increase	0.61	1.67
Delta Effect of -1% Change in Rate of Salary Increase	(0.53)	(1.45)
Delta Effect of +1% Change in Rate of Employee Turnover	0.40	(0.08)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.46)	0.09

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk :- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :- A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :- The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ix) Maturity Analysis of the Benefit Payments: From the Employer, Fund

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
1st Following Year	0.22	0.15
2nd Following Year	0.20	0.17
3rd Following Year	0.23	0.19
4th Following Year	0.24	0.22
5th Following Year	2.53	0.24
Sum of Years 6 To 10	1.29	4.26
Sum of Years 11 and above	20.73	33.78

B. Defined Contribution Plans:

The company has recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Contribution to provident fund	-	1.37
Contribution to ESIC	-	0.01
Contribution to labour welfare fund@	-	0.00
Contribution to EPS	-	0.20
Contribution to NPS	0.26	0.20
Total	**0.26**	**1.78**

@ Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable

NOTE 26: DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
On tangible asset	2.07	5.40
On intangible asset	2.36	6.03
Total	**4.43**	**11.43**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 27: OTHERS EXPENSES

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Advertisement and marketing expenses @	0.00	8.74
Bank charges@	0.00	0.04
Communication expenses @	0.00	0.32
Directors sitting fees	1.80	1.28
Commission to directors	4.50	4.50
Corporate social responsibility expenses (Refer note 32)	11.40	7.18
Exchange and statutory charges	0.69	2.48
Legal and professional charges	4.03	15.21
Miscellaneous expenses	0.03	2.44
Office expenses	0.33	1.31
Net loss on derecognition of financial instruments under amortised cost category	-	22.61
Impairment on financial instruments	-	(10.66)
Rent, electrcity & rates & taxes	0.36	17.71
Insurance	0.42	0.54
Repairs & maintenance		
- Computer	-	0.07
- Others	-	0.54
Remuneration to auditors		
- As auditors - statutory audit	0.70	0.88
- Certification work and other matters	(0.11)	3.29
- Out of pocket expenses	0.10	0.08
Software charges	0.05	0.02
Travelling and conveyance *	0.33	7.27
Meeting seminar & subscription *	0.22	0.68
Loss on sale of assets	-	4.88
Total	**24.83**	**91.39**

@ Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable

*Includes below payments done in foreign currency

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Travelling and conveyance	-	1.31
Meeting seminar & subscription	-	0.22
Total	**-**	**1.53**

NOTE 28: INCOME TAX

Amount recognised in profit or loss

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Current tax expenses		
Current year	-	261.87
Changes in estimates related to prior years	0.66	19.75
Deferred tax expenses		
Origination and reversal of temporary differences	(0.90)	34.38
Total	**(0.24)**	**316.00**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Amount recognised in OCI

(₹ in Millions)

Particulars	**FY 2018-19**	**FY 2017-18**
Current tax expenses		
Items that will not be reclassified to profit or loss		
Re-measurement of defined benefit liability (asset)		
Profit before tax	1.66	(1.38)
Tax expenses	(0.48)	0.40
Profit after tax	1.18	(0.98)

Reconciliation of effective tax rates :

(₹ in Millions)

Particulars	**FY 2018-19**	**FY 2017-18**
Profit before tax	1,470.98	2,462.91
Tax amount	428.35	852.36
Tax effect of :		
Non-deductible expenses	9.14	2.83
Tax-exempt income		
Dividend	(438.39)	(549.51)
Others (80JJAA)	-	(0.03)
Differential tax rate on Income	-	12.78
Adjustment in respect of current income tax of prior years	0.66	19.75
Current year losses on no deferred tax asset is recognised	-	(1.64)
Recognition of previously unrecognised deductible temporary differences		(20.54)
Total income tax expense	**(0.24)**	**316.00**

NOTE 29: EARNINGS PER SHARE

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 'Earnings per share".

Particulars		**FY 2018-19**	**FY 2017-18**
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	1,471.22	2,146.91
Weighted average number of equity shares outstanding	B	319,061,399	318,293,090
Basic EPS (In ₹)	A/B	4.61	6.75
DILUTED			
Weighted average number of equity shares for computation of basic EPS		319,061,399	318,293,090
Add: Potential equity shares on conversion of employees stock options.		659,360	949,739
Weighted average number of equity shares for computation of diluted EPS	C	319,720,759	319,242,829
Diluted EPS (In ₹)	A/C	4.60	6.73

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 30: FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is approved by the board committee.

The Company's principal financial liabilities comprise debt securities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations and Investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company senior management oversees the management of these risks. The Company senior management is overseen by the audit committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

30A.1 .Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables."

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2019				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/cost	Total
Cash and cash equivalents	-	-	-	0.34	0.34
Bank Balance other than above	-	-	-	13.57	13.57
Receivables					-
(i) Trade Receivables	-	-	-	-	-
(ii) Other Receivables	-	-	-	-	-
Investments*	-	-	-	10,201.83	10,201.83
Other Financial assets	-	-	-	0.63	0.63

* Investment in subsidiaries are held at cost.

(₹ in Millions)

Particulars	As at March 31, 2018				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/cost	Total
Cash and cash equivalents	-	-	-	236.14	236.14
Bank Balance other than above	-	-	-	10.79	10.79
Receivables					-
(i) Trade Receivables	-	-	2.49	25.42	27.91
(ii) Other Receivables	-	-	-	1.54	1.54
Investments*	-	-	-	13,632.05	13,632.05
Other Financial assets	-	-	-	63.79	63.79

* Investment in subsidiaries are held at cost.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at April 01, 2017				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/cost	Total
Cash and cash equivalents	-	-	-	90.27	90.27
Bank Balance other than above	-	-	-	7.80	7.80
Receivables					
(i) Trade Receivables	-	-	13.15	53.22	66.37
(ii) Other Receivables	-	-	-	6.98	6.98
Investments*	-	-	-	12,821.70	12,821.70
Other Financial assets	-	-	-	81.41	81.41

* Investment in subsidiaries are held at cost.

Financial Assets measured using simplified approach:

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, Other Receivables and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

30A.2 .Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ Nil /-(P.Y ₹ 22.61 Millions)

30B. Liquidity Risk

Liquidity risk: Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The table below analyse the Company's financial liability into relevant maturity grouping based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

(₹ in Millions)

As at March 31, 2019	Carrying amount	Up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Above 3 years
Trade payables	6.00	6.00		-	-	-
Other financial liabilities	13.73	13.73		-	-	-
Total liabilities	**19.73**	**19.73**	**-**	**-**	**-**	**-**

(₹ in Millions)

As at March 31, 2018	Carrying amount	Up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Above 3 years
Trade payables	14.10	14.10	-	-	-	-
Other financial liabilities	42.85	42.85	-	-	-	-
Total liabilities	**56.95**	**56.95**	**-**	**-**	**-**	**-**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

As at April 01, 2017	Carrying amount	Up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Above 3 years
Trade & other payable	94.63	94.63	-	-	-	-
Debt Securities	499.63	-	-	499.63	-	-
Other financial liabilities	135.51	135.51	-	-	-	-
Total liabilities	**729.77**	**230.14**	**-**	**499.63**	**-**	**-**

30C. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument.

The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

30C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affects significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The Company fixed rate of borrowings (NCD) are carried at amortised cost. Therefore no rise/change in interest rates at the reporting date, since neither the carrying amount nor the future cash flows will fluctuate because of the change in the market interest rate.

30C.2. Exposure to currency risks

The Company is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction.

Below is table showing net gap between foreign asset and liability

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	USD	INR	USD	INR	USD	INR
Foreign currency assets	-	-	0.04	2.57	-	-
Foreign currency liabilities	-	-	-	-	-	-
Net gap	-	-	0.04	2.57	-	-

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD sensitivity				
INR/USD -Increase by 5%	-	0.08	-	-
INR/USD -Decrease by 5%	-	(0.08)	-	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

30C.3. Exposure to Price Risk

The Company exposure to price risk arising from investment held by the Company and is classified in the balance sheet through fair value through profit & loss account.

(₹ in Millions)

Particulars	Equity Shares (Other than subsidiary)	Mutual Funds	Alternate Investment Funds	Preference Shares	Others	Total
Market value as on March 31, 2019	-	-	-	-	-	-
Market value as on March 31, 2018	-	43.32	515.17	-	-	558.49
Market value as on April 01, 2017	-	780.22	649.48	-	-	1,429.70

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Increase 5%	-	18.26	-	-
Decrease 5%	-	(18.26)	-	-

30D. Fair values of financial instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- *Level 1*: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- *Level 2*: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- *Level 3*: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Subjective estimate - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses significant unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

30D.1. Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Fair Value through profit or loss	Amortised cost / Cost	Fair Value through profit or loss	Amortised cost / Cost	Fair Value through profit or loss	Amortised cost / Cost
Financial assets						
Cash and cash equivalents	-	0.34	-	236.14	-	90.27
Bank balance other than (a) above	-	13.57	-	10.79	-	7.80
Derivative financial instruments						
Receivables						
(i) Trade receivables	-	-	-	25.42	-	53.22
(ii) Other receivables	-	-	-	1.54	-	6.98
Investments		10,201.83	558.49	13,632.05	1,429.70	12,821.70
Other financial assets	-	0.63	-	63.79	-	81.41
Total financial assets	**-**	**10,216.37**	**558.49**	**13,969.73**	**1,429.70**	**13,061.38**
Financial liabilities						
Derivative financial instruments						
Trade payables	-	6.00	-	14.10	-	94.63
Debt securities	-	-	-	-	-	499.63
Other financial liabilities	-	13.73	-	42.85	-	135.51
Total financial liabilities	**-**	**19.73**	**-**	**56.95**	**-**	**729.77**

30D.2. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Valuation methodologies of financial instruments measured at fair value

- Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	-	-	-	-
Debt funds	-	-	-	-
Alternate investment funds	-	-	-	-
Total assets	**-**	**-**	**-**	**-**

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds	43.32	-	-	43.32
Alternate investment funds	-	-	515.17	515.17
Total assets	**43.32**	**-**	**515.17**	**558.49**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at April 01, 2017			
	Level 1	Level 2	Level 3	Total
Mutual funds	780.22	-	-	780.22
Alternate investment funds	-	-	649.48	649.48
Total assets	**780.22**	**-**	**649.48**	**1,429.70**

30D.3. Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Debts Securities

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

As at March 31, 2019

(₹ in Millions)

Particulars	Fair Value	Carrying Value	Valuation hierarchy
Assets			
Cash and cash equivalents	0.34	0.34	
Bank balance other than included above	13.57	13.57	
Trade and other receivable	-	-	
Investment in subsidiaries and associates	58,399.53	10,201.83	Level 3
Other financial asset	0.63	0.63	
Total assets	**58,414.07**	**10,216.37**	
Liabilities			
Trade payables	6.00	6.00	
Other financial liabilities	13.73	13.73	
Total liabilities	**19.73**	**19.73**	

As at March 31, 2018

(₹ in Millions)

Particulars	Fair Value	Carrying Value	Valuation hierarchy
Assets			
Cash and cash equivalents	236.14	236.14	
Bank balance other than included above	10.79	10.79	
Trade and other receivable	26.96	26.96	
Investment in subsidiaries and associates	103,387.70	13,632.05	Level 3
Other financial asset	63.79	63.79	
Total assets	**103,725.38**	**13,969.73**	
Liabilities			
Trade payables	14.10	14.10	
Other financial liabilities	42.85	42.85	
Total liabilities	**56.95**	**56.95**	

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

As at April 01, 2017

(₹ in Millions)

Particulars	Fair Value	Carrying Value	Valuation hierarchy
Assets			
Cash and cash equivalents	90.27	90.27	
Bank balance other than included above	7.80	7.80	
Trade and other receivable	60.20	60.20	
Investment in subsidiaries and associates	66,180.18	12,821.70	Level 3
Other financial asset	81.41	81.41	
Total assets	**66,419.86**	**13,061.38**	
Liabilities			
Non convertible debentures	499.63	499.63	
Trade payables	94.63	94.63	
Other financial liabilities	135.51	135.51	
Total liabilities	**729.77**	**729.77**	

30D.4. Movements in Level 3 financial instruments measured at fair value :

(₹ in Millions)

Particulars	Alternate Investment fund
Balances as at April 01, 2017	**649.48**
Issuances	55.92
Sale of financial instrument classified as level 3 at the beginning of the financial year	(201.21)
Total gain/(losses) recognised in profit and loss	10.98
Balances as at March 31, 2018	**515.17**
Unrealised gain/(losses) related to balances held at the end of the financial year	6.58
Balances as at April 01, 2018	515.17
Issuances	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	-
Transfer As per the Composite Scheme of Arrangement	(515.17)
Total gain /(losses) recognised in profit and loss	
Balances as at March 31, 2019	**-**

NOTE 31: CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Contingent Liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In respect of Income Tax demands (note a)	463.29	343.18	366.47
In respect of Service Tax demands (note b)	620.71	430.28	1.14
In respect of Profession Tax demands (note c)	1.55	1.55	1.55
In respect of bank guarantees given (note d)	48,150.00	60,230.07	68,380.00

(a) Amount paid under protest with respect to income tax demand ₹ 230.26 Millions (March 31, 2018 - ₹ 203.44 Millions and April 01, 2017 - ₹ 177.77 Millions).

(b) Amount paid under protest with respect to service tax demand ₹ 29.66 Millions (March 31, 2018 - ₹ 2.19 Millions and April 01, 2017 - ₹ NIL)

(c) Amount paid under protest with respect to profession tax demand ₹ 0.47 Millions (March 31, 2018 - ₹ 0.47 Millions and April 01, 2017 - ₹0.47 Millions)

(d) The above bank guarantees have been given on behalf of subsidiaries/group companies.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Commitments not provided for

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Estimated amount of contracts remaining to be executed on capital account	-	0.11	13.00

NOTE 32: CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2018-2019, the Company has spent ₹ 11.40 Millions (P.Y. ₹ 7.18 Millions) out of the total amount of ₹ 11.40 Millions (P.Y. ₹ 7.18 Millions) required to be spent as per section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to India Infoline Foundation.

NOTE 33: SHARE BASED PAYMENT

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) 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 the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

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

Particulars	ESOP 2008
Method of accounting	Intrinsic Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise Period	Seven years from the date of grant

(b) (i) Movement of options during the year ended March 31, 2019

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2018	1,205,392	55.26 – 468.67	142.27	4.03
Granted during the year	-	-	-	
Forfeited during the year	(30,800)	175.75 - 468.67	210.09	
Expired during the year	(2,070)	175.75 - 468.67	232.35	
Exercised during the year	(224,066)	55.26 - 177.27	165.06	
Outstanding as on March 31, 2019	**948,456**	**55.26 – 468.67**	**134.49**	**2.88**
Exercisable as on March 31, 2019	**620,676**	**55.26 - 468.67**	**99.10**	**2.27**

(b) (ii) Movement of options during the year ended March 31, 2018

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2017	2,548,860	56.60 – 181.55	117.66	3.68
Granted during the year	200,000	468.67	468.67	
Forfeited during the year	(312,355)	175.75 - 480.00	330.47	
Expired during the year	(160,280)	66.54 - 181.55	104.24	
Exercised during the year	(1,070,833)	55.26 – 181.55	90.20	
Outstanding as on March 31, 2018	**1,205,392**	**55.26 – 468.67**	**142.27**	**4.03**
Exercisable as on March 31, 2018	**565,939**	**55.26 - 177.27**	**88.48**	**3.07**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008	
	2018-19	2017-18 *
Stock price (₹)	-	479.75
Volatility	-	43.98%
Risk-free Rate	-	6.94%
Exercise price (₹)	-	480
Time to Maturity (Years)	-	5
Dividend yield	-	1.99%
Weight Average Value (₹)	-	197.23

* The aforesaid variables are based on grant dated April 29, 2017 before considering effect of demerger of 5paisa digital undertaking from IIFL Holdings Limited in terms of Scheme of Arrangement approved by NCLT vide its order dated September 06, 2017. Post demerger, the revised exercise price got reduced by 2.36% to ₹ 468.67 and fair value of option stand revised to ₹ 201.65, as approved by Nomination and Remuneration Committee of the Board of Directors of the Company.

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

NOTE 34: COMPOSITE SCHEME OF ARRANGEMENT

Note 34.1: Demerged Operation

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("Company/IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i. amalgamation of IIFL M&R with IIFL Holdings;

ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Securities;

iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;

iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

v. amalgamation of IIFL Finance with the Company.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Company have approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India(RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by the Company, the Board of Directors at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date i.e. April 01, 2017;

b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date i.e. April 01, 2018; and

c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.

d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

a) additional 1 fully paid up equity share of ₹ 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;

b) additional 1 fully paid up equity share of ₹ 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of ₹ 2 each in IIFL Holdings for every 100 shares held in IIFL Finance.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

(I) Following Assets and Liabilities were transferred to respective undertakings on April 01, 2018 as per the composite scheme of arrangement

(₹ in Millions)

Particulars	Securities Undertaking	Wealth Undertaking
ASSETS		
1. Financial Assets		
(a) Cash and cash equivalents	187.25	38.46
(b) Bank balance other than (a) above	2.49	0.07
(c) Receivables		
(I) Trade receivables	23.04	2.38
(II) Other receivables	1.54	-
(d) Investments	1,256.67	66.02
(e) Other financial assets	40.11	3.36
Sub-total	**1,511.10**	**110.29**

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Securities Undertaking	Wealth Undertaking
2. Non-financial Assets		
(a) Current tax assets (net)	-	-
(b) Deferred tax Assets (net)	-	20.08
(c) Property, Plant and Equipment	6.57	3.39
(d) Other intangible assets	3.62	1.75
(e) Other non-financial assets	3.05	2.06
Sub-total	**13.24**	**27.28**
Total Assets	**1,524.34**	**137.57**
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial Liabilities		
(a) Payables		
(I) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.48	2.83
(II) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b) Other financial liabilities	-	34.61
Sub-total	**3.48**	**37.44**
2. Non-Financial Liabilities		
(a) Current tax liabilities (Net)	-	-
(b) Provisions	28.38	2.10
(c) Deferred tax liabilities (Net)	8.41	-
(d) Other non-financial liabilities	13.92	0.97
Sub-total	**50.71**	**3.07**
Total Liabilities	**54.19**	**40.51**
Net Assets transferred	**1,470.15**	**97.06**

(II) Following table showing movement of capital reserve

(₹ in Millions)

Particulars	As at March 31, 2019	As at April 01, 2018
Net assets value of Securities Business Undertaking (a)	1,414.99	1,470.15
Net assets value of Wealth Business Undertaking (b)	116.47	97.06
Cancellation of investments in IIFL Securities and IIFL Wealth (c)	2,678.13	2,678.13
ESOP reserves (d)	24.94	-
Retain earnings (e)	179.57	-
Adjustments to Capital Reserve out of above (a+b+c-d-e) *	**4,005.08**	**4,245.34**

* As there is no cash settlement, hence movement of assets and liabilities and profit and loss and other comprehensive income for the period ended March 31, 2019 has been adjusted against capital reserve.

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Note 34.2: Demerged Operation of 5paisa digital undertaking

During the year 2017-18, the Company has received the approval of NCLT for the Scheme of Arrangement under Section 230-232 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited and 5paisa Capital Limited ("5PCL") and their respective shareholders to demerge "5paisa digital undertaking" of the Company into 5PCL. The said order has been filed with MCA on September 30, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. October 01, 2016 in the books of accounts of the Company. Accordingly, the financial statements have been presented after giving effect to the Scheme. As per the Scheme, the shareholders of the Company as on the record date i.e. October 18, 2017, has been allotted 1 equity share of ₹ 10/- each fully paid up of 5PCL for every 25 equity shares of ₹ 2/- each held in the Company. In view of above, 5PCL ceased to be a subsidiary of the Company.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement:

(I) To comply with Appendix C of Ind AS - 103 following Assets and Liabilities were transferred to 5PCL as at April 01, 2017.

Particulars	(₹ in Millions)
Investment in 5PCL	1,000.49
Fixed Assets	0.39
Sub-Total	**1,000.88**
Less :-	
Other Liability & Provision	1.96
Net Asset transferred	998.92

(II) The excess of the book value of asset transferred (net of diminution/depreciation, if any) over the book value of liabilities have been debited to Capital Reserve ₹ 597.70 Millions, General Reserve of ₹ 400.73 Millions as per provisions of the scheme.

NOTE 35: RELATED PARTIES DISCLOSURES

(i) List of related parties with whom transactions have taken place and relationships:

Relationship	Name of related party
Key managerial personnel	Mr. A K Purwar (Independent Director)
	Mr. S Narayan (Independent Director)
	Mr. Kranti Sinha (Independent Director)
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey (Independent Director)
	Ms. Geeta Mathur (Independent Director)
	Mr. Chandran Ratnaswami (Non-Executive Director)
Direct Subsidiary	India Infoline Finance Limited
Step Down Subsidiaries	IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limited)
	Samasta Microfinance Limited
	Clara Developers Private Limited
Other Related Parties* (Subsidiaries including step-down subsidiaries up to April 01, 2018)	IIFL Securities Limited (Formerly India Infoline Limited)
	IIFL Securities Services IFSC Limited (w.e.f. August 06, 2018)
	IIFL Wealth Management Limited
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Commodities Limited
	India Infoline Foundation
	IIFL Insurance Brokers Limited
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Alternate Asset Advisors Limited

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

Other Related Parties * (Subsidiaries including step down subsidiaries up to April 01, 2018)	IIFL Asset Reconstruction Limited
	IIFL Distribution Services Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	IIFL Wealth Finance Limited
	IIFL Private Wealth (Hong Kong) Limited
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc.
	Ayusha Dairy Private Limited (up to August 06, 2018)
	IIFL Private Wealth (Suisse) SA. (up to February 27, 2019)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IFL Asset Management (Mauritius) Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	India Infoline Employee Trust
	IIFL Wealth Securities IFSC Limited (w.e.f. June 22, 2018)
	IIFL Altiore Advisors Private Limited (Formerly Altiore Advisors Private Limited) (w.e.f. November 02, 2018)
	IIFL Wealth Advisors(India) Limited (Formerly Wealth Advisors (India) Private Limited) (w.e.f. November 22, 2018)
	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary IIFL Management Services Ltd.)
	5paisa Capital Limited
	5paisa P2P Limited
	FIH Mauritius Investment Limited
	5paisa Insurance Brokers Limited

* Date of Demerger – April 01, 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

(ii) Transactions during the year with related parties:

(₹ in millions)

Nature of transactions	FY 2018-19	FY 2017-18
Investments in Equity shares of Subsidiaries/associates :		
a) Other Related Parties		
IIFL Securities Limited	-	1,500.00
Disinvestments in Preference shares of Subsidiaries :		
a) Subsidiaries		
India Infoline Finance Limited	-	750.00
Investments Purchase :		
a) Other Related Parties		
IIFL Wealth Management Limited@	-	0.00
Deposit – Given :		
a) Subsidiaries		
India Infoline Finance Limited	0.10	0.20

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in millions)

Nature of transactions	FY 2018-19	FY 2017-18
b) Other Related Parties		
IIFL Facilities Services Limited	-	0.20
IIFL Securities Limited	-	0.10
5Paisa Capital Limited	-	0.20
Deposit - Received (Given Back) :		
a) Subsidiaries		
India Infoline Finance Limited	0.10	0.20
b) Other Related Parties		
IIFL Facilities Services Limited	-	0.20
IIFL Securities Limited	-	0.10
5Paisa Capital Limited	-	0.20
NCD Taken and Repaid :		
a) Other Related Parties		
IIFL Facilities Services Limited	-	676.38
ICD Taken :		
a) Subsidiaries		
India Infoline Finance Limited	-	615.00
b) Other Related Parties		
IIFL Securities Limited	-	314.00
5paisa Capital Limited	-	140.00
ICD Repaid :		
a) Subsidiaries		
India Infoline Finance Limited	-	615.00
b) Other Related Parties		
IIFL Securities Limited	-	314.00
5paisa Capital Limited	-	140.00
ICD Given :		
a) Subsidiaries		
India Infoline Finance Limited	-	1,500.00
b) Other Related Parties		
IIFL Management Services Limited	-	183.00
IIFL Securities Limited	-	2,600.00
India Infoline Employee Trust	-	35.00
5Paisa Capital Limited	-	510.00
ICD Given Received Back :		
a) Subsidiaries		
India Infoline Finance Limited	-	1,500.00
b) Other Related Parties		
IIFL Management Services Limited	-	183.00
India Infoline Employee Trust	-	35.00
IIFL Securities Limited	-	2,600.00
5Paisa Capital Limited	-	510.00
Interest Income - ICD :		
a) Subsidiaries		
India Infoline Finance Limited	-	1.15
b) Other Related Parties		
IIFL Management Services Limited	-	0.66
India Infoline Employee Trust	-	0.01
IIFL Securities Limited	-	9.28
5Paisa Capital Limited	-	4.13

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in millions)

Nature of transactions	FY 2018-19	FY 2017-18
Dividend Income :		
a) Subsidiaries		
India Infoline Finance Limited	712.15	752.12
b) Other Related Parties		
IIFL Commodities Limited	12.54	-
IIFL Insurance Brokers Limited	50.00	-
IIFL Securities Limited	280.77	430.52
IIFL Wealth Management Limited	450.00	405.00
Dividend Paid :		
a) Other Related Parties		
India Infoline Employee Trust Limited	0.38	0.38
Interest Expenses NCD :		
a) Other Related Parties		
IIFL Facilities Services Limited	-	0.91
Corporate Social Responsibility Expenses :		
a) Other Related Parties		
India Infoline Foundation	11.40	7.18
Rent Expenses :		
a) Other Related Parties		
IIFL Facilities Services Limited	-	29.01
DP Charges :		
a) Other Related Parties		
IIFL Securities Limited	-	0.01
Commission & Brokerage Expenses :		
a) Other Related Parties		
IIFL Securities Limited@	-	0.00
Allocation / Reimbursement of expenses Paid :		
a) Subsidiaries		
India Infoline Finance Limited	0.58	-
b) Other Related Parties		
IIFL Securities Limited	-	2.70
Allocation / Reimbursement of expenses Received :		
a) Subsidiaries		
India Infoline Finance Limited	85.49	59.44
IIFL Home Finance Limited	6.18	25.86
Samasta Microfinance Limited	0.13	-
b) Other Related Parties		
5paisa Capital Limited	-	1.73
IIFL Securities Limited	-	12.96
IIFL Wealth Management Limited	-	32.32
IIFL Wealth Finance Limited	-	0.50
Directors Sitting Fee:		
A K Purwar	0.35	0.20
Geeta Mathur	0.42	0.36
Kranti Sinha	0.45	0.35
Nilesh Vikamsey	0.50	0.23
S Narayan	0.09	0.15

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in millions)

Nature of transactions	FY 2018-19	FY 2017-18
Directors Commission:		
A K Purwar	1.00	1.00
Geeta Mathur	1.00	1.00
Kranti Sinha	1.00	1.00
Nilesh Vikamsey	1.00	1.00
S Narayan	1.00	1.00
Others paid :		
a) Subsidiaries		
India Infoline Finance Limited	-	1.47
b) Other Related Parties		
IIFL Securities Limited	-	0.08
IIFL Facilities Services Limited@	-	0.00
IIFL Insurance Brokers Limited	-	0.70
5paisa Capital Limited@	-	0.00
Others Received :		
a) Subsidiaries		
India Infoline Finance Limited	0.50	1.73
IIFL Home Finance Limited	2.27	4.13
b) Other Related Parties		
IIFL Insurance Brokers Limited	-	0.77
IIFL Management Services Limited	-	0.01
IIFL Securities Limited	-	15.84
IIFL Commodities Limited	-	0.33
IIFL Facilities Services Limited@	-	0.00
IIFL Asset Management Limited	-	0.02
IIFL Wealth Management Limited	-	0.15
5Paisa Capital Limited	-	2.05

@ Amount is less than ₹ 0.01 Million hence shown ₹ 0.00 Million wherever applicable.

(iii) Outstanding at the year end

(₹ in millions)

Nature of transactions	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Sundry Payable :			
a) Subsidiaries			
India Infoline Finance Limited	0.17	-	-
Sundry Receivable :			
a) Subsidiaries			
IIFL Home Finance Limited	0.50	11.60	7.49
India Infoline Finance Limited	-	5.00	4.25
b) Other Related Parties			
IIFL Insurance Brokers Limited	-	1.32	0.77
IIFL Securities Limited	-	32.65	19.40
IIFL Commodities Limited	-	0.75	0.42
5paisa Capital Limited	-	-	12.95
IIFL Management Services Limited	-	0.23	0.22
IIFL Asset Management Limited	-	0.61	0.59
IIFL Wealth Management Ltd	-	2.17	2.02
IIFL Wealth Finance Ltd	-	0.58	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in millions)

Nature of transactions	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment in Subsidiaries/Associate/Other Related Parties :			
Equity			
a) Subsidiaries			
India Infoline Finance Limited	10,201.83	10,189.71	10,152.99
b) Other Related Parties			
IIFL Facilities Services Limited	-	321.40	605.18
IIFL Commodities Limited	-	20.00	20.00
IIFL Wealth Management Limited	-	225.00	225.00
IIFL Insurance Brokers Limited	-	33.41	33.41
IIFL Management Services Limited	-	10.00	10.00
IIFL Securities Limited	-	2,453.13	953.13
IIFL Wealth (UK) Limited	-	11.20	11.20
IIFL Capital Inc.	-	40.29	40.29
IIFL Asset Reconstruction Ltd	-	44.13	20.50
Preference			
a) Subsidiaries			
India Infoline Finance Limited	-	-	750.00
b) Other Related Parties			
IIFL Management Services Limited	-	283.78	-
Corporate Guarantee			
a) Subsidiaries			
IIFL Home Finance Limited	33,250.00	28,080.00	25,030.00
India Infoline Finance Limited	14,000.00	29,350.00	35,850.00
b) Other Related Parties			
IIFL Securities Limited	900.00	1,550.00	5,750.00
5paisa Capital Limited	-	-	500.00
IIFL Commodities Limited	-	1,250.00	1,250.00

NOTE 36: DISCLOSURE OF LOANS/ADVANCES TO SUBSIDIARIES AND ASSOCIATES ETC. AS REQUIRED UNDER SCHEDULE V READ WITH REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015.

a) ₹ NIL (Previous year ₹ NIL) due from India Infoline Finance Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 1,150.00 Millions)

b) ₹ NIL (Previous year ₹ NIL) due from IIFL Securities Limited (Formerly Known as India Infoline Limited) (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 1,100.00 Millions)

c) ₹ NIL (Previous year ₹ NIL) due from IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited) (maximum amount outstanding during the year ₹ NIL, Previous Year: ₹ 183.00 Millions)

d) ₹ NIL (Previous year ₹ NIL) due from 5paisa Capital Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 250.00 Millions)

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

NOTE 37: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months
ASSETS									
1. Financial Assets									
(a) Cash and cash equivalents	0.34	0.34	-	236.14	236.14	-	90.27	90.27	-
(b) Bank balance other than (a) above	13.57	13.57	-	10.79	10.79	-	7.80	7.80	-
(c) Receivables			-						
(I) Trade receivables	-	-	-	25.42	25.42	-	53.22	53.22	-
(II) Other receivables	-	-	-	1.54	1.54	-	6.98	6.98	-
(d) Loans	-	-	-	-	-	-	-	-	-
(e) Investments	10,201.83	-	10,201.83	14,190.54	43.32	14,147.22	14,251.40	780.22	13,471.18
(f) Other financial assets	0.63	0.63	-	63.79	63.49	0.30	81.41	81.11	0.30
Sub-total	**10,216.37**	**14.54**	**10,201.83**	**14,528.22**	**380.70**	**14,147.52**	**14,491.08**	**1,019.60**	**13,471.48**
2. Non-Financial Assets									
(a) Current tax assets (net)	412.37	-	412.37	365.75	-	365.75	267.40	-	267.40
(b) Deferred tax assets (net)	70.03	-	70.03	81.29	-	81.29	194.21	-	194.21
(d) Property, Plant and Equipment	6.26	-	6.26	18.22	-	18.22	18.73	-	18.73
(g) Other intangible assets	0.61	-	0.61	8.33	-	8.33	12.76	-	12.76
(i) Other non-financial assets	31.56	1.90	29.66	9.65	5.01	4.64	7.49	3.32	4.17
Sub-total	**520.83**	**1.90**	**518.93**	**483.24**	**5.01**	**478.23**	**500.59**	**3.32**	**497.27**
Total Assets	**10,737.20**	**16.44**	**10,720.76**	**15,011.46**	**385.71**	**14,625.75**	**14,991.67**	**1,022.92**	**13,968.75**
LIABILITIES									
1. Financial Liabilities									
(a) Payables									
(I) Trade payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6.00	6.00	-	14.10	14.10	-	94.63	94.63	-

Notes forming part of Standalone Financial Statements

For the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months
(II) Other payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(b) Debt securities	-	-	-	-	-	-	499.63	499.63	-
(c) Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-
(d) Deposits	-	-	-	-		-	-	-	-
(d) Subordinated liabilities	-	-	-	-	-	-	-	-	-
(e) Other financial liabilities	13.73	13.73	-	42.85	42.85	-	135.51	135.51	-
Sub-total	**19.73**	**19.73**	**-**	**56.95**	**56.95**	**-**	**729.77**	**729.77**	**-**
2. Non-Financial Liabilities									
(a) Current tax liabilities (net)	-	-	-	3.01	3.01	-	13.59	13.59	-
(b) Provisions	3.95	0.26	3.69	37.15	22.21	14.94	78.19	68.17	10.02
(c) Other non-financial liabilities	11.22	11.22	-	87.27	87.27	-	15.89	15.89	-
Sub-total	**15.17**	**11.48**	**3.69**	**127.43**	**112.49**	**14.94**	**107.67**	**97.65**	**10.02**
3. EQUITY									
(a) Equity share capital	638.41		638.41	637.96		637.96	635.82		635.82
(b) Other equity	10,063.89		10,063.89	14,189.12		14,189.12	13,518.41		13,518.41
Sub-total	**10,702.30**	**-**	**10,702.30**	**14,827.08**	**-**	**14,827.08**	**14,154.23**	**-**	**14,154.23**
Total Liabilities and Equity	**10,737.20**	**31.21**	**10,705.99**	**15,011.46**	**169.44**	**14,842.02**	**14,991.67**	**827.42**	**14,164.25**

NOTE 38: Previous year figures have been regrouped, reclassified & rearranged, wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place: Mumbai
Dated: May 15, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Holdings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **IIFL Holdings Limited** ("the Parent/Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention Note No. 39.1 to the consolidated financial statements which describes the reasons for implementation of the Composite Scheme of Arrangement amongst the IIFL Holdings Limited, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, IIFL Distribution Services Limited and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"),in Parts, based on the legal opinion obtained by the Company. The Scheme has been approved by the National Company Law Tribunal vide its order dated March 7, 2019 and filed with the Registrar of Companies on April 11, 2019.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Impairment of Financial Assets held at amortised cost:</td><td>Principal audit procedure performed</td></tr>
<tr><td></td><td>The Group exercises significant judgement using subjective assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances.

The most significant areas are:

◈ Impairment models - Judgement is required to determine the inputs, methodologies, staging/ restaging in case of Significantly Increased in Credit Risk ("SICR") cases and assumptions and these can significantly impact the provisions held. The most significant judgements include the segmentation level at which historical loss rates are calculated, the length of the recovery period and the loss emergence period applied to historical loss provisions.

◈ Identification of impairment.

◈ Corporate exposures are individually assessed for impairment (including identification of cases with SICR) based on a borrower's financial performance, solvency, liquidity etc.

◈ For Retail exposures, collective impairment allowances are calculated using models which approximate credit conditions on homogenous portfolios of loans.

Since the loans and advances form a major portion of the Group's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall Group audit and a key audit matter.

As at March 31, 2019, the Group's gross loans and advances amounted to Rs. 304,054.72 million and the related impairment provisions amounted to Rs. 9,494.14 million, comprising Rs. 4,807.96 million of provision against Stage 1 and 2 exposures and Rs. 4,686.18 million against exposures classified under Stage 3.

Refer Note 36A.3 to the Consolidated Financial Statements.</td><td>◈ We read the Group's Ind-AS 109 based impairment provisioning policy and compared it with the requirements of Ind-AS 109;

◈ We gained an understanding of the Group's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes.

◈ We tested the completeness of loans and advances, off balance sheet items and other financial assets included in the Expected Credit Loss (ECL) calculations as of March 31, 2019;

◈ For data from external sources, we understood the process of choosing such data, its relevance for the Group, and the controls and governance over such data;

◈ Where relevant, we used Information System specialists to gain comfort on data integrity;

◈ We tested the data integrity and completeness of the Staging Report;

◈ For a sample of exposures, we tested the appropriateness of staging into Stage 1, Stage 2 and Stage 3;

◈ For provision against exposures classified as Stage 1, Stage 2 and Stage 3, we obtained an understanding of the Group's provisioning methodology, consistency of various inputs and assumptions used, the reasonableness of the underlying assumptions and the sufficiency of the data used by the Management.

◈ For a sample of exposures, we tested the appropriateness of determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages;

◈ For a sample of exposures, we tested the appropriateness of determining Exposure at Default (EAD);

◈ For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and tested the appropriateness of conversion of the TTC PDs to point in time (PIT) PDs for a sample of exposures;

◈ For a sample of exposures, we tested the calculation of the Loss Given Default (LGD) used in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations;

◈ We involved our risk advisory specialists to assist in us in validating the models used by the Management to compute ECL;

◈ We tested the appropriateness of the opening balance adjustments to verify the bifurcation of impairment loss into transition adjustment and charge for the period.</td></tr>
</table>

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
2	**Information Technology and General Controls**	**Principal audit procedure performed**
	The Group is highly dependent on technology due to significant number of transactions that are processed electronically daily. Accordingly, our audit procedures had a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations. Absence of segregation of duties may result in a risk of intended or unintended manipulation of data that could have a material effect on the completeness and accuracy of the consolidated financial statements. Due to the pervasive nature and use of IT systems, we continued to assess the risk of a material misstatement arising from access to technology as a significant matter for the audit.	For the key IT systems used to prepare accounting and financial information: ◈ We obtained an understanding of the Groups business IT environment and key changes if any during the audit period that may be relevant to the audit. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audit; ◈ We tested the design, implementation and operating effectiveness of the Group's General IT controls over the information systems that are critical to financial reporting. This included evaluation of Group's controls to ensure that access was provisioned / modified based on duly approved requests, access for exit cases was revoked in a timely manner and access of all users was re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users. ◈ We tested the controls to ensure that segregation of duties was monitored and conflicting access was either removed or mapped to mitigating controls, which were documented and tested. ◈ We tested the controls over network segmentation, restriction of remote access to the Groups network, controls over firewall configurations and mechanisms implemented by the Group to prevent, detect and respond to network security incidents. ◈ We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy. ◈ Where deficiencies were identified, we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the completeness and accuracy of data.
3	**Accounting for Composite Scheme of Arrangement:**	**Principal audit procedure performed**
	On January 31, 2018, the Board of Directors of IIFL Holdings Limited (the "Holding Company") approved the draft composite scheme of arrangement amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, India Infoline Limited, IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders ("Scheme") under sections 230 -232 and other applicable provisions of the Companies Act 2013.	- We obtained and read the Composite Scheme of Arrangement under sections 230 and 232 and other applicable provisions of the Companies Act, 2013. - We obtained and read the NCLT order March 7, 2019 approving the scheme. - We obtained and read the letter dated April 11, 2019 filed with the ROC. - We obtained and read the legal consultation obtained by the Management confirming the implementation of Scheme in Parts.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	The Holding Company received shareholders' approval on 12, 2018. Further, the Holding Company received the National Company Law Tribunal (NCLT), Mumbai approval on March 7, 2019 and filed the scheme with the Registrar of Companies (ROC), Mumbai on April 11, 2019. As at the date of filing of the Scheme with the ROC, the Holding Company had not received the final approval from the Reserve Bank of India (RBI) for transfer of Non-Banking Finance Company (NBFC) business license from India Infoline Finance Limited to IIFL Holdings Limited and had requested the ROC to permit refiling of the Scheme after receipt of all the approvals. Pending the approval for transfer of NBFC business license, with the necessary legal consultation, the Board of Directors of the Holding Company have decided to give effect to the Scheme in Parts. Accounting for Composite Scheme of Arrangement is considered to be a key audit matter because the transaction and its accounting is non-routine and involves significant management judgements. Refer note 39.1 of the consolidated financial statements.	- We evaluated the management's conclusions on the accounting for the scheme of demerger in parts. - We performed procedures to verify the completeness and accuracy of the assets and liabilities pertaining to the demerged business undertakings as identified by the management of the Company, including their measurement and presentation in accordance with IND AS 103. - Our procedures included but were not restricted to: ◈ Verifying the basis of allocation of assets and liabilities to the demerged business undertakings including assumptions and estimates used by the Management for recording the same. ◈ Computation of Capital Reserve to be recorded in the books of the Company upon transfer of net assets and liabilities pertaining to the demerged business undertakings.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

  Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- When we read the Director's report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

Independent Auditor's Report (Contd.)

the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Independent Auditor's Report (Contd.)

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 19,309.11 million as at March 31, 2019, total revenues of Rs. 3,397.54 million and net cash inflows amounting to Rs. 368.55 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The comparative financial statements for the year ended March 31, 2018 in respect of 22 subsidiaries, which includes its share of profit in its a joint venture prepared in accordance with the Ind AS and included in these consolidated financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries and joint venture made in these consolidated financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

Independent Auditor's Report (Contd.)

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

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

Pallavi A. Gorakshakar
Partner
(Membership No.105035)

Place: Mumbai
Date: May 15, 2019

ANNEXURE "A"

To the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind ASfinancial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of IIFL Holdings Limited (hereinafter referred to as "the Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based onthe internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to usand based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Pallavi A. Gorakshakar
Partner
(Membership No.105035)

Place: Mumbai
Date: May 15, 2019

CONSOLIDATED BALANCE SHEET
as at March 31, 2019

(₹ in Millions)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
1. Financial Assets				
(a) Cash and cash equivalents	4	12,766.02	15,154.83	21,752.08
(b) Bank balance other than (a) above	5	12,448.26	16,067.66	15,961.64
(c) Derivative financial instruments	6	-	49.75	10.77
(d) Receivables				
(i) Trade receivables	7	364.00	2,546.35	3,511.47
(ii) Other receivables	7	20,177.78	399.65	1,802.30
(e) Loans	8	272,700.67	357,028.78	240,612.58
(f) Investments	9	2,718.98	21,501.75	36,886.88
(g) Other financial assets	10	2,577.11	15,816.48	13,828.86
		323,758.82	**428,565.25**	**334,366.58**
2. Non-financial Assets				
(a) Current tax assets (net)		1,278.67	2,183.03	2,016.04
(b) Deferred tax assets (net)	11	3,368.90	3,917.55	2,944.77
(c) Investment property	12	2,634.27	2,503.00	559.69
(d) Property, plant and equipment	13	1,026.69	5,972.72	5,289.99
(e) Capital work-in-progress		67.77	1,099.39	687.58
(f) Goodwill	14.1	-	107.18	107.18
(g) Other intangible assets	14	23.50	122.37	64.92
(h) Other non-financial assets	15	298.24	482.13	1,033.46
		8,698.04	**16,387.37**	**12,703.63**
Total Assets		**332,450.86**	**444,952.62**	**347,070.21**
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
(a) Derivative financial instruments	6	427.91	817.24	254.02
(b) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	16	-	0.03	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,029.34	2,395.27	1,940.49
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Debt securities	17	105,775.88	157,441.89	116,072.25
(d) Borrowings (other than debt securities)	18	143,987.97	166,294.92	125,992.76
(e) Subordinated liabilities	19	16,028.64	19,527.59	15,598.82
(f) Other financial liabilities	20	19,661.01	33,007.84	29,781.27
		286,910.75	**379,484.78**	**289,639.61**
2. Non-Financial Liabilities				
(a) Current tax liabilities (Net)		519.05	691.84	992.49
(b) Provisions	21	364.90	401.75	444.02
(c) Other non-financial liabilities	22	981.03	1,946.32	2,631.84
		1,864.98	**3,039.91**	**4,068.35**
Total Liabilities		**288,775.73**	**382,524.69**	**293,707.96**
3. EQUITY				
(a) Equity share capital	23	638.41	637.96	635.82
(b) Other equity	23.1	36,310.34	46,790.85	39,929.92
(c) Non-controlling interest	23.1	6,726.38	14,999.12	12,796.51
		43,675.13	**62,427.93**	**53,362.25**
Total Liabilities and Equity		**332,450.86**	**444,952.62**	**347,070.21**
See accompanying notes forming part of the financial statements	1-47			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(₹ in Millions)

	Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest income	24.1	47,856.93	42,801.25
(ii)	Dividend income	24.2	800.24	15.77
(iii)	Rental income		-	736.40
(iv)	Fees and commission income	25	1,227.29	17,838.83
(v)	Net gain on fair value changes	26	-	1,317.89
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Distribution income on investments		-	475.34
(I)	**Total revenue from operations**		**49,884.46**	**63,185.48**
(II)	Other income	27	1,070.82	1,474.86
(III)	**Total Income (I+II)**		**50,955.28**	**64,660.34**
	EXPENSES			
(i)	Finance costs	28	25,857.26	27,220.14
(ii)	Fees and commission expenses		-	1,787.63
(iii)	Net loss on fair value changes	26	107.37	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category	29	3,002.40	1,936.33
(v)	Impairment on financial instruments	30	0.18	2,192.68
(vi)	Employee benefits expenses	31	6,831.24	10,574.80
(vii)	Depreciation, amortisation and impairment	13 & 14	321.24	670.97
(viii)	Others expenses	32	4,585.24	5,738.33
(IV)	**Total Expenses (IV)**		**40,704.93**	**50,120.88**
(V)	**Profit before Share of Loss of Joint Venture, Exceptional Items and tax (III-IV)**		**10,250.35**	**14,539.46**
(VI)	Share of Loss from Joint Venture		-	58.18
(VII)	**Profit before exceptional items and tax (V-VI)**		**10,250.35**	**14,481.28**
(VIII)	Exceptional items	33	1,046.12	-
(IX)	**Profit before tax (VII +VIII)**		**11,296.47**	**14,481.28**
(X)	**Tax expense:**			
	(1) Current tax	34	3,219.78	5,315.66
	(2) Deferred tax	11 & 34	30.45	(1,055.86)
	(3) Current tax expenses relating to previous years	34	2.97	14.88
	Total tax expense		**3,253.20**	**4,274.68**
(XI)	**Profit for the year from continuing operations (VII-VIII)**		**8,043.27**	**10,206.60**
(XII)	**Profit for the year**		**8,043.27**	**10,206.60**
	Attributable to:			
	Owners of the Company		6,906.92	7,947.39
	Non-controlling interest		1,136.35	2,259.21
(XIII)	**Other Comprehensive Income**			
	(A)			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability/ (asset)	34	(4.38)	(36.83)
	Cash Flow Hedge (Net)		(245.24)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 34	148.50	20.75
	Sub total (A)		**(101.12)**	**(16.08)**
	(B)			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		**-**	**-**
	Other Comprehensive Income (A + B)		**(101.12)**	**(16.08)**
(XIV)	**Total Comprehensive Income for the year**		**7,942.15**	**10,190.52**
	Attributable to:			
	Owners of the Company		6,821.73	7,930.80
	Non-controlling interest		1,120.42	2,259.72
(XV)	**Earnings per equity share of face value ₹ 10 each**			
	Basic (in ₹)		21.38	24.92
	Diluted (in ₹)		21.34	24.84
	See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors

For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

(₹ in Millions)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**11,296.47**		**14,481.27**
Adjustments for:				
Depreciation, amortisation and impairment	321.25		670.97	
Impairment on financial instruments	165.72		2,254.15	
Impairment of Goodwill	107.18		-	
(Profit)/Loss on sale of assets	1.28		(1.95)	
Net (Gain)/Loss on fair value changes - unrealised	(117.37)		(1,903.11)	
Interest on deposits with Banks	(816.59)		(1,093.65)	
Net (Gain)/Loss on fair value changes - realised	(3.02)		512.63	
Net Gain / (loss) on derecognition of financial instruments under amortised cost	(681.50)		(376.61)	
Employee Benefit expenses - share based	68.47		55.59	
Finance cost	25,705.89		25,943.74	
Interest on loans	(46,307.91)		(40,747.64)	
Exchange fluctuation on Borrowings	(2.99)		2.99	
Interest on Investments	(505.03)		(718.95)	
Dividend Income	(800.24)		(15.77)	
Employee benefit expenses - others	112.40		107.73	
Loss on buy back of commercial paper (net)	54.02		5.65	
(Profit)/Loss on buy back of debentures (net)	(0.79)		4.23	
Premium paid on early redemption of debentures	-		101.84	
Interest received on deposits with Banks	781.15		1,074.65	
Finance cost paid	(24,406.18)		(26,374.60)	
Income received on Investments	601.86		800.15	
Income received on loans	44,988.30	(734.10)	39,398.66	(299.30)
Operating profit before working capital changes		**10,562.37**		**14,181.97**
Decrease / (Increase) in financial and non financial assets	(20,490.35)		136.83	
Increase in financial and non financial liabilities	1,791.70	(18,698.65)	3,049.25	3,186.08
Cash generated from operations		**(8,136.28)**		**17,368.05**
Taxes paid		(2,915.63)		(5,694.36)
Net cash from operating activities		**(11,051.91)**		**11,673.69**
Loans (disbursed) / repaid (net)		14,332.68		(116,508.55)
Net cash (used in)/generated from operating activities (A)		**3,280.77**		**(104,834.86)**
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and other intangible assets		(681.15)		(1,754.55)
Sale of property, plant and equipment and other intangible assets		13.95		47.09
Purchase of Investment Property		(183.12)		(1,943.31)
Purchase of Investments		(1,557,570.42)		(4,133,556.70)
Proceeds from sale/maturity of Investments		1,563,818.79		4,150,584.18
Deposits placed with Banks		(14,071.15)		(28,195.45)
Proceeds from maturity of deposits placed with Banks		12,123.87		11,061.67
Dividend Income		799.31		15.77
Net cash generated from investing activities (B)		**4,250.08**		**(3,741.30)**

Statement of Cash Flows for the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Change in Non Controlling Interest	42.47	606.56
Securities Premium utilised	(1.00)	-
Premium on issue of debentures	10.24	-
Foreign Exchange Fluctuation Reserve	-	26.83
Dividend paid (including dividend distribution tax)	(1,923.41)	(2,238.01)
Proceeds from Debt Securities	536,998.51	1,031,975.21
Repayment of Debt Securities	(569,760.76)	(989,770.20)
Proceeds from Borrowings (Other than Debt Securities)	856,472.25	2,095,017.70
Repayment of Borrowings (Other than Debt Securities)	(823,344.09)	(2,054,761.24)
Derivative financial instruments	-	(2.99)
Proceeds from subordinated liabilities	7,180.88	4,032.98
Repayment of subordinated liabilities	(5,004.17)	(204.95)
Net cash (used in)/generated from financing activities (C)	**670.92**	**84,681.89**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	**8,201.77**	**(23,894.27)**
Add : Opening Cash and cash equivalents as at the beginning of the year	**13,736.63**	**37,630.90**
Less : Cash and cash equivalents transferred through Composite Scheme of Arrangement	**(9,187.77)**	**-**
Cash and cash equivalents as at the end of the year	**12,750.63**	**13,736.63**

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in Millions)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2019 (refer note 23)	637.96	0.45	**638.41**
As at March 31, 2018 (refer note 23)	635.82	2.14	**637.96**

B. OTHER EQUITY

(₹ in Millions)

Particulars	Reserves and Surplus												Total	Non-Controlling Interest
	Share application money pending allotment	Securities Premium Reserve Note 2	General Reserve Note 3	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 Note 4	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 Note 9	Foreign Exchange Fluctuation Reserve	Capital Reserve	Capital Redemption Reserve Note 5	Debenture Redemption Reserve Note 6	Retained Earnings Note 7	Stock Compensation Reserve Note 8	Employee Stock option reserve (Note - 8)		
Balance as at April 01, 2017	**1.46**	**25,292.84**	**1,472.30**	**2,950.97**	**504.92**	**294.26**	**-**	**1,319.30**	**3,907.01**	**4,036.07**	**150.79**	**-**	**39,929.92**	**12,796.51**
Profit for the year		-	-	-	-	-	-	-	-	7,947.39	-	-	**7,947.39**	2,259.19
Remeasurement of defined benefit (net of tax) (refer note 11)		-	-	-	-	-	-	-	-	(16.59)	-	-	**(16.59)**	0.51
Interim dividend		-	-	-	-	-	-	-	-	(1,373.22)	-	-	**(1,373.22)**	(427.74)
Dividend distribution tax on interim dividend		-	-	-	-	-	-	-	-	(238.32)	-	-	**(238.32)**	(55.25)
Preference dividend		-	-	-	-	-	-	-	-	(119.21)	-	-	**(119.21)**	-
Dividend distribution tax on preference dividend		-	-	-	-	-	-	-	-	(24.27)	-	-	**(24.27)**	-
Transfer to/ from other reserves		51.64	138.90	1,027.21	395.00	-	-	750.00	486.60	(2,789.22)	(60.13)	-	**-**	-
Compulsorily convertible preference shares converted during the year		-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	2.70	604.42	-	-	-	26.83	-	-	-	(10.29)	55.59	-	**679.25**	-
Demerger of Management Services		-	-	-			-	-	-	-	-		**-**	
Transferred to Non Controlling Interest		(292.72)	(3.45)	(11.09)	(0.72)	(0.10)	-	(1.58)	(4.44)	(149.77)	-	-	**(463.87)**	463.87
Other adjustments										469.77	-		**469.77**	(37.97)
Balance as at March 31, 2018	**4.16**	**25,656.18**	**1,607.75**	**3,967.09**	**899.20**	**320.99**	**-**	**2,067.72**	**4,389.17**	**7,732.34**	**146.25**	**-**	**46,790.85**	**14,999.12**
Profit for the year		-	-	-	-	-	-	-	-	6,906.92	-	-	**6,906.92**	1,136.34
Remeasurement of defined benefit (net of tax)		-	-	-	-	-	-	-	-	(85.19)	-	-	**(85.19)**	(15.92)
Interim dividend		-	-	-	-	-	-	-	-	(1,569.98)	-	-	**(1,569.98)**	(130.32)
Dividend distribution tax on interim dividend		-	-	-	-	-	-	-	-	(183.04)	-	-	**(183.04)**	(25.45)
Fair value change on derivatives designated as cash flow hedge (net of tax)		-	-	-	-	-	-	-	-	98.01	-	(98.01)	-	14.69

Statement of Changes in Equity for the year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Reserves and Surplus												Total	Non-Controlling Interest
	Share application money pending allotment	Securities Premium Reserve Note 2	General Reserve Note 3	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 Note 4	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 Note 9	Foreign Exchange Fluctuation Reserve	Capital Reserve	Capital Redemption Reserve Note 5	Debenture Redemption Reserve Note 6	Retained Earnings Note 7	Stock Compensation Reserve Note 8	Employee Stock option reserve (Note - 8)		
Dividend distribution tax on preference dividend	-	-	-	-	-	-	-	-	-	(8.62)	-	-	(8.62)	-
Transfer to/ from other reserves	-	19.49	4,946.46	875.42	613.00	-	-	-	(4,465.75)	(1,968.92)	(19.70)	-	-	-
Addition during the year	(4.16)	56.52	-	-	-	-	-	-	-	-	68.47	-	120.83	-
Addition on debentures (net)	-	9.24	-	-	-	-	-	-	-	-	-	-	9.24	-
On account of demerger	-	(7.19)	-	(516.29)	-	(320.99)	(10,583.73)		-	(3,757.47)	(24.95)	-	(15,210.62)	(9,712.13)
Transferred to Non Controlling Interest	-	(11.17)	(2,156.44)	(348.05)	(244.13)	-	-	(116.71)	436.69	1,980.36	(15.29)	14.69	(460.05)	460.05
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**-**	**25,723.07**	**4,397.77**	**3,978.17**	**1,268.07**	**-**	**(10,583.73)**	**1,951.01**	**360.11**	**9,144.41**	**154.78**	**(83.32)**	**36,310.34**	**6,726.38**

Notes:

1. Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve (including debenture premium). Total additions to Securities Premium is after netting of share issue expenses.

2. General Reserve: The reserve can be distributed/utilised by the Group, in accordance with the Companies Act, 2013

3. Special Reserve: Pursuant to section 45-IC of the Reserve Bank of India Act 1934.

4. Capital Redemption Reserve: This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.

5. Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance

ompany ("NBFC") and Housing Finance Company ("HFC"") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue.

6. Retained Earnings: These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.

7. Stock Compensation Reserve: The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

8. Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.

9. The amount refers to changes in the fair value of derivative financial contracts which are designated as effective cash flow hedge.

10. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place: Mumbai
Dated: May 15, 2019

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

R.Venkataraman
Managing Director
DIN: 00011919

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

NOTES

forming part of Consolidated Financial Statements for the Year ended March 31, 2019

NOTE 1. CORPORATE INFORMATION:

IIFL Holdings Limited was incorporated on October 18, 1995 and was engaged in Merchant Banking and Investment Advisory services besides holding investments in subsidiaries till April 01, 2018, There after the Company is holding only investment in India Infoline Finance Limited.

Note: 1.1 Composite Scheme of Arrangement.

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("Company/IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i. Amalgamation of IIFL M&R with the Company;

ii. Demerger of the Securities Business Undertaking (as defined in the Scheme) of the Company into IIFL Securities;

iii. Demerger of the Wealth Business Undertaking (as defined in the Scheme) of the Company into IIFL Wealth;

iv. Transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution; and

v. Amalgamation of "IIFL Finance" with "the Company", on a going-concern basis.

The Appointed Date for the amalgamation of IIFL M&R with the Company is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Company have approved the Scheme on December 12, 2018. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by the "Company" on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with the Company shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by the Company from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by the Company, the Board of Directors of the respective companies at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

a) Merger of IIFL M&R with the Company with effect from the Appointed Date i.e. April 01, 2017;

b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from the Company with effect from the Appointed Date i.e. April 01, 2018; and

c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.

d) Merger of the IIFL Finance with Company to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of the Company will be entitled to:

a) additional 1 fully paid up equity share of ₹ 2 each in IIFL Securities for every 1 share held in the Company for the demerger of Securities Business Undertaking;

b) additional 1 fully paid up equity share of ₹ 2 each in IIFL Wealth for every 7 shares held in the Company for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with the Company, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of ₹ 2 each in the Company for every 100 shares held in IIFL Finance.

In accordance with the said Composite Scheme of Arrangement, on the effective date:

a) All assets and liabilities of IIFL M&R will be transferred to the Company at their respective book values with effect from April 1, 2017, the appointed date.

b) The whole of the undertaking including all assets and liabilities of the Securities Business Undertaking and Wealth Business Undertaking will be transferred to and vested from Company to IIFL Securities and IIFL Wealth respectively at their respective book values with effect from April 1, 2018, the appointed date.

c) The excess of net assets value of Securities Business Undertaking and Wealth Business Undertaking transferred to IIFL Securities and IIFL Wealth respectively, as reduced by the value of investments

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

in IIFL Securities and IIFL Wealth, referred in (b) above, has been adjusted against "Capital Reserves" (Refer note 39.1).

d) In accordance with the scheme, the investments made by the Company in the followings companies have been transferred to IIFL Securities

i. IIFL Commodities Limited (Formerly India Infoline Commodities Limited)

ii. IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)

iii. IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)

iv. IIFL Facilities Services Limited (Formerly IIFL Realty Limited)

v. IIFL Wealth UK Limited

vi. IIFL Assets Reconstruction Limited

vii. IIFL Capital Inc.

The Company has ceased to be the holding company of the above companies effective April 01, 2018 by virtue of the said composite scheme. Accordingly these financial results of the Company has been drawn up after giving effect to the Scheme for merger of "IIFL M&R", demerger of the "Securities Business Undertaking" and "Wealth Business Undertaking" (as defined in the Scheme).

The merger and demergers have been accounted under the "pooling of interest" method in accordance with Appendix C of IND AS 103 "Business Combination".

Note 1.2. Purpose and Basis of Accounting and Preparation of Financial Statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below ,the relevant provisions of The Companies Act, 2013 ("Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

➢ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;

➢ Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

➢ Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(a) Basis of consolidation

i. Basis of preparation of financial statements

The consolidated financial statements relates to IIFL Holdings Limited (the "Company") and its subsidiary companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Company has:

➢ Power over the investee

➢ Is exposed or has rights to variable returns from its involvement with the investee, and

➢ Has the ability to use its power over investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Holding Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

ii. Principles of consolidation:

a) The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

b) The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

c) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2019.

d) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

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

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

Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Goodwill arising on consolidation is not amortised but tested for impairment.

f) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

g) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2019, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2019 of following subsidiaries are included in consolidation:

Name of the entity	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
India Infoline Finance Limited	India	84.51%	84.54%	84.55%
IIFL Home Finance Limited (formerly India Infoline Housing Finance Limited (IIHFL))	India	84.51%	84.54%	84.55%
Samasta Microfinance Limited (Samasta)	India	83.12%	82.32%	80.51%
Clara Developers Private Limited (Clara)	India	84.51%	84.54%	Nil
IIFL Commodities Limited (Formerly India Infoline Commodities Limited)	India	-	100.00%	100.00%
India Infoline Media and Research Services Limited	India	-	100.00%	100.00%
IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	India	-	100.00%	100.00%
IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	India	-	100.00%	100.00%
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	India	-	100.00%	100.00%
IIFL Capital Inc.	United States of America	-	100.00%	100.00%
IIFL Wealth (UK) Limited	United Kingdom	-	100.00%	100.00%
IIFL Securities Limited (Formerly India Infoline Limited)	India	-	100.00%	99.99%
IIFL Wealth Management Limited	India	-	56.42%	57.72%
IIFL Distribution Services Limited	India	-	56.42%	57.72%
IIFL Investment Adviser and Trustee Services Limited	India	-	56.42%	57.72%
India Alternatives Investment Advisors Private Limited (upto 31st March 2017)	India	-	-	40.98%
IIFL Trustee Limited	India	-	56.42%	57.72%
IIFL Asset Management Limited	India	-	56.42%	57.72%
IIFL Alternate Asset Advisors Limited	India	-	56.42%	57.72%
IIFL (Asia) Pte. Limited	Singapore	-	56.42%	57.72%
IIFL Securities Pte. Limited	Singapore	-	56.42%	57.72%
IIFL Capital Pte. Limited	Singapore	-	56.42%	57.72%
IIFL Private Wealth Hong Kong Limited	Hong Kong	-	56.42%	57.72%
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private wealth (Mauritius) Limited)	Mauritius	-	56.42%	57.72%

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Name of the entity	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
IIFL Inc	United States of America	-	56.42%	57.72%
IIFL Private Wealth (Suisse) SA	Switzerland	-	56.42%	57.72%
IIFL Private Wealth Management (Dubai) Limited	United Arab Emirates	-	56.42%	57.72%
IIFL Wealth Finance Limited	India	-	56.42%	57.72%
IIFL Asset Reconstruction Limited	India	-	100.00%	-
IIFL Capital (Canada) Limited	Canada	-	56.42%	-
India Infoline Employee Trust	India	-	100.00%	100.00%
IIFL Wealth Employee Benefit Trust	India	-	100.00%	100.00%
Associate Company				
IIFL Asset Reconstruction Limited	India	-	-	50.00%
Jointly Controlled Entities	**Country of Incorporation**	**Proportion of ownership interest**		
		As at March 31, 2019	**As at March 31, 2018**	**As at April 01, 2017**
Meenakshi Tower LLP*	India	-	50.00%	50.00%

The percentage of holding in Samasta Microfinance Limited during the year increased from 97.37% to 98.36%, consequently as on March 31, 2019, the net worth increased by 0.98% amounting to ₹ 26.18 million and profit after tax increased by ₹ 5.09 million.

During the previous year, the percentage of holding in Samasta Microfinance Limited increased from 95.23% to 97.37%, consequently as on March 31, 2018, the net worth increased by 2.14% amounting to ₹ 24.23 million and profit after tax increased by ₹ 1.31 million and the Group acquired Clara Developers Private Limited, consequently the net worth as on March 31, 2018 increased by ₹ 0.31 million and Profit after tax reduced by ₹ 0.02 million.

(a) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(b) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment.

The financials for the year ended March 31, 2019 of the Group are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements up to the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 3 for the details of first-time adoption exemptions availed by the Group.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

Note 1.3. Basis of carved out financial information:

a) The management of IIFL Holdings Limited, IIFL Securities Limited and IIFL Wealth Management services Limited have identified the specific items of assets and liabilities relating to "Securities Business Undertaking" and "Wealth Business Undertaking" which have been transferred to IIFL Securities Limited and IIFL Wealth Management Limited pursuant to the Scheme approved by the NCLT and the related income and expenses which forms part of the "Securities Business Undertaking" and "Wealth Business Undertaking". The scheme sets out the assets and liabilities to be transferred; hence financial statement of the company for March 31, 2019 has been prepared after considering effect of transfer of assets and liabilities to respective undertakings.

b) As per the composite scheme of arrangement excess of book value of asset over book value of liabilities of "Securities Business Undertaking" and Wealth Business Undertaking" as on April 01, 2018 is adjusted in capital reserve as there is no cash settlement, hence movement of assets and liabilities and profit and loss and other comprehensive income for the period ended March 31, 2019 has been adjusted against capital reserve.

c) As set out in the scheme the carved out business i.e. the "Securities Business Undertaking" and Wealth Business Undertaking" transferred to IIFL Securities Limited and IIFL Wealth Management does not include transfer of the tax assets and tax liabilities. The tax charge/ benefit available to IIFL Securities Limited and IIFL Wealth Management Limited may be different to that available to the carved out business.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Interest and Dividend Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii) Fees and Charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Statement of Profit and Loss include, among other things, fees charged for servicing a loan.

Fee and commission expenses with regards to services are accounted for as and when the services are received.

Income related to Investment Banking and advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as services are rendered.

iii) Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv) Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v) Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

vi) Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

b) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

For transition to Ind AS, the Group has elected to adopt as deemed cost, the opening written down value in the erstwhile I-GAAP on the transition date of April 1, 2017.

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 case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Building *	20
Computer *	3
Office equipment	5
Electrical equipment*	5
Furniture and fixtures*	5
Vehicles*	5

* 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss statement.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

Intangible assets i.e. Software are amortised on straight line basis over the estimated useful life of 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the profit and loss statement when the asset is derecognised.

d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognised. Freehold land and properties under construction are not depreciated.

e) Impairment of tangible and intangible assets

As at the end of each accounting year, the group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

f) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

g) Employee Benefits

Defined contribution plans:

The Groups's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Profit and Loss Statement.

Defined benefit plans:

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plan above.

Short term employee benefits: The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences.

Employee Benefit Obligations:

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences. The Group has provided for compensated absences on the basis of actuarial valuation.

h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Lease rentals on assets under operating lease are charged to the Profit and Loss Statement on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

j) Taxes on income

Current 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 tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Groups's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/ business losses/ losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year:

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

k) Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the profit and loss statement.

Financial assets

Classification and measurement:

The Group classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit and loss statement.

All recognised financial assets that are within the scope of "Indian Accounting Standard (Ind AS) 109 Financial Instruments" are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial instruments measured at amortised cost:

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to profit or loss.

Financial instruments measured at fair value through Profit and Loss (FVTPL):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement.

Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Grops's right to receive dividend is established.

Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

is not reclassified to profit or loss on disposal of the investments. Dividends from these investments are recognised in the statement of profit and loss when the Group's right to receive dividends is established.

Reclassifications:

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets:

The Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio.
- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or

- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

l) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

m) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

n) Borrowing Costs

Borrowing costs include interest expense calculated using the EIR method.

o) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

q) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

r) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

s) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Note 2.1. Recent pronouncements

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Leases Standard, Ind AS 17 Leases, and related interpretations. The standard set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The Group is in the process of evaluating the option to be exercised for implementation of IND AS 116 and assessing the impact of this standard.

Ind AS 12 Appendix C, uncertainty over income tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over income tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12–Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April1, 2019.

The Group is currently assessing the impact of this amendment on the financial statements.

Amendment to Ind AS 19 – Employee Benefits:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Group is currently assessing the impact of this amendment on the financial statements.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 3. FIRST TIME ADOPTION OF IND AS

The financial statements, for the year ended March 31, 2019 are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018 the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019 together with the comparative period data as at and for the year ended March 31, 2018 as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening Balance Sheet was prepared as at April 01, 2017 the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the Balance Sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018. INDAS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under INDAS. The exemptions availed by the Group are as follows:

(i) The Group has adopted the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment and investment property as deemed cost of such assets at the transition date.

(ii) The Group has applied the derecognition requirements of financial assets and financial liabilities retrospectively.

(iii) The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

(iv) The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

(v) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

(vi) The Group has elected to apply Ind AS 103 business combinations retrospectively to past business combinations that occur before the transition date.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

3.1 Reconciliation of Total Comprehensive income for the year ended March 31, 2018 is summarised as follows:

(₹ in Millions)

Particulars	Notes under 3.3	FY 2017-2018
Net Profit after tax as per previous GAAP		**11,620.78**
Add/(Less) : Adjustments as per Ind AS		
Provision for expected credit loss	a	(2,124.71)
Effective interest rate for financial assets	b	(285.37)
Effective Interest rate for financial liabilities recognised at amortised cost	c	(1.77)
Fair valuation of investments	d	(18.27)
Net gain on derecognition of loans sold under assignment transaction	e	376.61
Actuarial loss on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	f	61.10
Others*	g, h, l	(214.97)
Tax impact on above adjustments	i	793.20
Profit after tax as per Ind AS		**10,206.60**
Other Comprehensive Income (net of tax)	f, i	(16.08)
Profit after tax as per Ind AS		**10,190.52**

* includes reversal of deferred tax liability on Special Reserve amounting to ₹ 127.12 million for the year ended March 31, 2018.

3.2 Reconciliation of equity as reported under previous GAAP is summarised as follows:

(₹ in Millions)

Particulars	Note under 3.3	As at March 31, 2018	As at April 1, 2017
Net worth as per previous GAAP		**65,663.79**	**56,367.88**
Add/(less):			
Fair valuation of investments	d	773.76	777.63
Effective interest rate for financial assets	b	(812.02)	(566.16)
Effective interest rate for financial liabilities recognised at amortised cost	c	(104.20)	(47.78)
Provision for expected credit loss	a	(5,916.41)	(3,531.43)
Interest recognition on NPAs		(10.28)	-
Net gain on derecognition of loans sold under assignment transaction	e	805.46	428.85
Reclassification of preference shares to financial liability	h	283.78	-
- Goodwill		(541.42)	(477.78)
- ESOPs compensation cost		(19.53)	31.91
- Reversal of DTL on Special Reserve		313.07	-
- Consolidation of IIFL Wealth Employee Benefit trust		2.89	2.80
- Due to Business Combination – 5 Paisa		-	(882.35)
- Standard Asset reversal		276.97	-
- Due to Business Combination – Media		(10.50)	-
Others *	g, l	20.79	124.49
- Other Comprehensive Income (net of tax)		(33.44)	-
Securities Premium transferred to Borrowings under Ind AS		(85.68)	-
Deferred tax impact on above adjustments (excluding DTL on special reserve)	i	1,820.90	1,134.19
Networth as per Ind AS		**62,427.93**	**53,362.25**

* includes reversal of deferred tax liability on Special Reserve amounting to ₹ 313.07 million for March 31, 2018 and ₹ 185.95 million for April 01, 2017.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

3.3 Equity reconciliation for April 01, 2017

(₹ in Millions)

Particulars	Note No. 3.7	Previous GAAP*	Adjustments	IND AS
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents		21,734.80	17.28	21,752.08
(b) Bank balance other than (a) above		15,961.64	-	15,961.64
(c) Derivative financial instruments		10.77	-	10.77
(d) Receivables				
(I) Trade receivables		3,510.30	1.17	3,511.47
(II) Other receivables		1,802.30	-	1,802.30
(e) Loans	a, b, j, k	228,900.65	11,711.93	240,612.58
(f) Investments	d	36,325.32	561.56	36,886.88
(g) Other financial assets	a, e	14,030.17	(201.31)	13,828.86
(2) Non-financial Assets				
(a) Current tax assets (net)		1,975.48	40.56	2,016.04
(b) Deferred tax assets (net)	i, l	1,553.57	1,391.20	2,944.77
(c) Investment property		559.69	-	559.69
(d) Property, plant and equipment		5,279.13	10.86	5,289.99
(e) Capital work-in-progress		687.58	-	687.58
(f) Goodwill		636.49	(529.31)	107.18
(g) Other intangible assets		63.97	0.95	64.92
(h) Other non-financial assets		1,033.46	-	1,033.46
Total Assets		**334,065.32**	**13,004.89**	**347,070.21**
LIABILITIES AND EQUITY				
(1) Financial liabilities				
(a) Derivative financial instruments		254.02	-	254.02
(b) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,856.88	83.61	1,940.49
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Debt securities	c	116,071.19	1.06	116,072.25
(d) Borrowings (other than debt securities)	c, j	110,872.52	15,120.24	125,992.76
(e) Subordinated liabilities	c, h	14,842.84	755.98	15,598.82
(f) Other financial liabilities	g	29,770.45	10.82	29,781.27
(2) Non-financial liabilities				
(a) Current tax liabilities (net)		992.50	(0.01)	992.49
(b) Provisions		406.83	37.19	444.02
(c) Other non-financial liabilities		2,630.21	1.63	2,631.84
(3) Equity				
(a) Equity share capital	h	635.82	-	635.82
(b) Other equity		43,179.83	(3,249.91)	39,929.92
(c) Non controlling interest		12,552.23	244.28	12,796.51
Total Liabilities and Equity		**334,065.32**	**13,004.89**	**347,070.21**

* Previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

3.4 Equity reconciliation for April 01, 2018

(₹ in Millions)

Particulars	Note No. 3.7	Previous GAAP*	Adjustments	IND AS
ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents		15,153.54	1.29	15,154.83
(b) Bank balance other than (a) above		16,067.66	-	16,067.66
(c) Derivative financial instruments		49.75	-	49.75
(d) Receivables				
(i) Trade receivables		2,661.77	(115.42)	2,546.35
(ii) Other receivables		399.65	-	399.65
(e) Loans	a, b, j, k	348,085.24	8,943.54	357,028.78
(f) Investments	d	20,444.92	1,056.83	21,501.75
(g) Other financial assets	a, e	16,213.19	(396.71)	15,816.48
(2) Non-financial Assets				
(a) Inventories		205.56	(205.56)	-
(b) Current tax assets (net)		2,182.99	0.04	2,183.03
(c) Deferred tax assets (net)	i, l	1,827.87	2,089.68	3,917.55
(d) Investment property		2,503.00	-	2,503.00
(e) Property, plant and equipment		5,973.74	(1.02)	5,972.72
(f) Capital work-in-progress		1,099.39	-	1,099.39
(g) Goodwill		648.60	(541.42)	107.18
(h) Other intangible assets		122.37	-	122.37
(i) Other non financial assets		526.34	(44.21)	482.13
Total Assets		**434,165.58**	**10,787.04**	**444,952.62**
LIABILITIES AND EQUITY				
(1) Financial liabilities				
(a) Derivative financial instruments		817.24	-	817.24
(b) Payables				
(I)Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.03	-	0.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,408.19	(12.92)	2,395.27
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Debt securities	c	157,363.19	78.70	157,441.89
(d) Borrowings (other than debt securities)	c, j	152,167.33	14,127.59	166,294.92
(e) Subordinated liabilities	c	19,513.79	13.80	19,527.59
(f) Other financial liabilities	g	32,851.50	156.34	33,007.84
(2) Non-financial liabilities				
(a) Current tax liabilities (net)		1,050.90	(359.06)	691.84
(b) Provisions		401.51	0.24	401.75
(c) Other non-financial liabilities		1,928.15	18.17	1,946.32
(3) Equity				
(a) Equity share capital		637.96	-	637.96
(b) Other equity		50,022.94	(3,232.09)	46,790.85
(c) Non controlling interest		15,002.89	(3.77)	14,999.12
Total Liabilities and Equity		**434,165.62**	**10,787.00**	**444,952.62**

*Previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

3.5 Profit reconciliation for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note No. 3.7	Previous GAAP*	Adjustments	IND AS
REVENUE FROM OPERATIONS				
(i) Interest income	a, b, j	41,790.50	1,010.75	42,801.25
(ii) Dividend income		15.77	-	15.77
(iii) Rental Income		736.40	-	736.40
(iv) Fees and commission income	b	17,887.30	(48.47)	17,838.83
(v) Net gain on fair value changes	d	1,454.09	(136.20)	1,317.89
(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-	-
(vii) Distribution income on investments		475.34	-	475.34
(I) Total Revenue from operations		**62,359.40**	**826.08**	**63,185.48**
(II) Other Income		1,373.16	101.70	1,474.86
(III) Total Income (I+II)		**63,732.56**	**927.78**	**64,660.34**
EXPENSES				
(i) Finance costs	c, h, j	25,998.35	1,221.79	27,220.14
(ii) Fees and commissions expense		1,787.63	-	1,787.63
(iii) Net loss on fair value changes		(54.65)	54.65	-
(iv) Net loss on derecognition of financial instruments under amortised cost category	e	2,312.94	(376.61)	1,936.33
(v) Impairment on financial instruments	a	598.47	1,594.21	2,192.68
(vi) Employee benefits expenses	f, g	10,537.08	37.72	10,574.80
(vii) Depreciation, amortisation and impairment		668.36	2.61	670.97
(viii) Other expenses		5,293.12	445.21	5,738.33
(IV) Total Expenses (IV)		**47,141.30**	**2,979.58**	**50,120.88**
(V) Profit before share of loss of Joint Venture,exceptional items and tax (III-IV)		**16,591.26**	**(2,051.80)**	**14,539.46**
(VI) Share of Loss from Joint Venture		58.18	-	58.18
(VII) Exceptional items		-	-	-
(VIII) Profit before tax (V+VI)		**16,533.08**	**(2,051.80)**	**14,481.28**
(IX) Tax expense:				
(1) Current tax		5,290.90	24.76	5,315.66
(2) Deferred tax	i, l	(392.97)	(662.89)	(1,055.86)
(3) Current tax expense relating to prior years		14.37	0.51	14.88
Total tax expense		**4,912.30**	**(637.62)**	**4,274.68**
(IX) Profit for the year from continuing operations (VII-VIII)		**11,620.78**	**(1,414.18)**	**10,206.60**
Attributable to:				
Owners of the Company		9,113.24	(1,165.85)	7,947.39
Non-controlling interest		2,507.53	(248.32)	2,259.21
(X) Profit for the year		**11,620.78**	**(1,414.18)**	**10,206.60**
Attributable to:				
Owners of the Company		9,113.25	(1,414.18)	7,947.39
Non-controlling interest		2,507.53	248.32	2,259.21
(XI) Other Comprehensive Income				
A				
(i) Items that will not be reclassified to profit or loss	f	-	(61.08)	(61.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss	i	-	20.78	20.78
Subtotal (A)		**-**	**(40.30)**	**(40.30)**
B				
(i) Items that will be reclassified to profit or loss			24.25	24.25
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		**-**	**24.25**	**24.25**
Other Comprehensive Income (A+B)		**-**	**(16.05)**	**(16.05)**
(XII) Total Comprehensive Income for the year		**11,620.78**	**(1,430.23)**	**10,190.55**
Attributable to:				
Owners of the Company		9,113.24	(1,182.44)	7,930.80
Non-controlling Interest		2,507.53	(247.83)	2,259.70

* Previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

3.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

(₹ in Millions)

Particulars	Notes under 3.7	Previous GAAP*	Adjustments	Ind AS
Net cash from/(used in) operating activities	e,k	(105,137.30)	302.44	(104,834.86)
Net cash from/(used in) investing activities	k	(3,583.05)	(158.25)	(3,741.30)
Net cash from/(used in) financing activities	e,h, j	84,826.08	(144.19)	84,681.89
Net increase/(decrease) in cash and cash equivalents		**(23,894.27)**	**-**	**(23,894.27)**
Cash and cash equivalents at the beginning of the year		37,630.90	-	37,630.90
Cash and cash equivalents at the end of the year		**13,736.63**	**-**	**13,736.63**

* Previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

Notes 3.6 Ind AS adjustment notes:

a) Impairment as per Expected Credit Loss ("ECL")

Under Previous GAAP, non performing assets ("NPA") provisioning was computed based on the prudential norms issued by Reserve Bank of India (""RBI"")/ National Housing Bank (""NHB""). Under Ind AS, the impairment is computed based on ECL model. The differential impact upon adoption of ECL model has been adjusted in Retained Earnings. Under Previous GAAP, Loans and Advances were presented net of provision for NPA and provision against Standard Assets were presented under Provisions. However, under Ind AS, Loans and Advances measured at amortised cost and FVTOCI are presented net of provisions for expected credit losses.

b) Effective interest rate for financial assets

Under Previous GAAP, loan processing fees (net of direct sourcing cost) received in connection with loans portfolios was recognised upfront and credited to Statement of Profit and loss for the year. Under Ind AS, loan processing fees is credited to Statement of Profit and loss using the effective interest rate method. The unamortized portion of loan processing fees is adjusted from the loan portfolio.

c) Effective interest rate for financial liabilities

Under Previous GAAP, transaction costs incurred in connection with borrowings were amortised over the period and charged to the Statement of Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to the Statement of Profit and Loss using the effective interest method. The unamortised portion of transaction costs is adjusted from respective borrowings.

d) Fair valuation of investments

Investments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Investments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. Under Previous GAAP, current investments are stated at lower of cost and market/ fair value. Long-term investments (excluding investment properties) are carried at cost. However, provision for diminution, other than temporary, is made to recognise a decline in the value of the investments. Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

e) Net gain on derecognition of loans sold under assignment transaction

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset. Under Previous GAAP, interest spread was recognized over the period of the deal.

f) Defined benefit obligations

Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to the Statement of Profit and Loss.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

g) ESOP compensation cost

ESOP charge is accounted using fair value method. The portion of ESOP charge payable to Holding Company is accordingly measured and recognised at fair value. Under Previous GAAP ESOP charge was calculated based on intrinsic value method.

h) Redeemable preference shares

Under IND AS, redeemable preference shares are classifed under financial liability and dividend paid on it is reflected under finance cost.

i) Deferred tax

Deferred tax is the tax impact of all adjustments between Previous GAAP and Ind AS.

j) Derecognition of financial assets

Under Previous GAAP, assets were de-recognised, if and only if, the Group had lost the control of the contractual rights that comprised of the corresponding pools transferred. Future interest spread receivable in case of par structure deals were recognised over the tenure of the agreements as per applicable guidelines / directions. Under Ind AS, the Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. Under Ind AS, since the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

k) Credit substitute

Under IND AS, investment in non convertible debentures is classified as loans. Under Previous GAAP, it was classified as Investments.

l) Reversal of deferred tax liability on Special Reserve

As required by the NHB, the Group had recognised deferred tax liability ("DTL") in respect of the balance in the Special Reserve created under section 36(1)(viii) of the Income-Tax Act, 1961. The Group believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

NOTE 4: CASH AND CASH EQUIVALENTS:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand (Refer note (i))	443.12	236.40	141.02
Cheques on hand	50.71	87.69	218.55
Balance with banks			
- In current accounts	8,256.80	6,135.81	16,725.86
- In client accounts	-	3,986.22	1,448.99
- In Deposit accounts (original maturity less than or equal to three months) (refer note 4.1 below)	4,000.00	3,290.51	2,935.64
Total Cash and Cash Equivalents (As per Ind AS 7 Statement of Cash flows)	**12,750.63**	**13,736.63**	**21,470.06**
Balance with Banks			
- In Deposit accounts (original maturity less than or equal to three months) (refer note 4.1 below)	1.40	1,409.69	281.74
- Interest accrued on fixed deposits	13.99	8.51	0.28
Total	**12,766.02**	**15,154.83**	**21,752.08**

Note (i) Includes ₹ 2.07 million (March 31, 2018 - ₹ 1.38 million, April 01, 2017 - ₹ Nil) cash in transit to bank, subsequently deposited.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 4.1 Out of the Fixed Deposits shown above

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Lien marked	-	81.54	71.74
Margin for credit enhancement	1.40	1,328.15	210.01
Other deposits	4,000.00	3,290.51	2,935.64
Total	**4,001.40**	**4,700.20**	**3,217.39**

NOTE 5. BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance with Banks in earmarked accounts towards unclaimed amount on NCD	73.23	250.25	249.51
Deposit accounts (original maturity more than three months) (refer note 5.1 below)	12,256.13	15,724.08	15,629.57
Interest accrued on fixed deposits	118.90	93.33	82.56
Total	**12,448.26**	**16,067.66**	**15,961.64**

Note 5.1 Out of the Fixed Deposits shown above

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Lien marked	8,246.96	13,855.27	12,196.10
Margin for credit enhancement	4,004.93	1,847.13	2,596.62
Other deposits	4.24	21.69	836.85
Total	**12,256.13**	**15,724.09**	**15,629.57**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Millions)

Part I	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives:									
Cross Currency Interest Rate Swaps	3,630.75	-	413.13	900.00	-	2.99	-	-	-
(ii) Interest rate derivatives	-	-	-	-	-	-	-	-	-
(iii) Credit derivatives	-	-	-	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	1,800.05	49.75	814.25	1,314.81	10.77	254.02
(v) Other derivatives	-	-	-	-	-	-	-	-	-
Forward exchange contract	630.00	-	14.78	-	-	-	-	-	-
Total Derivative Financial Instruments	**4,260.75**	**-**	**427.91**	**2,700.05**	**49.75**	**817.24**	**1,314.81**	**10.77**	**254.02**

(₹ in Millions)

Part I I	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging	-	-	-	-	-	-	-	-	-
Currency derivatives	3,980.75	-	421.32	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	**280.00**	**-**	**6.59**	**2,700.05**	**49.75**	**817.24**	**1,314.81**	**10.77**	**254.02**
Cross Currency Interest Rate Swaps	280.00	-	6.59	900.00	-	2.99	-	-	-
Forward exchange contract	-	-	-	-	-	-	-	-	-
Equity linked derivatives	-	-	-	1,800.05	49.75	814.25	1,314.81	10.77	254.02
Total Derivative Financial Instruments	**4,260.75**	**-**	**427.91**	**2,700.05**	**49.75**	**817.24**	**1,314.81**	**10.77**	**254.02**

Credit Risk and Currency Risk

(₹ in Millions)

Part I I	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2019						
Derivative Asset	-	-	-	-	-	-
Derivative Liabilities	4,260.75	427.91	-	-	4,260.75	427.91
As at March 31, 2018						
Derivative Asset	-	-	-	-	-	-
Derivative Liabilities	2,700.05	767.48	1,800.05	764.49	900.00	2.99
As at April 01, 2017						
Derivative Asset	-	-	-	-	-	-
Derivative Liabilities	1,314.81	243.25	1,314.81	243.25	-	-

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2019 (Contd.)

6.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

6.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 55.00 million (March 31, 2018 USD 13.35 million and April 01, 2017 USD 13.35 million). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Group economically hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations relating interest rate and currency risk arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS standards. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/ Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Notional amount	3,980.75	-	-
Carrying amount	421.32	-	-
Line item in the statement of financial position	Derivative Financial Liability	-	-
Change in fair value used for measuring ineffectiveness for the year	(98.01)	-	-
Impact of hedging item			
Change in fair value	(98.01)	-	-
Cash flow hedge reserve	(98.01)	-	-
Cost of hedging	-	-	-
Effect of Cash flow hedge			
Total hedging gain / (loss) recognised in OCI	(98.01)	-	-
Ineffectiveness recognised in profit or (loss)	-	-	-
Line item in the statement of profit or loss	Finance Cost		

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 7: RECEIVABLES:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Trade receivables			
Receivables considered good - Secured	97.54	2,027.37	1,568.64
Receivables considered good - Unsecured	266.46	409.46	1,868.47
Receivables which have significant increase in credit risk	-	131.34	103.07
Receivables - credit impaired	-	83.17	33.21
Total (i) - Gross	**364.00**	**2,651.34**	**3,573.39**
Less: Impairment loss allowance	-	104.99	61.92
Total (i) - Net	**364.00**	**2,546.35**	**3,511.47**
(ii) Other Receivables			
Receivables considered good - Secured (refer note 4 below and note 33(a) on Exceptional items)	20,177.78	-	-
Receivables considered good - Unsecured	-	399.65	1,802.30
Total (ii)	**20,177.78**	**399.65**	**1,802.30**

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person. Nor trade or other receivables are due from firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group has adopted simplified approach for impairment allowance on trade receivables.
3. Trade receivables are non-interest bearing.
4. During the year ended March 2019, the Group executed definitive agreement for divestment of its "Vehicle Financing Business" as a going concern on a slump sale basis to IndoStar Capital Finance Limited ("Indostar"). In terms of the Business Transfer Agreement, the Group will be receiving the outstanding purchase consideration of ₹ 20,177.78 million from Indostar in 12 (twelve) equal monthly instalments from the closing date March 31, 2019, with interest. The outstanding amount for this transaction is reflected under 'Other Receivables'.

NOTE 8. LOANS

(₹ in Millions)

Particulars	As at March 31, 2019		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	199,328.35	60,000.00	259,328.35
(ii) Non Convertible Debentures - for financing real estate projects	22,629.31	-	22,629.31
Total (A) - Gross	**221,957.66**	**60,000.00**	**281,957.66**
Less: Impairment loss allowance	(9,008.50)	(248.48)	(9,256.98)
Total (A) - Net	**212,949.16**	**59,751.52**	**272,700.68**
(B)			
(i) Secured by tangible assets (refer note 8.1)	182,333.13	57,001.49	239,334.62
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	-	-	-
(iv) Unsecured	39,624.52	2,998.51	42,623.03

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
Total (B) - Gross	**221,957.65**	**60,000.00**	**281,957.65**
Less: Impairment loss allowance	(9,008.50)	(248.48)	(9,256.98)
Total (B) - Net	**212,949.15**	**59,751.52**	**272,700.67**
(C)			
(I) Loans in India	**221,957.65**	**60,000.00**	**281,957.65**
(i) Public Sector	-	-	-
(ii) Others	221,957.65	60,000.00	281,957.65
Less: Impairment loss allowance	(9,008.50)	(248.48)	(9,256.98)
Total(C) (I) - Net	**212,949.15**	**59,751.52**	**272,700.67**
(II) Loans outside India	**-**	**-**	**-**
Less: Impairment loss allowance	-	-	-
Total (C) (II)- Net	**-**	**-**	**-**
Total C (I) and C (II)	**212,949.15**	**59,751.52**	**272,700.67**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

(₹ in Millions)

Particulars	As at March 31, 2018		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	310,712.45	43,266.98	353,979.43
(ii) Asset given under finance lease	34.10		34.10
(iii) Non Convertible Debentures - for financing real estate projects	12,256.97	-	12,256.97
(iv) Others - Staff Loans	7.39		7.39
Total (A) - Gross	**323,010.91**	**43,266.98**	**366,277.89**
Less: Impairment loss allowance	(8,994.50)	(254.60)	(9,249.10)
Total (A) - Net	**314,016.41**	**43,012.38**	**357,028.79**
(B)			
(i) Secured by tangible assets (refer note 8.1)	294,647.89	41,272.31	335,920.20
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	-	-	-
(iv) Unsecured	28,363.01	1,994.68	30,357.69
Total (B) - Gross	**323,010.90**	**43,266.99**	**366,277.89**
Less: Impairment loss allowance	(8,994.50)	(254.60)	(9,249.10)
Total (B) - Net	**314,016.40**	**43,012.39**	**357,028.79**
(C)			
(I) Loans in India	**323,010.90**	**43,266.99**	**366,277.89**
(i) Public Sector	-	-	-
(ii) Others	323,010.90	43,266.98	366,277.88
Less: Impairment loss allowance	(8,994.50)	(254.60)	(9,249.10)
Total (C) (I)-Net	**314,016.40**	**43,012.38**	**357,028.78**
(II) Loans outside India	**-**	**-**	**-**
Less: Impairment loss allowance	-	-	-
Total (C) (II)- Net	**-**	**-**	**-**
Total C (I) and C (II)	**314,016.40**	**43,012.38**	**357,028.78**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2017		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	225,434.21	16,072.37	241,506.58
(ii) Non Convertible Debentures - for financing real estate projects	6,377.39	-	6,377.39
(iii) Others - Staff Loans	8.42		8.42
Total (A) - Gross	**231,820.02**	**16,072.37**	**247,892.39**
Less: Impairment loss allowance	(7,229.15)	(42.24)	(7,271.39)
Total (A) - Net	**224,590.87**	**16,030.13**	**240,621.00**
(B)			
(i) Secured by tangible assets (refer note 8.1)	224,100.22	16,072.37	240,172.59
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-
(iv) Unsecured	7,711.38	-	7,711.38
Total (B) - Gross	**231,811.60**	**16,072.37**	**247,883.97**
Less: Impairment loss allowance	(7,229.15)	(42.24)	(7,271.39)
Total (B) - Net	**224,582.45**	**16,030.13**	**240,612.58**
(C)			
(I) Loans in India	**231,811.60**	**16,072.37**	**247,883.97**
(i) Public Sector	-	-	-
(ii) Others	231,811.60	16,072.37	247,883.97
Less: Impairment loss allowance	(7,229.15)	(42.24)	(7,271.39)
Total (C) (I) - Net	**224,582.45**	**16,030.13**	**240,612.58**
(II) Loans outside India	**-**	**-**	**-**
Less: Impairment loss allowance	-	-	-
Total (C) (II)- Net	**-**	**-**	**-**
Total C (I) and C(II)	**224,582.45**	**16,030.13**	**240,612.58**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, bonds, mutual fuds and AIF units, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 5,407.56 million (March 31, 2018: ₹ 5,297.92 million and April 01, 2017: ₹ 3,931.06 million) in respect of which the creation of security is under process.

NOTE 9. INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2019			
	At Fair Value through Other Comprehensive Income	At Fair Value through profit and loss	At Cost	Total
(A)				
Mutual funds	-	86.82	-	86.82
Alternate investment funds		63.19	-	63.19
Government securities	-	-	-	-
Debt securities	-	1,150.27	-	1,150.27
Equity instruments	-	592.00	-	592.00
Others		826.70	-	826.70
Total – Gross (A)	**-**	**2,718.98**	**-**	**2,718.98**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019			
	At Fair Value through Other Comprehensive Income	At Fair Value through profit and loss	At Cost	Total
(B)				
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	2,718.98	-	2,718.98
Total – (B) to tally with Total (A)	**-**	**2,718.98**	**-**	**2,718.98**
Less: Impairment loss allowance - (C)	-	-	-	-
Total Net (D) = A - C	**-**	**2,718.98**	**-**	**2,718.98**

(₹ in Millions)

Particulars	As at March 31, 2018			
	At Fair Value through Other Comprehensive Income	At Fair Value through profit and loss	At Cost	Total
(A)				
Mutual funds	-	2,461.05	-	2,461.05
Alternate investment funds		4,933.80	-	4,933.80
Government securities	-	5,846.83	-	5,846.83
Debt securities	-	4,601.00	-	4,601.00
Equity instruments		431.66	-	431.66
Others		3,227.41	-	3,227.41
Total – Gross (A)		**21,501.75**	**-**	**21,501.75**
(B)				
(i) Investments outside India	-	400.27	-	400.27
(ii) Investments in India	-	21,101.48	-	21,101.48
Total – (B) to tally with Total (A)	**-**	**21,501.75**	**-**	**21,501.75**
Less: Impairment loss allowance - (C)	-	-	-	-
Total Net (D) = A - C	**-**	**21,501.75**	**-**	**21,501.75**

(₹ in Millions)

Particulars	As at April 01, 2017			
	At Fair Value through Other Comprehensive Income	At Fair Value through profit and loss	At Cost	Total
(A)				
Mutual funds	-	1,487.87	-	1,487.87
Alternate investment funds	-	14,224.28	-	14,224.28
Government securities	-	8,857.73	-	8,857.73
Debt securities	-	11,828.02	-	11,828.02
Equity instruments	-	468.48	-	468.48
Investment in Associate		-	20.50	20.50
Total – Gross (A)	**-**	**36,866.38**	**20.50**	**36,886.88**
(i) Investments outside India	-	544.86	-	544.86
(ii) Investments in India	-	36,321.52	20.50	36,342.02
Total – (B) to tally with Total (A)	**-**	**36,866.38**	**20.50**	**36,886.88**
Less: Impairment loss allowance - (C)	-	-	-	-
Total Net (D) = A - C	**-**	**36,866.38**	**20.50**	**36,886.88**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 9.1 Investment Details Script Wise

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Carrying Value	Quantity	Carrying Value	Quantity	Carrying Value
Mutual funds		**86.82**		**2,461.05**		**1,487.87**
IIFL Focused Equity Fund-Direct Plan-Growth (Formely known as IIFL India Growth Fund (G))	4,562,418.45	76.10	4,562,418.45	65.95	4,562,418.47	61.89
Reliance MF Fixed Horizon	-	-	-	-	214,609.00	2.21
ICICI Prudential Ultra Short Term Fund	1,004,396.98	10.72	953,852.28	10.22	920,498.95	9.75
L & T Mutual Fund	-	-	7077024.00	123.15	-	-
Kotak Liquid Direct Plan Growth	-	-			236611.75	780.22
HDFC Charity Fund for Cancer Cure	-	-	200,000.00	20.06	200,000.00	20.05
Bharti Axa Treasury Advantage Fund- Retail Growth Plan	-	-	381,089.41	800.00	-	-
DSP Blackrock Mutual Fund Liquidity Fund Insti Plan Growth Open End	-	-	19,070.79	47.39	-	-
HDFC Debt Fund For Cancer Cure - 50% Regular Option-2014 - Dividend Donation	-	-	1,000,000.00	10.03	1,000,000.00	10.03
HDFC Liquid Fund - Growth (Regular)	-	-	17,459.00	59.54	8,806.00	28.26
ICICI Prudential Flexible Income - Growth	-	-			8,029.83	2.50
IIFL Dynamic Bond Fund - Growth (Regular)	-	-	3,107,375.36	43.25	3,107,375.36	40.28
IIFL Dynamic Bond Fund Direct Plan - Growth	-	-	563,624.61	8.04	563,624.61	7.45
IIFL India Growth Fund - Direct Plan - Growth	-	-	811,091.45	11.73	533,063.45	7.23
IIFL India Growth Fund - Regular Plan - Growth	-	-	7,013,458.83	97.52	38,656,839.95	511.85
IIFL Liquid Fund - Direct Plan - Growth	-	-	4,769.07	6.53	4,769.07	6.14
IIFL Liquid Fund - Regular Plan - Growth	-	-	8.08	0.01	8.08	0.01
Indiabulls Blue Chip Fund - Existing Plan - Dividend - Payout	-	-	63,996,492.28	706.52	-	-
Reliance Liquid Fund-Cash Plan-Growth Plan - Growth Option	-	-	167,394.59	451.11	-	-
Alternate investment fund		**63.19**		**4,933.80**		**14,224.27**
Phi Capital Growth Fund-I	156.93	9.27	-	-	-	-
Indiareit Apartment Fund - Class B	28.32	4.42	66.43	8.87	85.82	8.58
IIFL Income Opportunities Fund-Special Situation - Class B	932,923.14	4.11	932,923.14	6.76	932,923.14	8.96
IIFL Income Opportunities Fund-Special Situation - Class S	10,278,484.68	45.39	10,278,484.68	74.63	10,278,484.68	99.47
IIFL Income Opportunities Fund	-	-	-	-	120,409,278.43	39.45
IIFL Income Opportunities Fund - Series Regular Income	-	-	-	-	600,000,000.00	6,004.48
IIFL Income Opportunities - Special Situation	-	-	13,597,047.97	98.73	13,597,047.97	131.59
IIFL Income Opportunities Fund Series - Special Situations	-	-	1,684.61	0.01	934,607.75	9.04
IIFL Income Opportunities Series Debt Advantage	-	-	18,867,792.09	201.66	46,180,362.87	473.96

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Carrying Value	Quantity	Carrying Value	Quantity	Carrying Value
IIFL Investment Opportunities Fund - Special Series 1	-	-			7,638,211.44	86.58
IIFL Special Opportunities Fund	-	-	6,404,414.27	72.29	1,250,000.00	12.52
IIFL Special Opportunities Fund - Series 2	-	-	6,460,272.53	71.46	-	-
IIFL Special Opportunities Fund - Series 3	-	-	6,507,038.40	71.18	-	-
IIFL Special Opportunities Fund - Series 4	-	-	11,625,136.50	116.29	-	-
IIFL Special Opportunities Fund - Series 5	-	-	5,130,473.10	50.92	-	-
IIFL Special Opportunities Fund - Series 7	-	-	5,002,500.00	50.30	-	-
IIFL National Development Agenda Fund	-	-	-	-	9,713,023.97	122.79
IIFL Real Estate Fund Domestic Series 1					2,161,355.00	34.63
IIFL Real Estate Fund (Domestic) Series 1(C)	-	-	-	-	7,500,000.00	120.17
IIFL Real Estate Fund (Domestic) - Series 2	-	-	46,958,921.45	393.76	46,958,921.45	508.84
IIFL Real Estate Fund Domestic Series 3	-	-	30,633,224.76	310.27	29,650,964.38	310.36
IIFL Real Estate Fund Domestic Series 4	-	-	34,329,178.87	354.09	10,002,500.00	102.44
India Alternative Private Equity Fund-CategoryII-Class S	-	-	3,151,000.00	545.41	3,151,000.00	388.46
Ask Select Focus Fund	-	-	5,000.00	4.76	-	-
Blume Ventures Fund I	-	-	1,487.50	27.01	1,487.50	13.53
DSP AIF Pharma Fund	-	-	100,000.00	9.62	-	-
Global Dynamic Opportunities Fund Ltd. Cell 74	-	-			82,800.00	565.36
Global Dynamic Opportunities Fund Ltd. Cell 99	-	-	59,120.89	397.86	-	-
IA All Cap Fund	-	-	5,645,048.00	54.52	-	-
IA Diversified Fund	-	-	7,500,000.00	75.85	-	-
ICICI Prudential Real Estate AIF II	-	-	728,195.63	80.96	-	-
IIFL Asset Revival Fund Series 2	-	-	10,002,500.00	141.17	10,002,500.00	131.94
IIFL Asset Revival Fund Series 3	-	-	2,943,914.09	38.13	4,716,692.09	57.50
IIFL Best Of Class Fund I	-	-	10,002,500.00	118.97	5,002,500.00	59.71
IIFL Best Of Class Fund II	-	-	2,500.00	0.03	5,002,500.00	59.48
IIFL Blended Fund - Series A	-	-	2,552,091.07	24.24	-	-
IIFL Blended Fund - Series C	-	-	3,012,500.00	29.53	-	-
IIFL Cash Opportunities Fund	-	-	40,058,229.67	483.98	384,525,183.43	4,377.86
IIFL Focused Equity Strategies Fund	-	-	6,581,767.51	82.76	2,500,000.00	28.48
IIFL Fund	-	-	300.00	2.41	-	-
IIFL Long Term Equity Growth Fund	-	-	1,000,000.00	10.54	-	-
IIFL Long Term Growth Fund I	-	-	10,002,500.00	103.26	-	-
IIFL National Development Agenda Fund	-	-			9,466.56	0.09
IIFL Phoenix Cash Opportunities Fund	-	-	2,897,648.43	31.67	1,002,500.00	10.26
IIFL Re Organize India Equity Fund	-	-	4,984,299.23	44.95	2,500,000.00	25.09
IIFL Seed Ventures Fund 1	-	-	18,586,993.69	302.13	13,451,908.87	208.63

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Carrying Value	Quantity	Carrying Value	Quantity	Carrying Value
IIFL Select Equity Fund	-	-	2,038,086.15	19.92	2,000,000.00	20.00
IIFL Select Series 1	-	-	1,680,799.34	21.06	1,676,041.10	18.43
IIFL Yield Enhancer Fund	-	-	31,457,114.09	130.33	12,502,500.00	127.83
India Housing Fund	-	-	5,002,500.00	50.27	-	-
Iron Pillar India Fund 1	-	-	291,118.00	29.11	-	-
Malabar Value Fund	-	-	855,837.93	110.30	386,785.95	41.81
Motilal Oswal Focused Growth Opportunities Fund	-	-	882,448.76	12.45	624,802.18	7.69
Sundaram Alternative Opportunities Fund - Nano Cap Series I	-	-	147.02	16.90	25.05	2.47
Sundaram Alternative Opportunities Fund - Nano Cap Series II	-	-	154.74	16.52	-	-
White Oak India Equity Fund	-	-	1,293,392.79	13.26	-	-
India REIT Fund Scheme V	-	-	162.07	22.70	46.51	5.79
Government securities		**-**		**5,846.83**		**8,857.73**
Government securities	-	-	57,000,000.00	5,735.69	85,500,000.00	8,679.06
Interest Accrued	-	-	-	111.14	-	178.67
Debt securities		**1,150.27**		**4,601.00**		**11,828.02**
9.25% DHFL - 2023	748,346.00	610.64	768,843.00	783.34	768,843.00	804.44
7.35% NHAI - 2031	-	-	130,000.00	142.96	203,649.00	229.11
Reliance Capital Ltd	-	-	-	-	60.00	9.01
12.00% IIFL - 2018	-	-	-	-	1,127.00	1.13
8.65% IIFL Series 39 Type I - 2018	-	-	-	-	10.00	10.00
8.65% IIFL Series 40 - 2018	-	-	-	-	15.00	15.00
8.65% IIFL Series 41 Type I - 2018	-	-	-	-	35.00	35.00
8.65% IIFL Series 41 Type II - 2018	-	-	-	-	3.00	3.00
8.65% IIFL Series 42 Type I - 2018	-	-	-	-	25.00	25.00
8.65% IIFL Series 41 Type III - 2018	-	-	-	-	50.00	50.00
8.93 % IIFL Home Finance-2023 (formerly known as India Infoline Housing Finance Limited)	500.00	470.79	-	-	-	-
12.75% IIFL Unsecured Redeemable NCD Option II 17-Sep-18	-	-	8,572.00	1.56	-	-
Interest Accrued	-	68.84	-	48.52		62.19
11.52% IIHFL series N1 - 2018	-	-	-	-	178.00	0.19
11% Bank Of India Sr-1 Perpetual Bond	-	-	1,073.00	1,513.08	1,336.00	1,406.30
Allahabad Bank Sr-I 11.15 LOA Perpetual	-	-	-	-	275.00	274.98
Andhra Bank Sr-III 10.99 LOA Perpetual	-	-	-	-	1,385.00	1,421.62
Bank Of India Sr-III 11.5 BD Perpetual	-	-	-	-	12.00	12.89
Corporation Bank Sr-II 10.28 LOA Perpetual	-	-	-	-	1,500.00	1,458.60
ECL Finance Limited Sr-B9C603C BR NCD 10AP17	-	-	-	-	100.00	465.98
IDBI Bank Limited Sr-II 10.75 BD Perpetual	-	-	-	-	1,417.00	1,395.11
Oriental Bank Of Commerce Sr-2 10.95 BD Perpetual	-	-	-	-	1,400.00	1,447.65

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Carrying Value	Quantity	Carrying Value	Quantity	Carrying Value
Punjab National Bank Sr-VII 9.15 LOA Perpetual	-	-	-	-	500.00	499.09
Punjab National Bank Sr-VIII 8.95 LOA Perpetual	-	-	100.00	212.47	-	-
Reliance Capital Limited RCL MLD Series B/367-A 28-Nov-19	-	-	137.00	13.70	137.00	70.31
Reliance Capital Limited RCL MLD Series B/369-A Type II 02-Dec-19	-	-	60.00	6.00	60.00	6.00
Reliance Capital Limited Sr-B/359A Type III Br NCD 21-OCT-19	-	-	629.00	62.90	629.00	62.90
Reliance Capital Limited Sr-B/359A Type IV Br NCD 24-OCT-19	-	-	704.00	70.40	704.00	70.40
Reliance Capital Limited Sr-B/364A Type I Br NCD 04-NOV-19	-	-	336.00	33.60	336.00	33.60
Reliance Capital Limited Sr-B/433A Br NCD 09-AUG-21	-	-	3,321.00	333.62	-	-
Reliane Capital Limited MLD Series B/435A 25-Oct-21	-	-	1,805.00	180.50	-	-
State Bank Of India Sr-1 9 BD Perpetual	-	-	215.00	217.41	203.00	205.61
State Bank Of India Sr-III 8.39 BD Perpetual	-	-	938.00	931.74	730.00	723.42
State Bank of India Sr-IV 8.15 BD Perpetual	-	-	50.00	49.20		
Syndicate Bank Sr-I 11.25 LOA Perpetual	-	-	-	-	20.00	19.94
Syndicate Bank Sr-III 11.25 LOA Perpetual	-	-	-	-	683.00	714.01
Vijaya Bank Sr-IV 10.49 LOA Perpetual	-	-	-	-	300.00	295.54
Equity instruments		**592.00**		**431.66**		**468.49**
TransUnion CIBIL Limited (formerly known as Credit Information Bureau (India) Limited)	250,000.00	591.50	250,000.00	381.25	250,000.00	381.25
Alpha Microfinance Consultants Private Limited	50,000.00	0.50	50,000.00	0.50	50,000.00	0.50
Bombay Stock Exchange Ltd.	-	-	65,000.00	49.16	65,000.00	63.55
Fineworthy Software Solution Private Limited	-	-	10,000.00	0.10	10,000.00	0.10
Mf Utilities India Private Limited	-	-	500,000.00	0.50	500,000.00	0.50
Shankara Building Products Limited	-	-	-	-	48,769.00	22.44
Treasury stocks	-	-	-	0.15	-	0.15
Others	-	-	-	-	-	-
Investment in Associate	**-**	**-**	**-**	**-**	**-**	**20.50**
Others		**826.70**		**3,227.41**		**-**
IRB InvIT Fund	11,565,000.00	771.28	39,350,000.00	3,227.41	-	-
Option contract						
Option contract undesignated (Notional ₹ 43.13 million)	13,800.00	44.25	-	-	-	-
Option contract undesignated (Notional ₹ 12.50 million)	12,750.00	11.17	-	-	-	-
Total Gross		**2,718.98**		**21,501.75**		**36,886.88**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured, considered good)			
Security deposit for rented premises	330.75	883.55	417.25
Deposit with Clearing Corporation India Ltd	2.40	440.50	385.76
Other deposits	-	76.35	73.01
Interest strip asset on assignment	1,486.96	805.46	428.85
Inter corporate deposit	817.50	-	-
Advances to companies under common promoters	6.21	-	-
Insurance receivable	77.84	155.42	87.16
Receivable on account of assignment	0.05	33.47	36.20
Other receivables	35.98	242.00	187.80
Receivable from exchange	-	9,149.25	9,373.10
Margin With exchange	-	1,031.88	1,337.12
Receivable from client	-	2,666.03	1,536.27
Other advance (Refer note 10.2)	48.28	354.50	-
Expected loan loss provision on loans sanctioned but undrawn	(237.15)	(28.29)	(33.66)
(Unsecured, considered doubtful)		-	-
Security deposit for rented premises (Refer note 10.1)	8.29	6.36	-
Other advances	-	70.60	-
Less: Impairment loss allowance on advances (refer note 10.3)	-	(70.60)	-
Insurance receivable	75.36	41.03	30.83
Less: Provisions on insurance receivables (Refer note 10.4 below)	(75.36)	(41.03)	(30.83)
Total	**2,577.11**	**15,816.48**	**13,828.86**

Note 10.1: The amount includes doubtful deposit to the extent of ₹ 8.29 million (March 31, 2018, ₹ 6.38 million and April 01, 2017 Nil) for which Group carries a provision of ₹ 8.29 million (March 31, 2018, ₹ 6.38 million, April 1, 2017 Nil).

Note 10.2: India Infoline Finance Limited during the year ended March 31, 2018 had acquired an existing advance portfolio from M/S IIFL Management Services Limited ("IIFLMSL"), a subsidiary uptil March 2018. IIFLMSL has been underwriting affordable residential units with recognised developers in past, but was finding it challenging to manage this book. India Infoline Finance Limited, being in the business of financing and having contact with the developers, was in a better position to manage this book and therefore acquired the portfolio from IIFLMSL, which shall be repaid by the developers through their cash flows or sales at regular rests with a fixed rate of return. India Infoline Finance Limited is in the process of obtaining requisite no objection certificates / agreements from the respective developers/ builders for transferring said allotment letters in its name.

Note 10.3: Impairment loss allowance on other advances

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening	70.60	-
Addition	-	70.60
Less: Transfer to Loans	(70.60)	-
Closing	**-**	**70.60**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 10.4: Provisions on insurance receivables

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening	41.03	30.83
Addition	44.24	15.49
Reduction	(9.91)	(5.29)
Closing	**75.36**	**41.03**

NOTE 11. DEFERRED TAX ASSETS AND LIABILITIES

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

(₹ in Millions)

Particulars	Opening balance (as on April 1, 2018)	Asset De-Recognized	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2019)
Deferred tax assets		(Refer note 39.1)					
Property, plant and equipment	353.23	(104.20)	2.34	-	-	-	251.37
Provisions, allowances for doubtful receivables / loans	3,486.62	(567.06)	27.14	-	-	-	2,946.70
Compensated absences and retirement benefits	75.58	(37.42)	24.67	-	-	1.27	64.10
MTM on derivative financial instruments	-	-	2.30	-	-	147.22	149.52
Income amortisation (net)	(1.03)	-	(165.56)	-	-	-	(166.59)
Expenses deductible in future years	(0.30)	-	3.38	-	-	-	3.08
Minimum alternate tax carry-forward	52.67	(52.67)	-	-	-	-	-
"Offsetting of deferred tax (assets) with deferred tax liabilities"	(14.56)	14.56					-
Unrealised profit on investments	(28.83)	79.47	17.83	-	-	-	68.47
C/f losses on Investments	68.36	-	-			-	68.36
Total deferred tax assets	**3,991.74**	**(667.32)**	**(87.90)**	**-**	**-**	**148.50**	**3,385.01**
Deferred tax liabilities	-		-			-	-
Provision for 36(1)(viia)	74.07	(0.51)	(57.45)	-	-	-	16.11
Expenses deductible in future years	0.12	(0.12)					-
Deferred tax assets (net)	**3,917.55**	**(666.81)**	**(30.45)**	**-**	**-**	**148.50**	**3,368.90**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in Millions)

Particulars	Opening balance (as on April 1, 2018)	Asset De-Recognized	Recognised in profit or loss	Foreign exchange difference	MAT Credit utilised	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2019)
Deferred tax assets							
Property, plant and equipment	332.56	-	20.68	-	-	-	353.24
Provisions, allowances for doubtful receivables / loans	2,506.03	-	980.59	-	-	-	3,486.62
Compensated absences and retirement benefits	28.65	-	26.18	-	-	20.75	75.58
Income amortisation (net)	33.20	-	(34.24)	-	-	-	(1.04)
Expenses deductible in future years	4.55	-	(4.85)	-	-	-	(0.30)
Unrealised profit on investments	(94.78)	-	65.94	-	-	-	(28.84)
Minimum alternate tax carry-forward	164.79	-	(8.29)	0.06	(103.89)		52.67
C/f losses on Investments	100.34	-	(31.98)	-	-		68.36
"Offsetting of deferred tax (assets) with deferred tax liabilities"	(2.07)	-	(12.48)	-	-		(14.55)
Total deferred tax assets	**3,073.27**	**-**	**1,001.55**	**0.06**	**(103.89)**	**20.75**	**3,991.74**
Provision for 36(1)(viia)	128.94	-	(54.87)	-	-	-	74.07
Expenses deductible in future years	(0.44)	-	0.56	-	-	-	0.12
Total deferred tax liabilities	**128.50**	**-**	**(54.31)**	**-**	**-**	**-**	**74.19**
Deferred tax assets (net)	**2,944.77**	**-**	**1,055.86**	**0.06**	**(103.89)**	**20.75**	**3,917.55**

NOTE 12. INVESTMENT PROPERTY (AT COST)

(₹ in Millions)

Particulars	Property (Flats) (refer note 12.1)	Land (refer note 12.1 & 12.2)	Total
Gross carrying value			
As at April 1, 2018	**1,550.72**	**952.28**	**2,503.00**
Additions during the year	4.81	178.32	183.13
Less Transfer on Account of Demerger	-	(51.86)	(51.86)
Deductions/adjustments during the year	-	-	-
As at March 31, 2019	**1,555.53**	**1,078.74**	**2,634.27**
Less : Impairment loss allowance	**-**	**-**	**-**
Net carrying value as at March 31, 2019	**1,555.53**	**1,078.74**	**2,634.27**
Fair value as on March 31, 2019 (Fair value hierarchy : Level 3)	1,710.00	1,081.15	2,791.15
GROSS CARRYING VALUE			
As at April 1, 2017	**504.06**	**55.63**	**559.69**
Additions during the year	1,046.66	900.42	1,947.08
Deductions/adjustments during the year	-	(3.77)	(3.77)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Property (Flats) (refer note 12.1)	Land (refer note 12.1 & 12.2)	Total
As at March 31, 2018	**1,550.72**	**952.28**	**2,503.00**
Less : Impairment loss allowance	**-**	**-**	**-**
Net carrying value as at March 31, 2018	**1,550.72**	**952.28**	**2,503.00**
Fair value as on April 01, 2017 (Fair value hierarchy : Level 3)	489.20	187.73	676.93
Fair value as on March 31, 2018 (Fair value hierarchy : Level 3)	1,620.00	1,159.35	2,779.35

12.1: Management has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations have been performed by external independent valuers, having appropriate recognised professional qualification and experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

12.2: During the previous year, the Group acquired 100% equity shares of Clara Developers Private Limited as well as title of the land towards satisfaction of dues given to Assotech Limited. The land was acquired vide sale deed dated March 30, 2018, from IDBI Trusteeship Services Private Limited, the security trustee for the underlying loan, under the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI). The land along with all rights including development rights and possession etc. now reside with the Group.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(₹ in Millions)

Particulars	Freehold Land	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2018	**1,768.22**	**102.31**	**604.47**	**34.77**	**152.75**	**3,440.27**	**48.06**	**405.94**	**6,556.79**
Additions during the year	0.11	3.04	274.29	0.13	55.74	0.49	63.65	240.21	**637.66**
Deductions/adjustments	-	(0.88)	(9.59)	(0.06)	(8.70)	(7.21)	(5.80)	(15.87)	**(48.11)**
Transfer on Account of Demerger	(1,767.35)	(97.45)	(422.94)	(19.30)	(82.64)	(3,073.75)	-	(217.06)	**(5,680.49)**
As at March 31, 2019	**0.98**	**7.02**	**446.23**	**15.54**	**117.15**	**359.80**	**105.91**	**413.22**	**1,465.85**
Depreciation									
As at April 1, 2018	**2.79**	**33.33**	**164.25**	**8.13**	**50.50**	**192.97**	**15.11**	**116.99**	**584.07**
Depreciation for the year	-	2.02	109.09	4.26	28.45	21.17	26.19	113.50	**304.68**
Deductions/adjustments	-	(0.36)	(7.39)	(0.04)	(4.58)	(0.70)	(4.12)	(8.49)	**(25.68)**
Transfer on Account of Demerger	(2.79)	(31.64)	(115.14)	(5.14)	(24.08)	(171.14)	-	(73.98)	**(423.91)**
Up to March 31, 2019	**-**	**3.35**	**150.81**	**7.21**	**50.29**	**42.30**	**37.18**	**148.02**	**439.16**
Net block as at March 31, 2019	**0.98**	**3.67**	**295.42**	**8.33**	**66.86**	**317.50**	**68.73**	**265.20**	**1,026.69**

(₹ in Millions)

Particulars	Freehold Land	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2017	**1,767.28**	**47.56**	**259.41**	**23.88**	**64.55**	**2,955.19**	**25.39**	**146.73**	**5,289.99**
Additions during the year	-	34.73	308.67	16.13	73.77	487.12	27.65	248.49	**1,196.56**
Deductions/adjustments	0.94	20.02	38.14	(5.24)	14.52	(2.04)	(4.98)	11.21	**72.57**
Foreign Currency Translation	-	-	(1.75)	-	(0.09)	-	-	(0.49)	**(2.33)**
As at March 31, 2018	**1,768.22**	**102.31**	**604.47**	**34.77**	**152.75**	**3,440.27**	**48.06**	**405.94**	**6,556.79**
Depreciation									
As at April 1, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	2.79	35.44	169.36	9.99	51.95	193.06	17.05	117.73	**597.37**
Deductions/adjustments	-	(2.11)	(3.36)	(1.86)	(1.33)	(0.09)	(1.94)	(0.29)	**(10.98)**
Foreign Currency Translation		-	(1.75)		(0.12)			(0.45)	**(2.32)**
Up to March 31, 2018	**2.79**	**33.33**	**164.25**	**8.13**	**50.50**	**192.97**	**15.11**	**116.99**	**584.07**
Net block as at March 31, 2018	**1,765.43**	**68.98**	**440.22**	**26.64**	**102.25**	**3,247.30**	**32.95**	**288.95**	**5,972.72**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 14. OTHER INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Millions)

Particulars	Computer Software
Cost or valuation as at April 1, 2018	**195.99**
Additions during the year	20.45
Deductions /Adjustments during the year	(164.16)
As at March 31, 2019	**52.28**
Amortisations	
As at April 1, 2018	**73.62**
Additions during the year	16.57
Deductions /Adjustments during the year	(61.41)
Up to March 31, 2019	**28.78**
Net block as at March 31, 2019	**23.50**

(₹ in Millions)

Particulars	Computer Software
Cost or valuation as at April 1, 2017	**64.92**
Additions during the year	131.04
Deductions /Adjustments during the year	0.03
As at March 31, 2018	**195.99**
Amortisations	
As at April 1, 2017	-
Additions during the year	73.61
Amortisation for the year	
Foreign Currency Translation	0.01
Up to March 31, 2018	**73.62**
Net block as at March 31, 2018	**122.37**

NOTE 14.1: MOVEMENT OF GOODWILL

(₹ in Millions)

Particulars	As at March 31, 2019	As at April 01, 2018
Opening	107.18	107.18
Addition	-	-
Impairment (Refer note 33 (b))	107.18	-
Closing	**-**	**107.18**

NOTE 15. OTHER NON-FINANCIAL ASSETS

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured, considered good			
Prepaid expenses (refer note 15.1)	216.98	310.48	172.39
Deposits with Goverment	29.66	2.19	0.04
Advances for operational expenses	31.25	73.63	774.35
GST / Service tax input	4.92	9.22	4.49
Other assets	15.43	86.61	82.19
Total	**298.24**	**482.13**	**1,033.46**

Note 15.1: Prepaid expenses includes funded gratuity amounting to Nil (March 31, 2018: ₹ 1.00 million and April 01, 2017: Nil). Also refer note 31.2.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 16. PAYABLES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(1) Trade payables			
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 16.1)	-	0.03	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Outstanding dues of creditors	116.26	215.90	364.70
Accrued salaries and benefits	114.17	936.45	597.70
Provision for expenses	786.38	1,237.71	953.14
Other trade payables	12.53	5.21	24.95
Total	**1,029.34**	**2,395.27**	**1,940.49**

Note 16.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	0.03	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

No interest has been paid/is payable by the Group during the year to the suppliers registered under this Act.

NOTE 17. DEBT SECURITIES

(₹ in millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	At Amortised Cost	At Fair Value Through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Total
Liability component of compound financial instrument	-	-	-	1,645.25	-	1,645.25	434.60	-	434.60
(i) Non Convertible Debentures (Refer Note (a), (c), (d) and 17.1) - Secured	64,690.33	-	64,690.33	62,726.38	8,561.10	71,287.48	65,738.55	12,164.70	77,903.25
Less: Unamortised debenture issue expenses	(406.78)	-	(406.78)	(94.60)	-	(94.60)	(71.54)	-	(71.54)
(ii) Commercial Papers (Refer Note 17.1) - Unsecured	41,800.00	-	41,800.00	85,670.00	-	85,670.00	38,050.00	-	38,050.00
Less : Unexpired discount on Commercial Paper (Refer Note (b))	(307.67)	-	(307.67)	(1,066.24)	-	(1,066.24)	(244.06)	-	(244.06)
Total (A)	**105,775.88**	**-**	**105,775.88**	**148,880.79**	**8,561.10**	**157,441.89**	**103,907.55**	**12,164.70**	**116,072.25**
Debt Securities in India	105,775.88	-	105,775.88	148,880.79	8,561.10	157,441.89	103,907.92	12,164.70	116,072.25
Debt Securities outside India	-	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	**105,775.88**	**-**	**105,775.88**	**148,880.79**	**8,561.10**	**157,441.89**	**103,907.92**	**12,164.70**	**116,072.25**

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(b) Unexpired discount on Commercial Papers is net of ₹ 661.38 million (March 31, 2018: ₹ 525.27 million, April 01, 2017: ₹ 373.53 million), towards discount accrued but not due.

(c) Non Convertible Debentures – (i) Secured includes redeemable non convertible debenture which carries call option ₹ 150.00 million (from December 20, 2023) and ₹ 150.00 million (from March 20, 2024) (March 31, 2018: ₹ 1,600.00 million which carries call and put option effective from July 23, 2018, April 01, 2017: Nil).
(ii) Secured includes redeemable Non convertible debenture amounting to ₹ 140.00 million which carries call option effective from July 23, 2018, (April 01, 2018: Nil) and as at (April 01, 2017: Nil).

(d) Includes option contacts undesignated ₹ 11.17 million, March 31, 2018: Nil, April 1, 2017:Nil (Notional amount ₹ 12.50 million, March 31, 2018: Nil, April 1, 2017: Nil)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 17.1 - Terms of repayment

(₹ in Millions)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount
At Amortised cost						
More than 5 years	9.12% -10.33%	1,001.89	-	-	-	-
1- 5 Years	8.00% - 15.25%	50,225.94	7.50% - 15.25%	39,721.02	8.00% - 15.25%	55,423.72
Less than 1 year	7.50% - 10.80%	55,262.50	7.50% -15.51%	110,320.61	7.00% - 12.78%	48,799.43
Total(A)		**106,490.33**		**150,041.63**		**104,223.15**
At Fair value through profit or loss						
More than 5 years	-	-	Market linked	8,561.10	Market linked	12,164.70
1- 5 Years	-	-	-	-	-	-
Less than 1 year	-	-	-	-	-	-
Total(B)		**-**		**8,561.10**		**12,164.70**
TOTAL(A+B)		**106,490.33**		**158,602.73**		**116,387.85**

Note 17.2 - Non Convertible Debentures - instrument wise details

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A3 Option II. Date of Maturity 03/04/2017	-	-	200.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 9. Date of Maturity 03/04/2017	-	-	180.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A1. Option II. Date Of Maturity 03/04/2017	-	-	200.00
11.15% Secured Redeemable Non Convertible Debentures. Option II. Date of Maturity 04/04/2017	-	-	150.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option II. Date Of Maturity 10/04/2017	-	-	850.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 7. Option I. Date Of Maturity 10/04/2017	-	-	500.00
Nifty 50 Index Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-043 Type I. Date of Maturity 18/04/2017	-	-	50.00
Zero Coupon Secured Non Convertible Debentures. Date Of Maturity 24/04/2017	-	-	350.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Option I. Date of Maturity 24/04/2017	-	-	250.00
11.85% Secured Redeemable Non Convertible Debentures. Date of Maturity 29/04/2017	-	-	350.00
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-045 Date of Maturity 15/05/2017	-	-	250.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Date Of Maturity 15/05/2017	-	-	100.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option III. Date Of Maturity 15/06/2017	-	-	500.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A3 Option III. Date of Maturity 16/06/2017	-	-	50.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Option I. Date of Maturity 20/06/2017	-	-	200.00
Nifty 50 Index Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-044 Type I. Date of Maturity 23/06/2017	-	-	21.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Option II. Date of Maturity 03/07/2017	-	-	120.00
Market Linked Non Convertible Debenture Redeemable on 19/07/2017	-	-	98.50
Market Linked Non Convertible Debenture Redeemable on 24/07/2017	-	-	55.50
Market Linked Non Convertible Debenture Redeemable on 26/07/2017	-	-	100.00
Market Linked Non Convertible Debenture Redeemable on 02/08/2017	-	-	338.50
Market Linked Non Convertible Debenture Redeemable on 14/08/2017	-	-	42.50
Zero Coupon Secured Redeemable Non Convertible Debentures. Option I. Date of Maturity 16/08/2017	-	-	180.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Date Of Maturity 16/08/2017	-	-	180.00
Market Linked Non Convertible Debenture Redeemable on 21/08/2017	-	-	150.00
Market Linked Non Convertible Debenture Redeemable on 23/08/2017	-	-	40.50
Market Linked Non Convertible Debenture Redeemable on 30/08/2017	-	-	160.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Option II. Date of Maturity 31/08/2017	-	-	170.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Option I. Date Of Maturity 31/08/2017	-	-	170.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option III. Date Of Maturity 14/09/2017	-	-	500.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 3. Option I. Date of Maturity 21/09/2017	-	-	65.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option I. Date Of Maturity 21/09/2017	-	-	65.00
Market Linked Non Convertible Debenture Redeemable on 22/09/2017	-	-	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option II. Date Of Maturity 03/10/2017	-	-	39.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 3. Option I. Date of Maturity 3/10/2017	-	-	39.00
Market Linked Non Convertible Debenture Redeemable on 04/10/2017	-	-	112.80

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 04/10/2017	-	-	50.00
9.52% Secured Redeemable Non-Convertible Debentures. Series A09. Date of Maturity 6/10/2017	-	-	100.00
Market Linked Non Convertible Debenture Redeemable on 10/10/2017	-	-	100.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option III. Date Of Maturity 11/10/2017	-	-	91.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 3. Option I. Date of Maturity 11/10/2017	-	-	91.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 4. Option 1. Date of Maturity 02/11/2017	-	-	40.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 2. Option I. Date Of Maturity 02/11/2017	-	-	35.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 4. Option 2. Date of Maturity 20/11/2017	-	-	610.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 2. Option II. Date Of Maturity 20/11/2017	-	-	115.00
Market Linked Non Convertible Debenture Redeemable on 20/11/2017	-	-	130.00
Market Linked Non Convertible Debenture Redeemable on 20/11/2017	-	-	150.00
Market Linked Non Convertible Debenture Redeemable on 20/11/2017	-	-	500.00
Market Linked Non Convertible Debenture Redeemable on 24/11/2017	-	-	100.00
Market Linked Non Convertible Debenture Redeemable on 01/12/2017	-	-	7.50
Market Linked Non Convertible Debenture Redeemable on 04/12/2017	-	-	37.50
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 5 Option 1. Date of Maturity 06/12/2017	-	-	40.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 3. Option I. Date Of Maturity 06/12/2017	-	-	40.00
Market Linked Non Convertible Debenture Redeemable on 15/12/2017	-	-	74.30
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 5. Option 2. Date of Maturity 18/12/2017	-	-	60.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 3. Option II. Date Of Maturity 18/12/2017	-	-	60.00
Market Linked Non Convertible Debenture Each Redeemable on 22/12/2017	-	-	3.00
Market Linked Non Convertible Debenture Redeemable on 29/12/2017	-	-	78.50
Market Linked Non Convertible Debenture Redeemable on 29/12/2017	-	-	32.50
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 7 Option I. Date of Maturity 09/01/2018	-	-	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option I. Date Of Maturity 09/01/2018	-	-	30.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 7. Option II. Date of Maturity 23/01/2018	-	-	34.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option II. Date Of Maturity 23/01/2018	-	-	33.00
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series II-039 Type I. Date of Maturity 29/01/2018	-	-	17.00
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series Mld/1-40. Date of Maturity 02/02/2018	-	-	15.00
Nifty 50 Index Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-044 Type II. Date of Maturity 07/02/2018	-	-	25.00
Nifty 50 Index Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-044 Type III. Date of Maturity 07/02/2018	-	-	12.00
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-041 Type I. Date of Maturity 12/02/2018	-	-	35.00
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-041 Type III. Date of Maturity 12/02/2018	-	-	50.00
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 16/02/2018	-	-	250.00
12.78% Secured Redeemable Non-Convertible Debentures. Date of Maturity 21/02/2018	-	-	45.83
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-042 Type I. Date of Maturity 27/02/2018	-	-	25.00
Cnx Nifty Index Linked Secured Redeemable Non Convertible Debentures. Date of Maturity 19/03/2018	-	-	120.00
Zero Coupon Non Convertible Debentures date of maturity 20/03/2018	-	-	500.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 7. Option III. Date of Maturity 02/04/2018	-	-	62.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 8. Option I. Date of Maturity 02/04/2018	-	-	33.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A1 Option I. Date of Maturity 02/04/2018	-	-	330.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option III. Date Of Maturity 02/04/2018	-	-	62.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option II. Date Of Maturity 02/04/2018	-	-	33.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option IV. Date Of Maturity 03/04/2018	-	433.00	433.00
Equity Linked Non Convertible Debentures - Series 046 Date of Maturity 25/04/2018	-	250.00	250.00
9.50% Secured Listed Redeemable Non-Convertible Debentures. Series A12. Date Of Maturity 06/04/2018	-	1,000.00	1,000.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 8. Option II. Date of Maturity 10/04/2018	-	67.00	67.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option III. Date Of Maturity 10/04/2018	-	37.00	37.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A1 Option II. Date of Maturity 17/04/2018	-	142.00	142.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 8. Option I. Date Of Maturity 17/04/2018	-	102.00	102.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option IV. Date Of Maturity 18/04/2018	-	70.00	70.00
Zero Coupon Secured Listed Redeemable Non-Convertible Debentures. Series A11 Option III. Date Of Maturity 25/04/2018	-	250.00	250.00
Market Linked Non Convertible Debenture Redeemable on 27/04/2018	-	150.00	150.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A10. Date of Maturity 30/04/2018	-	-	175.00
Market Linked Non Convertible Debenture Redeemable on 04/05/2018	-	450.00	450.00
Market Linked Non Convertible Debenture Redeemable on 04/05/2018	-	194.00	194.00
Market Linked Non Convertible Debenture Redeemable on 06/05/2018	-	15.00	15.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A1 Option III. Date of Maturity 08/05/2018	-	40.00	40.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 8. Option II. Date Of Maturity 08/05/2018	-	39.00	39.00
Market Linked Non Convertible Debenture Redeemable on 11/05/2018	-	10.00	10.00
Market Linked Non Convertible Debenture Redeemable on 11/05/2018	-	20.00	20.00
Market Linked Non Convertible Debenture Redeemable on 17/05/2018	-	100.00	100.00
10% Secured Redeemable Non Convertible Debentures. Date of Maturity 24/05/2018	-	100.00	100.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A2 Option I. Date of Maturity 24/05/2018	-	175.00	175.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 9. Option I. Date Of Maturity 24/05/2018	-	175.00	175.00
10.45% Secured Redeemable Non Convertible Debentures. Series 6. Date of Maturity 31/05/2018	-	96.00	1,050.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A2 Option II. Date of Maturity 31/05/2018	-	35.00	35.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 9. Option II. Date Of Maturity 31/05/2018	-	35.00	35.00
10.55% Secured Redeemable Non Convertible Debentures. Date of Maturity 11/06/2018	-	100.00	100.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A2. Option Ii. Date Of Maturity 14/06/2018	-	36.00	36.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A1. Option III. Date Of Maturity 15/06/2018	-	500.00	500.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9.50% Secured Listed Redeemable Non-Convertible Debentures. Series A11 Option II. Date Of Maturity 20/06/2018	-	1,600.00	1,600.00
10.40% Secured Redeemable Non Convertible Debentures. Date Of Maturity 21/06/2018	-	100.00	100.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A2. Option I. Date Of Maturity 28/06/2018	-	464.00	464.00
12.51% Secured Redeemable Non-Convertible Debentures. Date of Maturity 29/06/2018	-	12.50	62.50
9.58% Secured Listed Redeemable Non-Convertible Debentures. Series A9. Date Of Maturity 11/07/2018	-	250.00	250.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A4 Option II. Date of Maturity 13/07/2018	-	70.00	70.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A4 Option II. Date of Maturity 13/07/2018	-	100.00	100.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option II. Date Of Maturity 13/07/2018	-	100.00	100.00
Market Linked Non Convertible Debenture Redeemable on 16/07/2018	-	200.00	200.00
9.55% Secured Listed Redeemable Non-Convertible Debentures. Series A11 Option I. Date Of Maturity 27/07/2018	-	2,000.00	2,000.00
Market Linked Non Convertible Debenture Redeemable on 02/08/2018	-	150.00	150.00
Market Linked Non Convertible Debenture Redeemable on 04/08/2018	-	20.00	20.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A4 Option I. Date of Maturity 09/08/2018	-	250.00	250.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option I. Date Of Maturity 09/08/2018	-	310.00	310.00
Market Linked Non Convertible Debenture Redeemable on 13/08/2018	-	10.00	-
Market Linked Non Convertible Debenture Redeemable on 17/08/2018	-	15.00	15.00
Market Linked Non Convertible Debenture Redeemable on 23/08/2018	-	50.00	50.00
Market Linked Non Convertible Debenture Redeemable on 30/08/2018	-	82.50	82.50
Market Linked Non Convertible Debenture Redeemable on 04/09/2018	-	100.00	-
9.20 % Redeemable Non Convertible Debentures Date of Maturity 18/09/2018	-	-	2,000.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A5 Option II. Date of Maturity 13/09/2018	-	60.00	60.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option II. Date Of Maturity 13/09/2018	-	60.00	60.00
Market Linked Non Convertible Debenture Redeemable on 14/09/2018	-	32.50	32.50
Zero coupon secured non convertible debenture redeemable on September 14, 2018 at premium	-	395.88	352.04
9.30% Secured Redeemable Non-Convertible Debentures. Series A11. Date of Maturity 20/09/2018	-	-	5,000.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 21/09/2018	-	30.00	30.00
Market Linked Non Convertible Debenture Redeemable on 28/09/2018	-	70.00	70.00
12% Secured Redeemable Non Convertible Debentures. Option III. Date of Maturity 30/09/2018	-	2,352.64	2,688.02
12% Secured Redeemable Non Convertible Debentures. Option IV. Date of Maturity 30/09/2018	-	249.90	257.72
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A5 Option I. Date of Maturity 03/10/2018	-	130.00	130.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option I. Date Of Maturity 03/10/2018	-	130.00	130.00
9.15% Secured Listed Redeemable Non-Convertible Debentures. Series A14. Date Of Maturity 12/10/2018	-	2,500.00	2,500.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A5 Option III. Date of Maturity 17/10/2018	-	30.00	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option III. Date Of Maturity 17/10/2018	-	30.00	30.00
9.15% Secured Listed Redeemable Non-Convertible Debentures. Series B1. Date Of Maturity 19/10/2018	-	2,500.00	2,500.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A6 Option I. Date of Maturity 25/10/2018	-	30.00	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option I. Date Of Maturity 25/10/2018	-	30.00	30.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A6 Option II. Date of Maturity 08/11/2018	-	30.00	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option II. Date Of Maturity 08/11/2018	-	30.00	30.00
Zero Coupon Secured Redeemable Non Convertible Debentures. Series A6 Option III. Date of Maturity 27/11/2018	-	60.00	60.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option III. Date Of Maturity 27/11/2018	-	60.00	60.00
Zero Coupon Secured Redeemable Non Convertible Series A8 Option I. Date of Maturity 12/12/2018	-	34.00	34.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option I. Date Of Maturity 12/12/2018	-	34.00	34.00
Cnx Nifty Index Linked Secured Redeemable Non-Convertible Debentures. Series Ihf 001 Type B. Date Of Maturity 21/12/2018	-	290.00	290.00
Cnx Nifty Index Linked Secured Redeemable Non-Convertible Debentures. Series Ihf 002. Date Of Maturity 21/12/2018	-	310.00	310.00
Zero Coupon Secured Redeemable Non Convertible Series A8 Option II. Date of Maturity 26/12/2018	-	34.00	34.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option II. Date Of Maturity 26/12/2018	-	34.00	34.00
11.52% Secured Non Convertible Debentures. Series N1. Date Of Maturity 26/12/2018	-	3,759.02	3,903.59
Zero Coupon Secured Redeemable Non Convertible Series A8 Option III. Date of Maturity 16/01/2019	-	44.00	44.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option III. Date Of Maturity 16/01/2019	-	44.00	44.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Nifty 50 Index Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-043 Type II. Date of Maturity 18/01/2019	-	50.00	50.00
Zero Coupon Secured Non Convertible Debentures. Date Of Maturity 27/02/2019	-	100.00	100.00
11% Secured Redeemable Non Convertible Debentures. Date of Maturity 06/03/2019	-	100.00	100.00
11.40% Secured Redeemable Non-Convertible Debentures. Date of Maturity 07/03/2019	-	75.00	150.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Date Of Maturity 19/03/2019	-	60.00	60.00
9.30 % Redeemable Non Convertible Debentures Date of Maturity 5/04/2019	2,000.00	2,000.00	2,000.00
Market Linked Non Convertible Debenture Redeemable on 30/04/2019	-	2,207.47	-
Secured Redeemable Non-Convertible Debentures. Series C7. Date of Maturity 21/05/2019	1,000.00	1,000.00	-
Secured Redeemable Non-Convertible Debentures. Date of Maturity 06/06/2019	1,500.00	1,500.00	-
Market Linked Non Convertible Debenture Redeemable on 19/06/2019	-	130.00	130.00
Market Linked Non Convertible Debenture Redeemable on 19/06/2019	-	55.00	-
Market Linked Non Convertible Debenture Redeemable on 21/06/2019	-	100.00	-
Market Linked Non Convertible Debenture Redeemable on 24/06/2019	-	140.70	140.70
Market Linked Non Convertible Debenture Redeemable on 25/06/2019	-	750.00	-
Market Linked Non Convertible Debenture Redeemable on 26/06/2019	-	75.00	75.00
Market Linked Non Convertible Debenture Redeemable on 03/07/2019	-	50.00	50.00
Secured Redeemable Non-Convertible Debentures. Series C9. Date of Maturity 05/07/2019	1,000.00	1,000.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A10 Option II. Date Of Maturity 15/07/2019	163.00	163.00	163.00
Market Linked Non Convertible Debenture Redeemable on 15/07/2019	-	171.50	171.50
9.50% Secured Redeemable Non-Convertible Debentures. Series A10 Option I. Date Of Maturity 22/07/2019	1,600.00	1,600.00	1,600.00
Market Linked Non Convertible Debenture Redeemable on 23/07/2019	-	29.00	29.00
Market Linked Non Convertible Debenture Redeemable on 30/07/2019	-	30.00	30.00
Market Linked Non Convertible Debenture Redeemable on 30/07/2019	-	300.00	-
8.056% Secured Listed Redeemable Non Convertible Debentures. Series B8 Option A. Date Of Maturit 01/08/2019	250.00	250.00	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 06/08/2019	-	60.00	-
Market Linked Non Convertible Debenture Redeemable on 12/08/2019	-	503.00	-
Market Linked Non Convertible Debenture Redeemable on 22/08/2019	-	10.00	10.00
Market Linked Non Convertible Debenture Redeemable on 23/08/2019	-	125.00	-
Secured Redeemable Non-Convertible Debentures. Series C5. Date of Maturity 26/08/2019	1,250.00	1,250.00	-
Zero Coupon Non Convertible Debentures with Maturity Date of 12/09/2019	65.00	65.00	65.00
Zero Coupon Non Convertible Debentures With Maturity Date of 24/09/2019	105.00	105.00	105.00
Market Linked Non Convertible Debenture Redeemable on 04/09/2019	-	54.00	54.00
7.50% Secured Listed Redeemable Non Convertible Debentures. Series B6. Date Of Maturit 05/09/2019	300.00	600.00	-
Market Linked Non Convertible Debenture Redeemable on 11/09/2019	-	100.00	100.00
Market Linked Non Convertible Debenture Redeemable on 23/09/2019	-	10.00	10.00
Market Linked Non Convertible Debenture Redeemable on 30/09/2019	-	48.00	48.00
Market Linked Non Convertible Debenture Redeemable on 21/10/2019*	-	209.50	209.50
Market Linked Non Convertible Debenture Redeemable on 25/10/2019*	-	234.50	234.50
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B2 Option II. Date Of Maturity 08/10/2019	80.00	80.00	80.00
Market Linked Non Convertible Debenture Redeemable on 15/10/2019	-	63.00	63.00
Market Linked Non Convertible Debenture Redeemable on 29/10/2019	-	20.00	20.00
Zero Coupon Non Convertible Debentures with Maturity Date of 12/11/2019	50.00	50.00	50.00
9.20 % Redeemable Non Convertible Debentures Date of Maturity 4/11/2019	300.00	300.00	300.00
Market Linked Non Convertible Debenture Redeemable on 04/11/2019*	-	111.80	111.80
Market Linked Non Convertible Debenture Redeemable on 28/11/2019*	-	45.40	45.40
Market Linked Non Convertible Debenture Redeemable on 29/11/2019*	-	20.00	20.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option III. Date Of Maturity 12/11/2019	50.00	50.00	50.00
Market Linked Non Convertible Debenture Redeemable on 14/11/2019	-	27.50	27.50
8.10% Secured Listed Redeemable Non Convertible Debentures. Series B7. Date Of Maturit 21/11/2019	512.00	650.00	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 20/12/2019	-	50.00	50.00
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series E1. Date of Maturity 31/12/2019	1,750.00	-	-
G-Sec Index Principal Protected Market Linked Listed Secured Redeemable Non Convertible Debentures. Series C-13. Date of Maturity 10/01/2020	175.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C5. Date Of Maturity 06/04/2020	380.00	-	-
Zero Coupon Non Convertible Debentures with Maturity Date of 07/04/2020	110.00	110.00	110.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option II. Date Of Maturity 07/04/2020	110.00	110.00	110.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A11. Date of Maturity 20/04/2020	1,500.00	1,500.00	1,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A13. Date Of Maturity 20/04/2020	2,500.00	2,500.00	2,500.00
10.05% Secured Listed Redeemable Non-Convertible Debentures. Date of Maturity 20/04/2020	250.00	-	-
10 Year G-Sec Rate Linked Secured Listed Rated Redeemable Non Convertible Debentures. Series C11. Date of Maturity 21/04/2020	500.00	-	-
10 Year G-Sec Rate Linked Secured Listed Rated Redeemable Non Convertible Debentures. Series C12. Date of Maturity 27/04/2020	574.16	-	-
Secured Redeemable Non Convertible Debentures Date of Maturity 30-Apr-2020	5,000.00	5,000.00	5,000.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option I. Date Of Maturity 12/05/2020	640.00	640.00	640.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B4. Date Of Maturity 12/05/2020	180.00	180.00	180.00
Zero coupon secured non convertible debenture of face value ₹ 1 million each date of maturity May 12, 2020 and redeemable at premium	-	445.23	407.55
Market Linked Non Convertible Debenture Redeemable on 14/05/2020	-	991.01	-
10.80% Secured Listed Redeemable Non-Convertible Debentures. Date of Maturity 22/05/2020	1,500.00	-	-
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B5. Date Of Maturit 17/08/2020	1,150.00	1,150.00	-
9.98% Secured Listed Rated Redeemable Non Convertible Debentures. Series C14 Option II. Date of Maturity 28/09/2020	1,000.00	-	-
11.08% Secured Redeemable Non-Convertible Debentures. Date of Maturity 28/09/2020	100.00	166.67	-
8.65% Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option A. Date Of Maturity 05/10/2020	753.33	500.00	-
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 03/11/2020	2,875.00	2,875.00	2,875.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9.87% Secured Rated Listed Redeemable Non Convertible Debentures. Series C10. Date Of Maturity 20/11/2020	502.45	-	-
Market Linked Non Convertible Debenture Redeemable on 18/03/2021	-	100.00	-
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date Of Maturit 06/04/2021	298.96	270.60	-
Secured Redeemable Non-Convertible Debentures. Series C6. Date of Maturity 29/04/2021	2,500.00	2,500.00	-
Secured Redeemable Non-Convertible Debentures. Series C8. Date of Maturity 30/04/2021	100.00	100.00	-
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date Of Maturity 30/04/2021	532.56	100.00	-
Market Linked Non Convertible Debenture Redeemable on 14/05/2021	-	456.76	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity 19/05/2021	500.00	-	-
Zero Coupon Secured Listed Rated Redeemable Non Convertible Debentures. Series C10. Date of Maturity 25/05/2021	260.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date Of Maturity 25/05/2021	260.00	-	-
Idfc Mclr Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity 28/06/2021	2,000.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity 15/07/2021	240.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity 26/07/2021	2,350.59	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date Of Maturity 05/08/2021	250.00	-	-
Market Linked Non Convertible Debenture Redeemable on 09/08/2021*	-	1,110.75	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date Of Maturity 11/08/2021	987.80	-	-
Market Linked Non Convertible Debenture Redeemable on 25/10/2021*	-	614.02	-
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	1,110.00	-	-
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	1,000.00	-	-
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	500.00	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	250.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date Of Maturity 26/10/2021	100.00	-	-
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 03/11/2021	2,875.00	2,875.00	2,875.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date Of Maturity 03/11/2021	50.00	50.00	50.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date Of Maturity 24/01/2022	500.00	-	-
Market Linked Secured Redeemable Non Convertible Market Linked Debentures. Series I-041 Type II. Date of Maturity 10/02/2022	-	-	3.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 14/03/2022	138.68	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	240.00	-	-
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	1,150.00	-	-
9.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series I. Maturity Date - 07/05/2022	2,605.00	-	-
9.60% Secured Rated Listed Redeemable Non Convertible Debenture. Series I. Maturity Date - 07/05/2022	389.15	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debenture. Series II - Category II,III & IV. . Maturity Date - 07/05/2022	494.23	-	-
8.61% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	1,968.75	-	-
15.25% Secured Redeemable Non-Convertible Debentures. Date of Maturity 29/06/2022	50.00	50.00	50.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	580.00	-	-
Market Linked Non Convertible Debenture Redeemable on 15/12/2023	-	280.00	345.00
Market Linked Non Convertible Debenture Redeemable on 19/12/2023	-	-	10.00
Market Linked Non Convertible Debenture Redeemable on 28/12/2023	-	20.00	20.00
Market Linked Non Convertible Debenture Redeemable on 04/01/2024	-	10.00	10.00
Market Linked Non Convertible Debenture Redeemable on 04/01/2024	-	250.00	250.00
Market Linked Non Convertible Debenture Redeemable on 12/01/2024	-	-	10.00
Market Linked Non Convertible Debenture Redeemable on 18/01/2024	-	50.00	50.00
9.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series III. Maturity Date - 07/02/2024	6,368.09	-	-
10.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV. Maturity Date - 07/02/2024	1,264.69	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 07/02/2024	-	50.00	50.00
Market Linked Non Convertible Debenture Redeemable on 14/03/2024	-	-	200.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	501.89	-	-
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	200.00	-	-
Market Linked Non Convertible Debenture Redeemable on 24/10/2024	-	2,000.00	-
Market Linked Non Convertible Debenture Redeemable on 18/11/2024	-	2,000.00	-
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	150.00	-	-
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	150.00	-	-
Market Linked Non Convertible Debenture Redeemable on 06/11/2026	-	120.00	470.00
Market Linked Non Convertible Debenture Redeemable on 10/11/2026	-	210.00	370.00
Market Linked Non Convertible Debenture Redeemable on 10/11/2026	-	120.00	120.00
Market Linked Non Convertible Debenture Redeemable on 13/11/2026	-	130.00	470.00
Market Linked Non Convertible Debenture Redeemable on 20/11/2026	-	-	200.00
Market Linked Non Convertible Debenture Redeemable on 23/11/2026	-	375.00	1,389.70
Market Linked Non Convertible Debenture Redeemable on 24/11/2026	-	410.00	830.00
Market Linked Non Convertible Debenture Redeemable on 27/11/2026	-	85.00	590.00
Market Linked Non Convertible Debenture Redeemable on 27/11/2026	-	-	130.00
Market Linked Non Convertible Debenture Redeemable on 01/12/2026	-	355.00	1,041.00
Market Linked Non Convertible Debenture Redeemable on 04/12/2026	-	410.00	1,160.00
Market Linked Non Convertible Debenture Redeemable on 04/12/2026	-	70.00	920.00
Market Linked Non Convertible Debenture Redeemable on 08/12/2026	-	170.00	710.00
Market Linked Non Convertible Debenture Redeemable on 10/12/2026	-	141.50	426.50
Market Linked Non Convertible Debenture Redeemable on 16/12/2026	-	144.00	279.00
Market Linked Non Convertible Debenture Redeemable on 17/12/2026	-	-	60.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Market Linked Non Convertible Debenture Redeemable on 24/12/2026	-	150.00	626.50
Market Linked Non Convertible Debenture Redeemable on 31/12/2026	-	60.00	270.00
Market Linked Non Convertible Debenture Redeemable on 12/01/2027	-	110.00	460.00
Market Linked Non Convertible Debenture Redeemable on 18/01/2027	-	-	70.00
Market Linked Non Convertible Debenture Redeemable on 05/02/2027	-	90.00	197.00
Market Linked Non Convertible Debenture Redeemable on 07/02/2027	-	20.00	80.00
Market Linked Non Convertible Debenture Redeemable on 05/03/2027	-	-	250.00
Market Linked Non Convertible Debenture Redeemable on 13/03/2027	-	100.00	100.00
Market Linked Non Convertible Debenture Redeemable on 27/04/2027	-	10.00	-
Market Linked Non Convertible Debenture Redeemable on 28/06/2027	-	150.00	-
Market Linked Non Convertible Debenture Redeemable on 29/12/2027	-	470.60	-
* includes Derivative component of Debt Securities			

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 18. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(a)Term loans			
(a) (i) Term loan from Banks & NHB (Secured) (refer note (a) & 18.1)	124,697.68	82,453.86	57,698.48
Less : Prepaid expenses	(66.19)	(26.00)	(71.33)
(ii) Term Loans from Financial Institutions (refer note 18.1)	751.14	450.83	-
(b) Cash credit/ overdraft (Secured) (Refer Note (a))	9,115.34	8,676.31	6,799.83
(c) CBLO (Secured) (Refer note (b))	-	5,550.00	8,400.00
Less : Unexpired discount on CBLO	-	(2.14)	(2.51)
(d) Securitisation liability	9,493.35	14,134.98	15,110.67
Less : Prepaid expenses	(3.34)	-	-
(e) Inter - Corporate Deposit	-	-	-
(f) Commercial papers	-	55,541.14	38,336.68
Less: Prepaid Discount	-	(484.06)	(279.05)
Total (A)	**143,987.98**	**166,294.92**	**125,992.77**
(B)			
Borrowings in India	140,573.12	166,294.92	125,992.76
Borrowings outside India	3,414.85	-	-
Total (B) to tally with (A)	**143,987.97**	**166,294.92**	**125,992.76**

Notes:

(a) These term loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

(b) Borrowings under CBLO are secured against government securities of face value NIL (March 31 2018: ₹ 5,700 million April 01, 2017: ₹ 8,550 million).

Note 18.1 - Terms of repayment of Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
At Amortised cost						
More than 5 years	4.61% - 9.95%	10,864.70	4.61% - 8.95%	8,674.97	7.25% - 8.70%	5,249.11
1- 5 Years	4.61% - 12.60%	86,155.37	4.61% -14.00%	63,842.31	7.25% - 14.95%	49,202.42
Less than 1 year	4.61% - 14.00%	47,037.44	4.61% -15.75%	94,289.84	5.45% - 15.75%	71,894.13
Total		**144,057.51**		**166,807.12**		**126,345.66**

The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 19. SUBORDINATED LIABILITIES

(₹ in Millions)

Particulars	At Amortised Cost As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
Perpetual Debt instruments (other than those that qualify as Equity) (refer note 19.1)	-	1,500.00	1,500.00
Non Convertible Debentures (Unsecured) (Refer Note 19.1, 19.1.1 , 19.1.2)	16,130.88	18,072.14	14,142.29
Less : Unamortised debenture issue expenses	(102.23)	(44.56)	(43.47)
Total (A)	**16,028.65**	**19,527.58**	**15,598.82**
(B)			
Subordinated liabilities in India	16,028.64	19,527.59	15,598.82
Subordinated liabilities outside India	-	-	-
Total (B) to tally with (A)	**16,028.64**	**19,527.59**	**15,598.82**

Note 19.1 - Terms of repayment

Residual Maturity	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount
At Amortised cost						
More than 5 years	8.70% - 10.50%	9,030.88	8.70% - 12.10%	5,622.98	9.10% - 16.90%	5,165.00
1- 5 Years	8.93% - 16.90%	7,100.00	9.10% - 16.90%	8,945.00	9.25% - 12.75%	10,465.36
Less than 1 years	-	-	12.25% - 12.75%	5,004.16	12.25%	11.93
TOTAL		**16,130.88**		**19,572.14**		**15,642.29**

19.1.1: Non Convertible Debentures – (a) Unsecured includes redeemable non convertible debenture which carries call option ₹ 100 million (from February 28, 2024) , ₹ 1,265.16 million (from May 14, 2024), ₹ 400 million (from June 18, 2025) and ₹ 300 million (from July 14, 2025) (As at March 31, 2018 ₹ 100 million which carries call option at the end of 6th year from the date of allotment (February 28, 2018) and every year thereafter and as at April 01, 2017: Nil).

(b) Unsecured and Non convertible Debentures- Debentures Includes debentures amounting to ₹ 110 million in respect which the group is having a call option at the end of the 5th year from the date of allotment July 20, 2018 and every year there after (as at April 01, 2018: Nil) and as at (April 01, 2017: Nil)."

19.1.2: Includes option contacts undesignated ₹ 44.25 million, March 31, 2018: Nil, March 31,2017: Nil (Notional amount March 31, 2019 ₹ 43.13 million, March 31, 2018: Nil, March 31, 2017: Nil)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
12.25% Non-Convertible Debentures Date of Maturity 23/01/2018 (SBDB I – 6 Years)	-	-	3.76
12.25% Non-Convertible Debentures Date of Maturity 7/02/2018 (SBDB II – 6 Years)	-	-	2.54
12.25% Non-Convertible Debentures Date of Maturity 1/03/2018 (SBDB III – 6 Years)	-	-	2.41
12.25% Non-Convertible Debentures Date of Maturity 04/04/2018 (SBDB VI – 6 Years)	-	1.77	1.77
9.25% unsecured non convertible debenture redeemable on June 20, 2018 at par	-	-	408.73
12.75% Unsecured Redeemable Non Convertible Debentures. Option I. Date of Maturity 17/09/2018	-	3,948.53	3,843.67
12.75% Unsecured Redeemable Non Convertible Debentures. Option II. Date of Maturity 17/09/2018	-	600.38	594.41
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Option III. Date of Maturity 17/09/2018	-	451.09	444.37
12.75% Non-Convertible Debentures Date of Maturity 18/01/2019 (SBMIB I – 7 Years)	-	1.16	1.16
12.75% Non-Convertible Debentures Date of Maturity 07/02/2019 (SBMIB II – 7 Years)	-	0.03	0.03
12.75% Non-Convertible Debentures Date of Maturity 07/02/2019(SBMIB III – 7 Years)	-	0.25	0.25
12.75% Non-Convertible Debentures Date of Maturity 23/02/2019(SBMIB IV – 7 Years)	-	0.47	0.47
12.75% Non-Convertible Debentures Date of Maturity 02/03/2019(SBMIB V – 7 Years)	-	0.09	0.09
12.75% Non-Convertible Debentures Date of Maturity 30/03/2019 (SBMIB VII - 7 Years)	-	0.35	0.35
12.75% Non-Convertible Debentures Date of Maturity 30/03/2019 (SBMIB VI – 7 Years)	-	0.05	0.05
12.25% Non-Convertible Debentures Date of Maturity 30/03/2018 (SBDB IV – 6 Years)	-	-	1.44
12.25% Non-Convertible Debentures Date of Maturity 30/03/2019 (SBDB V – 6 Years)	-	-	1.79
12% Unsecured Subordinate Non Convertible Debentures. Option I. Date of Maturity 02/04/2020	1,798.58	1,798.58	1,798.58
Unsecured Subordinate Non Convertible Debentures. Option II. Date of Maturity 02/04/2020	201.42	201.42	201.42
10.75% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 30/04/2020	450.00	450.00	450.00
10.75% Unsecured Redeemable Non Convertible Subordinated Debentures In The Nature of Tier Ii Capital. Date of Maturity 03/06/2020	100.00	100.00	100.00
11.25% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 05/09/2020	2,000.00	2,000.00	1,800.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U01. Date of Maturity 26/07/2021	170.00	170.00	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U02. Date of Maturity 10/08/2021	100.00	100.00	100.00
10.75% Unsecured Redeemable Non Convertible Debentures. Series U01. Date of Maturity 10/09/2021	200.00	200.00	200.00

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
10.50% Unsecured Redeemable Non Convertible Debentures. Series U02. Date of Maturity 16/09/2021	150.00	150.00	150.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date of Maturity 25/01/2022	100.00	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date of Maturity 11/02/2022	100.00	100.00	100.00
11.42% Subordinated Debt Redeemable on 06/06/2022	-	2,000.00	-
9.50 % Subordinated Debt Redeemable on 06/06/2022	-	-	2,000.00
11.42% Subordinated Debt Redeemable on 13/06/2022	-	750.00	-
9.50 % Subordinated Debt Redeemable on 13/06/2022	-	-	750.00
9.10% Subordinated Debt Redeemable on 24/06/2022	-	100.00	100.00
11.42% Subordinated Debt Redeemable on 24/06/2022	-	55.00	55.00
11.42% Subordinated Debt Redeemable on 30/06/2022	-	30.00	30.00
16.90% Unsecured Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 30/06/2022	50.00	50.00	50.00
9.10% Subordinated Debt Redeemable on 12/07/2022	-	10.00	-
9.10% Subordinated Debt Redeemable on 22/07/2022	-	150.00	-
12.15% Unsecured Redeemable Non-Convertible Debenture. Date of Maturity 30/08/2022	200.00	200.00	200.00
12.2% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date of Maturity 04/11/2022	230.00	230.00	230.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date of Maturity 14/04/2023	1,000.00	1,000.00	-
11.11% Subordinated Debt Redeemable on 02/05/2023	-	175.00	-
11.18% Subordinated Debt Redeemable on 02/05/2023	-	69.22	-
11.25% Subordinated Debt Redeemable on 02/05/2023	-	10.00	-
11.25% Subordinated Debt Redeemable on 02/05/2023	-	230.43	-
11.30% Subordinated Debt Redeemable on 02/05/2023	-	70.05	-
11.33% Subordinated Debt Redeemable on 02/05/2023	-	79.76	-
11.37% Subordinated Debt Redeemable on 02/05/2023	-	111.21	-
11.40% Subordinated Debt Redeemable on 02/05/2023	-	20.25	-
11.45% Subordinated Debt Redeemable on 02/05/2023	-	10.25	-
11.62% Subordinated Debt Redeemable on 02/05/2023	-	82.54	-
12.18% Subordinated Debt Redeemable on 02/05/2023	-	49.06	-
12.28% Subordinated Debt Redeemable on 02/05/2023	-	115.22	-
12.10% Unsecured Redeemable Non Convertible Debentures. Series 1.Date of Maturity 24/05/2023	100.00	100.00	100.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date of Maturity 29/05/2023	150.00	150.00	150.00
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	218.50	-	-
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	671.50	-	-
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	111.09	-	-
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date of Maturity 27/07/2027	750.00	750.00	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Description of security	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date of Maturity 19/11/2027	1,000.00	1,000.00	-
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date of Maturity 28/02/2028	100.00	100.00	-
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date of Maturity 16/06/2028	400.00	-	-
9% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Maturity Date - 28/06/2028	3,250.00	-	-
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity 13/07/2028	300.00	-	-
G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity 11/08/2028	1,265.16	-	-
Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures Iifl MLD-2028. Series U04. Date of Maturity 25/08/2028	500.00	-	-
10% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	310.15	-	-
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 07/02/2029	154.48	-	-
Total	**16,130.88**	**18,072.16**	**14,142.29**

NOTE 20: OTHER FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	5,758.98	6,144.80	5,775.04
Margin money	-	20.95	15.44
Temporary overdrawn bank balances	3,983.87	10,230.89	7,157.81
Payable on account of assignment	9,737.38	66.62	871.08
Other payables (auction proceeds, retention payable, unclaimed NCD amount, etc.) (refer note 20.1 and 20.2)	110.75	2,524.07	1,167.34
Payable to Exchange	-	9,654.33	12,050.82
Payable to Client	-	3,239.21	2,293.28
Security deposit	0.05	0.30	0.95
Payable to companies under common promoters	44.01	-	-
Unclaimed Dividend	13.56	8.24	6.79
Gratuity payable (refer note 31.2)	12.41	9.54	10.57
Others	-	486.07	334.95
Security deposit from tenants	-	622.82	97.20
Total	**19,661.01**	**33,007.84**	**29,781.27**

Note 20.1: During the year, amount of ₹ 1.53 million (March 31, 2018: NIL, April 01, 2017: NIL) was transferred to Investor Education and Protection Fund. Also, amount of ₹ 1.12 million (March 31, 2018: NIL, April 01, 2017: NIL) was due for transfer on March 31, 2019 and the said amount was transferred within 30 days of becoming due. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.24 million (as at March 31, 2018 ₹ 1,091.87 million and as at April 01, 2017 ₹ 0.22 million)

20.2 Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.24 million (as at March 31, 2018 ₹ 1,091.87 million and as at April 01, 2017 ₹ 0.22 million)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 21: PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for bonus	256.23	189.58	215.65
Provision for Gratuity	3.22	63.22	66.53
Provision for leave encashment	105.45	148.95	89.60
Dividend payable (including dividend distribution tax)	-	-	72.24
Total	**364.90**	**401.75**	**444.02**

NOTE 22. OTHER NON-FINANCIAL LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Income received in advance	-	1.45	22.13
Advances from customers	853.48	1,226.92	2,269.55
Statutory remittances	127.55	715.63	332.99
Lease rental equilisation	-	1.92	0.42
Other payable	-	0.40	6.75
Total	**981.03**	**1,946.32**	**2,631.84**

NOTE 23: EQUITY SHARE CAPITAL

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised Share Capital			
600,000,000 Equity Shares of ₹ 2 each(March 31,2018 and April 01,2017:600,000,000)	1,200.00	1,200.00	1,200.00
Addition/(Reduction) on part of Composite Scheme of Arrangement (219,750,000 Equity Shares of ₹ 2 each)(Refer Note 39)	(439.50)	360.50	360.50
Authorised Share Capital as on March 31, 2019 (March 31,2018 and April 01,2017:380,250,000 Equity Shares of ₹ 2 each)	**760.50**	**1,560.50**	**1,560.50**
Issued, Subscribed and Paid-up Share Capital			
319,203,092 (March 31, 2018 – 318,979,026) (April 01, 2017 – 317,908,193) Equity Shares of ₹ 2 each fully paid with voting rights	638.41	637.96	635.82
Total	**638.41**	**637.96**	**635.82**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Residual Maturity	As at March 31, 2019		As at April 01, 2017	
	No. of shares	₹ in million	No. of shares	₹ in million
Equity Shares				
At the beginning of the year	318,979,026	637.96	317,908,193	635.82
Add: Issued during the year	224,066	0.45	1,070,833	2.14
Outstanding at the end of the year	319,203,092	638.41	318,979,026	637.96

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(iii) Rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, equity shareholders were paid an interim dividend of ₹ 5/- (March 31, 2018 ₹ 5 and April 01, 2017 ₹ 4.5) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exits currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 2 each fully paid up						
FIH Mauritius Investments Ltd.	84,641,445	26.52	84,641,445	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	46,402,000	14.54	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A shares	28,362,530	8.89	28,362,530	8.89	27,910,000	8.78
Venkataraman Rajamani *	10,984,432	3.44	10,909,432	3.42	19,909,432	6.26
Madhu N Jain *	12,075,000	3.78	13,700,000	4.29	17,000,000	5.35

* Position as on March 31, 2019 and March 31, 2018 is given as they were shareholders with more than 5% shareholding as on April 01, 2017.

(v) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back.

(vi) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer Note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 23.1: Other Equity

(₹ in Millions)

Particulars	Share application money pending allotment	Reserves & Surplus											Total	Non-Controlling Interest
		Securities Premium Reserve	General Reserve	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Foreign Exchange Fluctuation Reserve	Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Stock Compensation Reserve	Effective portion of Cash Flow Hedges		
Balance as at April 01, 2017	**1.46**	**25,292.84**	**1,472.30**	**2,950.97**	**504.92**	**294.26**	**-**	**1,319.30**	**3,907.01**	**4,036.07**	**150.79**	**-**	**39,929.92**	**12,796.51**
Profit for the year	-	-	-	-	-	-	-	-	-	7,947.39	-	-	7,947.39	2,259.19
Remeasurement of defined benefit (net of tax)	-	-	-	-	-	-	-	-	-	(16.59)	-	-	(16.59)	0.51
Interim dividend	-	-	-	-	-	-	-	-	-	(1,373.22)	-	-	(1,373.22)	(427.74)
Dividend distribution tax on interim dividend	-	-	-	-	-	-	-	-	-	(238.32)	-	-	(238.32)	(55.25)
Preference dividend	-	-	-	-	-	-	-	-	-	(119.21)	-	-	(119.21)	-
Dividend distribution tax on preference dividend	-	-	-	-	-	-	-	-	-	(24.27)	-	-	(24.27)	-
Transfer to/ from other reserves	-	51.64	138.90	1,027.21	395.00	-	-	750.00	486.60	(2,789.22)	(60.13)	-	-	-
Addition during the year	2.70	604.42	-	-	-	26.83	-	-	-	(10.29)	55.59	-	679.25	-
Transferred to Non Controlling Interest	-	(292.72)	(3.45)	(11.09)	(0.72)	(0.10)	-	(1.58)	(4.44)	(149.77)	-	-	(463.87)	463.87
Other adjustments	-	-	-	-	-	-	-	-	-	469.77	-	-	469.77	(37.97)
Balance as at March 31, 2018	**4.16**	**25,656.18**	**1,607.75**	**3,967.09**	**899.20**	**320.99**	**-**	**2,067.72**	**4,389.17**	**7,732.34**	**146.25**	**-**	**46,790.85**	**14,999.12**
Profit for the year	-	-	-	-	-	-	-	-	-	6,906.92	-	-	6,906.92	1,136.34
Remeasurement of defined benefit (net of tax)	-	-	-	-	-	-	-	-	-	(85.19)	-	-	(85.19)	(15.92)
Interim dividend	-	-	-	-	-	-	-	-	-	(1,569.98)	-	-	(1,569.98)	(130.32)
Dividend distribution tax on interim dividend	-	-	-	-	-	-	-	-	-	(183.04)	-	-	(183.04)	(25.45)
Fair value change on derivatives designated as cash flow hedge (net of tax)	-	-	-	-	-	-	-	-	-	98.01	-	(98.01)	-	14.69
Dividend distribution tax on preference dividend	-	-	-	-	-	-	-	-	-	(8.62)	-	-	(8.62)	-
Transfer to/ from other reserves	-	19.49	4,946.46	875.42	613.00	-	-	-	(4,465.75)	(1,968.92)	(19.70)	-	-	-
Addition during the year	(4.16)	56.52	-	-	-	-	-	-	-	-	68.47	-	120.83	-
Addition on debentures (net)	-	9.24	-	-	-	-	-	-	-	-	-	-	9.24	-
On account of demerger(Refer Note 39)	-	(7.19)	-	(516.29)	-	(320.99)	(10,583.73)	-	-	(3,757.47)	(24.95)	-	(15,210.62)	(9,712.13)
Transferred to Non Controlling Interest	-	(11.17)	(2,156.44)	(348.05)	(244.13)	-	-	(116.71)	436.69	1,980.36	(15.29)	14.69	(460.05)	460.05
Balance as at March 31, 2019	**-**	**25,723.07**	**4,397.77**	**3,978.17**	**1,268.07**	**-**	**(10,583.73)**	**1,951.01**	**360.11**	**9,144.41**	**154.78**	**(83.32)**	**36,310.34**	**6,726.38**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 24.1 Interest income

(₹ in Millions)

Particulars	FY 2018-19				FY 2017-18			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	39,525.91	-	6,777.28	46,303.19	36,698.38	-	3,777.65	40,476.03
Interest on investments	-	732.42	-	732.42	-	959.96	-	959.96
Interest on deposits with banks	816.59	-	-	816.59	1,093.65	-	-	1,093.65
Other income	4.73	-	-	4.73	271.61	-	-	271.61
Total	**40,347.23**	**732.42**	**6,777.28**	**47,856.93**	**38,063.64**	**959.96**	**3,777.65**	**42,801.25**

Note 24.2 Dividend income

The Group received dividend income amounting to ₹ 800.24 million/-(P.Y ₹ 15.77 million).

NOTE 25. FEE AND COMMISSION INCOME

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Administration Fees & Other charges	1,037.67	1,177.42
Insurance Commission	189.62	412.13
Distribution fees, commission and related income	-	6,874.55
Brokerage income	-	5,817.32
Advisory fees and related income	-	1,072.61
Trustee fees	-	32.97
Asset and portfolio management related fees	-	1,541.92
Marketing Supporting Income	-	90.16
Investment Banking Income	-	819.75
Total	**1,227.29**	**17,838.83**

NOTE 26. NET GAIN/(LOSS) ON FAIR VALUE CHANGE

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(107.37)	1,343.60
- Derivatives	-	(25.70)
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
Others	-	-
Total net gain/(loss) on fair value changes	**(107.37)**	**1,317.90**
Fair value changes		
- Realised	(110.39)	1,830.52
- Unrealised	3.02	(512.63)
Total net gain/(loss) on fair value changes	**(107.37)**	**1,317.89**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 27. OTHER INCOME

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest on income tax refund	-	36.05
Miscellaneous income	1,070.81	606.60
Profit on sale of fixed assets	0.01	8.00
Interest income	-	866.95
Change in fair value of investments	-	(159.78)
Dividend income	-	22.62
Profit on sale of Current Investments	-	94.42
Total	**1,070.82**	**1,474.86**

NOTE 28. FINANCE COSTS

(₹ in Millions)

Particulars	FY 2018-19			FY 2017-18		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	TOTAL	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	TOTAL
Interest on debt securities	-	11,031.90	11,031.90	933.08	10,765.45	11,698.53
Interest on borrowings	-	-	-	-	3,469.45	3,469.45
Discount on Commercial Paper	-	-	-	-	886.99	886.99
Interest on deposits	-	-	-	-	0.31	0.31
Interest on subordinated liabilites	-	1,679.89	1,679.89	-	2,059.88	2,059.88
Other borrowing cost (Refer note 28.1)	-	365.72	365.72	-	377.27	377.27
Interest Expense on other borrowings	-	12,779.75	12,779.75	-	8,727.71	8,727.71
Total	**-**	**25,857.26**	**25,857.26**	**933.08**	**26,287.06**	**27,220.14**

Note 28.1: Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Other Borrowing Cost	139.41	89.45
Revaluation Gain on Foreign currency loan	(176.08)	-
Recognised in Other Comprehensive Income	176.08	-
Total Other Borrowing Cost	**139.41**	**89.45**

Note 28.2: Includes foreign currency expenses amounting to ₹ 22.28 million (P.Y Nil) and mark to market loss on Cross Currency Interest Rate Swaps of Nil (P.Y. ₹ 2.99 million) net of gain on revaluation of foreign currency term loan of Nil (P.Y. ₹ 31.76 million).

NOTE 29. NET (GAIN)/ LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Interest strip on assignment of loans	(681.50)	(376.61)
Bad debts written off (net)	3,683.90	2,312.94
Total	**3,002.40**	**1,936.33**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 30. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Millions)

Particulars	FY 2018-19			FY 2017-18		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans	(19.42)	(6.12)	(25.54)	1,985.11	212.37	2,197.48
Other financial assets	25.72	-	25.72	(4.80)	-	(4.80)
Total	**6.30**	**(6.12)**	**0.18**	**1,980.31**	**212.37**	**2,192.68**

NOTE 31. EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Salaries	6,160.66	9,873.46
Contribution to provident and other funds (Refer note 31.1)	288.72	306.07
Leave encashment	81.21	82.04
Gratuity (Refer note 31.2)	31.25	25.68
Staff welfare expenses	209.68	215.30
Share based payments	59.72	72.25
Total	**6,831.24**	**10,574.80**

31.1 Defined contribution plans

The Company has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Contribution to Provident fund	109.07	166.12
Contribution to Employee State Insurance Corporation	75.59	50.43
Contribution to Labour welfare fund	0.49	0.35
Company contribution to employee pension scheme	103.32	88.23
NPS & IVTB Employer Contribution	0.26	0.94
Total	**288.73**	**306.07**

31.2 Gratuity disclosure statement

Particulars	FY 2018-19	FY 2017-18
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Period	01-Apr-18	01-Apr-17
Date of Reporting	31-Mar-19	31-Mar-18
Period of Reporting	12 Months	12 Months

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

31.2 Gratuity disclosure statement

Assumptions (Previous Year)	FY 2018-19	FY 2017-18
Expected Return on Plan Assets	7.18% - 7.80%	6.77% - 7.53%
Rate of Discounting	6.96% - 7.80%	6.77% - 7.53%
Rate of Salary Increase	5% - 8%	5% - 7%
Rate of Employee Turnover	For service 4 years and below 35% p.a. & thereafter 2% p.a.	For service 4 years and below 25% p.a. & thereafter 10% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Assumptions (Current Year)	FY 2018-19	FY 2017-18
Expected Return on Plan Assets	6.76% - 7.64%	7.18% - 7.80%
Rate of Discounting	6.76% - 7.64%	7.18% - 7.80%
Rate of Salary Increase	5% - 10%	5% - 11%
Rate of Employee Turnover	For service 4 years and below 31% p.a. & thereafter 2% p.a.	For service 4 years and below 52% p.a. & thereafter 5% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Year	397.40	326.79
Interest Cost	10.09	22.67
Current Service Cost	30.67	59.53
Past Service Cost	-	(39.10)
Liability Transferred In/ Acquisitions	1.43	19.72
(Liability Transferred Out/ Divestments)	(267.75)	(19.70)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(0.29)	(2.72)
(Benefit Paid From the Fund)	(16.91)	(27.91)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	3.30	(30.08)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(13.15)	55.53
Actuarial (Gains)/Losses on Obligations - Due to Experience	16.64	32.66
Present Value of Benefit Obligation at the End of the Year	161.43	397.39

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Table Showing Change in the Fair Value of Plan Assets	FY 2018-19	FY 2017-18
Fair Value of Plan Assets at the Beginning of the Year	326.01	247.90
Interest Income	9.51	17.22
Contributions by the Employer	28.22	92.68
Expected Contributions by the Employees	-	(1.27)
Assets Transferred In/Acquisitions	-	5.68
(Assets Transferred Out/ Divestments)	(203.45)	(5.68)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	(0.53)
(Benefit Paid from the Fund)	(16.91)	(28.58)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	2.43	(1.40)
Fair Value of Plan Assets at the End of the Year	145.81	326.02

(₹ in Millions)

Amount Recognized in the Balance Sheet	FY 2018-19	FY 2017-18
(Present Value of Benefit Obligation at the end of the Year)	(155.00)	(366.53)
Fair Value of Plan Assets at the end of the Year	145.81	326.01
Funded Status (Surplus/ (Deficit))	(12.41)	(56.11)
Net (Liability)/Asset Recognized in the Balance Sheet	(15.63)	(71.76)
Liabilities recognised in the Balance Sheet under "Provisions"	(3.22)	(63.22)
Liabilities recognised in the Balance Sheet under "Other financial liabilities	(12.41)	(9.54)
Assets recognised in the Balance Sheet under "Other non financial assets	-	1.00

(₹ in Millions)

Net Interest Cost for Current Year	FY 2018-19	FY 2017-18
Present Value of Benefit Obligation at the Beginning of the Year	138.83	328.62
(Fair Value of Plan Assets at the Beginning of the Year)	(122.79)	(248.35)
Net Liability/(Asset) at the Beginning	16.04	80.27
Interest Cost	10.09	22.80
(Interest Income)	(9.51)	(17.45)
Net Interest Cost for Current Year	0.58	5.35

(₹ in Millions)

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2018-19	FY 2017-18
Current Service Cost	30.67	59.53
Net Interest Cost	0.58	5.25
Past Service Cost	-	(39.10)
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	31.25	25.68

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2018-19	FY 2017-18
Actuarial (Gains)/Losses on Obligation For the Year	6.79	58.10
Return on Plan Assets, Excluding Interest Income	(2.43)	1.40
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Year Recognized in OCI	4.36	59.50

(₹ in Millions)

Balance Sheet Reconciliation	FY 2018-19	FY 2017-18
Opening Net Liability	71.76	78.89
Expenses Recognized in Statement of Profit or Loss	31.25	27.27
Expenses Recognized in OCI	4.37	59.50
Net Liability/(Asset) Transfer In	1.43	14.03
Net (Liability)/Asset Transfer Out	(64.67)	(14.02)
(Benefit Paid Directly by the Employer)	(0.29)	(1.27)
(Employer's Contribution)	(28.22)	(92.65)
Net Liability/(Asset) Recognized in the Balance Sheet	15.63	71.75

(₹ in Millions)

Category of Assets	FY 2018-19	FY 2017-18
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	145.81	323.34
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**145.81**	**323.34**

Information for major category of plan assets of gratuity fund is not available with the Group and hence not disclosed.

(₹ in Millions)

Category of Assets	FY 2018-19	FY 2017-18
Prescribed Contribution For Next Year (12 Months)	55.79	81.14

(₹ in Millions)

Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	10.13	27.50
2nd Following Year	4.47	10.89
3rd Following Year	4.88	11.34
4th Following Year	5.25	11.82
5th Following Year	8.68	12.34
Sum of Years 6 To 10	37.19	74.34
Sum of Years 11 and above	598.56	757.52

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Maturity Analysis of the Benefit Payments: From the Employer	FY 2018-19	FY 2017-18
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.22	10.56
2nd Following Year	1.07	10.47
3rd Following Year	0.61	11.15
4th Following Year	(0.53)	12.01
5th Following Year	0.40	11.92
Sum of Years 6 To 10	(0.46)	61.37
Sum of Years 11 and above	-	216.45

(₹ in Millions)

Sensitivity Analysis	FY 2018-19	FY 2017-18
Projected Benefit Obligation on Current Assumptions	161.43	392.20
Delta Effect of +1% Change in Rate of Discounting	(22.03)	(39.08)
Delta Effect of -1% Change in Rate of Discounting	27.15	47.09
Delta Effect of +1% Change in Rate of Salary Increase	23.50	37.88
Delta Effect of -1% Change in Rate of Salary Increase	(20.04)	(33.32)
Delta Effect of +1% Change in Rate of Employee Turnover	0.06	2.11
Delta Effect of -1% Change in Rate of Employee Turnover	(0.26)	(2.40)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Qualitative disclosures

Characteristics of defined benefit plan

The Group has a defined benefit gratuity plan in India (funded) except for the holding company where the gratuity plan is unfunded. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Group is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

NOTE 32. OTHER EXPENSES

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Advertisement and marketing expenses (refer note 32.1)	555.02	833.96
Books & Periodicals	0.02	0.41
Direct operating expenses(refer note 32.1)	372.85	258.03
Bank charges(refer note 32.1)	80.18	74.95
Commission to non whole-time directors	1.50	2.34
Communication costs(refer note 32.1)	116.82	187.59
Electricity	140.48	172.95
Exchange and statutory charges(refer note 32.1)	21.63	33.55
Legal & professional fees (refer note 32.1)	906.73	796.77
Directors sitting fees	12.63	24.86
Office expenses(refer note 32.1)	424.21	506.58
Postage & courier(refer note 32.1)	67.17	59.98
Printing & stationery(refer note 32.1)	69.72	60.83
Rates & taxes	11.17	38.91
Rent(refer note 32.1)	768.27	696.25
Repairs & maintenance		
- Computer	17.99	20.79
- Others	95.81	120.19
Remuneration to auditors		
- Audit fees(refer note 32.1)	3.40	21.00
- Certification / other services	6.14	5.01
- Out of pocket expenses	1.22	0.69

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Software charges (refer note 32.1)	286.66	373.12
Subscription(refer note 32.1)	0.22	3.12
Travelling & conveyance(refer note 32.1)	358.25	537.06
Loss on sale of fixed assets	1.29	6.05
Corporate social responsibility expenses (refer note 42)	145.10	187.97
Miscellaneous expenses(refer note 32.1)	38.32	36.67
Insurance premium(refer note 32.1)	82.30	71.03
Expected credit loss	-	566.71
Bad Debts/Old Balances Written off/Back (Net)	-	8.56
Net loss on derecognition of financial instruments under amortised cost category	-	22.61
Impairment on financial instruments	-	(10.66)
Brokerage and Related Expenses	0.14	3.49
Donation	-	16.96
Total	**4,585.24**	**5,738.33**

Note 32.1: Includes below payments done in foreign currency

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Advertisement and marketing expenses	5.67	68.36
Software charges	4.24	5.96
Legal & professional fees	1.81	18.59
Travelling and conveyance	-	14.20
Meeting Seminar & subscription	-	0.65
Office expenses	-	7.63
Staff welfare Expense	-	1.07
Bank Charges	-	0.20
Communication	-	1.69
Exchange and Stautory charges	-	1.38
Postage & Courier	-	0.10
Printing & Stationary	-	0.35
Rent	-	8.14
Audit Fees	-	4.32
Other expenditure	-	2.40
Insurance	-	0.28

NOTE 33: EXCEPTIONAL ITEMS

a) During the year ended March 2019, India Infoline Finance Limited,subsidiary Company executed definitive agreement for the sale of its "Vehicle Financing Business" as a going concern on a slump sale basis to IndoStar Capital Finance Limited ("Indostar"). The profit on sale aggregating to ₹ 1,153.30 million has been disclosed as an exceptional item. In terms of the Business Transfer Agreement, India Infoline Finance Limited will be receiving the outstanding purchase consideration of ₹ 20,177.78 million from Indostar in 12 (twelve) equal monthly instalments from the closing date March 31, 2019 with interest.

b) During the current year, goodwill amounting to ₹ 107.18 million has been impaired and disclosed as an exception item.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 34. INCOME TAXES

(₹ in Millions)

Amounts recognised in statement of profit or loss	FY 2018-19	FY 2017-18
Current tax expense		
Current year	3,219.78	5,315.66
Changes in estimates related to prior years	2.97	14.88
Deferred tax expense		
Origination and reversal of temporary differences	30.45	(1,055.86)
Total	**3,253.20**	**4,274.68**

(₹ in Millions)

Amounts recognised in other comprehensive income	FY 2018-19			FY 2017-18		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Before tax
Remeasurements of defined benefit liability/ (asset)	(4.38)	1.27	(3.11)	(61.08)	20.75	(40.33)
Cash Flow Hedge (Net)	(245.24)	147.23	(98.01)	-	-	-
Foreign curremcy translation reserve	-	-	-	24.25	-	24.25
Total	**(249.62)**	**148.50**	**(101.12)**	**(36.83)**	**20.75**	**(16.08)**

(₹ in Millions)

Reconciliation of income tax expense of the year to accounting year	FY 2018-19	FY 2017-18
Profit before tax	**11,296.47**	**14,481.27**
Tax using the domestic tax rate	4,121.53	5,321.05
Tax effect of:		
Non-deductible expenses	42.90	119.23
Tax-exempt income - others (includes deduction under section 80JJAA)	(308.03)	(427.27)
Tax-exempt income- dividend	(455.15)	(616.00)
Income taxed at different rates	(104.93)	(85.00)
Change in tax rates	-	(40.94)
Current-year losses for which no deferred tax asset is recognised	-	9.17
Adjustments for current tax for prior periods	1.46	23.82
Income routed through OCI	61.53	-
Past-year losses for which no deferred tax asset is recognised	(108.54)	24.62
Recognition of previously unrecognised deductible temporary differences	2.43	(64.04)
Tax effect on various other items	-	10.06
Total income tax expense	**3,253.20**	**4,274.70**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 35. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

(₹ in Millions)

Particulars		FY 2018-19	FY 2017-18
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss		6,821.73	7,930.80
Weighted average number of equity shares outstanding	B	31,90,61,399	31,82,93,090
Basic EPS (In ₹)	**A/B**	**21.38**	**24.92**
DILUTED			
Weighted average number of equity shares for computation of basic EPS		31,90,61,399	31,82,93,090
Add: Potential equity shares on account conversion of Employees Stock Options		6,59,360	9,49,739
Weighted average number of equity shares for computation of diluted EPS	C	31,97,20,759	31,92,42,829
Diluted EPS (In ₹)	**A/C**	**21.34**	**24.84**

NOTE 36. RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed to ensure minimal impact on the Group's growth and performance.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Group operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (""RMC"") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer (""CRO"") who reports to the Chief Executive Officer (""CEO"") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk)

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group. It has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run. The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

36A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, cash and cash equivalents, other balances with banks, loans and other receivables.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

Particulars	As at March 31, 2019				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	12,766.02	12,766.02
Bank Balance other than above	-	-	-	12,448.26	12,448.26
Receivables					-
(i) Trade Receivables	-	-	-	364.00	364.00
(ii) Other Receivables	-	-	-	20,177.78	20,177.78
Loans *	2,00,556.17	15,664.68	6,434.24	-	2,22,655.09
Other Financial assets	-	-	-	2,577.11	2,577.11

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	15,154.83	15,154.83
Bank Balance other than above	-	-	-	16,067.66	16,067.66
Receivables					-
(i) Trade Receivables	118.42	131.34	83.16	2,213.43	2,546.35
(ii) Other Receivables	-	-	-	399.65	399.65
Loans (Includes Financial Leases)	2,92,583.27	25,204.57	5,932.82	816.14	3,24,536.80
Other Financial assets	6,054.64	4,208.84	269.92	5,283.08	15,816.48

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in Millions)

Particulars	As at April 1, 2017				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	21,752.08	21,752.08
Bank Balance other than above	-	-	-	15,961.64	15,961.64
Receivables					-
(i) Trade Receivables	115.43	103.08	33.21	3,259.75	3,511.47
(ii) Other Receivables	-	-	-	1,802.30	1,802.30
Loans (Includes Financial Leases)	2,08,122.10	19,341.62	4,935.34	-	2,32,399.06
Investments**	-	-	-	20.50	20.50
Other Financial assets	7,161.44	3,455.42	44.66	3,167.34	13,828.86

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

** Investment in associates are carried at cost.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances and other receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

36A.2. Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against the shares, bonds, debentures, mutual funds, AIF units, commercial vehicle, mortgage of properties and Gold.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

36A.3. Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(i) Loans and advances

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening ECL Mar-18	**2,675.44**	**2,823.17**	**3,849.38**	**9,347.99**
New loans disbursed during the year	1,020.00	543.29	432.88	1,996.17
Loans closed/written off during the year	(1,303.28)	(1,483.75)	(2,419.73)	(5,206.76)
Movement in provision without change in asset staging	(323.79)	58.09	32.12	(233.58)
Movement in provision due to change in asset staging	(106.59)	1,208.93	2,791.53	3,893.87
Movement on account of Demerger (Refer Note 39.1)	(303.55)	-	-	(303.55)
Closing ECL Mar-19	**1,658.23**	**3,149.73**	**4,686.18**	**9,494.14**

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening ECL Mar-17	**1,642.38**	**2,637.45**	**3,025.22**	**7,305.05**
New loans disbursed during the year	1,730.52	103.14	313.32	2,146.98
Loans closed/written off during the year	(352.83)	(116.10)	(1,923.33)	(2,392.26)
Movement in provision without change in asset staging	(207.31)	433.35	25.94	251.98
Movement in provision due to change in asset staging	(137.32)	(234.67)	2,408.23	2,036.24
Closing ECL Mar-18	**2,675.44**	**2,823.17**	**3,849.38**	**9,347.99**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ in Millions)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening EAD Mar-2018	**3,54,099.54**	**25,726.63**	**5,934.45**	**3,85,760.62**
New loans disbursed during the year	1,70,908.20	5,691.82	613.74	1,77,213.76
Loans closed/written off during the year	(1,03,550.71)	(13,434.75)	(3,680.52)	(1,20,665.98)
Movement in EAD without change in asset staging	(60,659.25)	(207.64)	(20.86)	(60,887.75)
Movement in EAD due to change in asset staging	(10,324.70)	(1,477.83)	3,594.04	(8,208.49)
Movement on account of Demerger (Refer Note no. 39.1)	(69,157.44)	-	-	(69,157.44)
Closing EAD Mar-2019	**2,81,315.64**	**16,298.23**	**6,440.85**	**3,04,054.72**

(₹ in Millions)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening EAD Mar-2017	**2,41,690.28**	**19,373.85**	**4,940.04**	**2,66,004.17**
New loans disbursed during the year	2,07,724.27	4,041.82	94.76	2,11,860.85
Loans closed/written off during the year	(58,728.84)	(8,742.06)	(2,864.22)	(70,335.12)
Movement in EAD without change in asset staging	(34,340.82)	288.13	(35.84)	(34,088.53)
Movement in EAD due to change in asset staging	(2,245.35)	10,764.89	3,799.71	12,319.25
Closing EAD Mar-2018	**3,54,099.54**	**25,726.63**	**5,934.45**	**3,85,760.62**

Movement in the Expected Credit Loss / impairment loss allowance with regards to trade receivable / other financials assets is as follows:

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening ECL Mar-17	**-**	**694.56**	**64.72**	**759.28**
Movement in ECL allowances	-	247.49	285.88	533.37
Closing ECL Mar - 18	**-**	**942.05**	**350.60**	**1,292.65**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Opening ECL Mar-18	**-**	**942.05**	**350.60**	**1,292.65**
Movement on account of Demerger (Refer Note no. 39.1)		(942.05)	(350.60)	(1,292.65)
Closing ECL Mar - 19	**-**	**-**	**-**	**-**

36A.4. Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 3683.9 million(P.Y ₹ 2325.75 million)

36A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Value of Modified Assets at the time of modification	147.16	8.36
Value of Modified Assets outstanding at end of year	138.11	6.81
Modification Gain/ Loss	(0.93)	1.53

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR. PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 22, 2019) and the "The Housing Finance Companies (NHB) Directions, 2010".

36A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk – This category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Credit Grading details :

(₹ in Millions)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2019	2,81,315.64	16,298.23	6,440.85	3,04,054.72
March 31, 2018	3,53,283.40	25,726.63	5,934.45	3,84,944.48
April 01, 2017	2,41,690.28	19,373.85	4,940.04	2,66,004.17

36A.7. Concentration of Credit Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

36B Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Millions)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2019	Total	Upto 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years
Derivative financial instruments	427.91	14.78	-	413.13	-
Trade Payables	1,029.34	984.08	45.26	-	-
Other Payables	-	-	-	-	-
Debt Securities	1,06,182.66	51,723.25	3,231.58	50,225.94	1,001.89
Borrowings (other than debt securities) (Note 1)	1,44,057.51	21,135.06	25,902.38	86,155.37	10,864.70
Subordinated Liabilities	16,130.88	-	-	7,100.00	9,030.88
Other financial liabilities	19,661.01	16,716.37	368.73	2,401.88	174.03
Financial guarantee contracts	48,650.00	48,650.00	-	-	-
Total	**3,36,139.31**	**1,39,223.54**	**29,547.95**	**1,46,296.32**	**21,071.50**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2018	Total	Upto 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years
Derivative financial instruments	817.24	-	2.99	814.25	-
Trade Payables	2,395.30	1,211.12	1,184.14	0.04	-
Other Payables	-	-	-	-	-
Debt Securities (Includes Non Convertible Pref Shares)	1,57,536.49	97,771.05	11,483.32	39,721.02	8,561.10
Borrowings (other than debt securities) (Note 1)	1,66,323.06	68,522.56	25,283.21	63,842.32	8,674.97
Subordinated Liabilities	19,572.14	5,001.77	2.39	8,945.00	5,622.98
Other financial liabilities	33,007.84	15,326.58	11,565.83	5,712.46	402.97
Financial guarantee contracts	69,729.20	69,729.20	-	-	-
Total	**4,49,818.74**	**2,57,562.28**	**49,959.35**	**1,19,035.09**	**23,262.02**

(₹ in Millions)

Contractual maturities of financial liabilities (including financial guarantee) As at April 1, 2017	Total	Upto 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years
Derivative financial instruments	254.02	-	-	254.02	-
Trade Payables	1,940.49	998.95	941.54	-	-
Other Payables	-	-	-	-	-
Debt Securities	1,16,143.79	44,559.94	3,995.43	55,423.72	12,164.70
Borrowings (other than debt securities) (Note 1)	1,26,066.61	54,616.14	16,998.94	49,202.42	5,249.11
Subordinated Liabilities	15,642.29	-	11.94	10,465.35	5,165.00
Other financial liabilities	29,781.27	10,142.30	14,442.01	5,063.23	133.73
Financial guarantee contracts	69,130.00	69,130.00	-	-	-
Total	**4,21,637.06**	**2,17,228.27**	**38,747.73**	**1,26,223.90**	**39,437.16**

Note 1: Borrowings includes cash credit facilities, has been slotted in ""over 6 months to 1 year"" and ""over 1 year to 3 years"" in the ratio of 40% and 60% respectively.

Note 2: In computing the above information with respect to cash credit and overdraft facilities with Banks, the Management has made certain estimates and assumptions which have been relied upon by the auditors.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	4,896.82	11,530.13	9,189.17
- Expiring beyond one year (bank loans)	-	3,000.00	17,100.00

36C Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices. The Group's exposure to market risk is primarily on account of interest rate risk and Foreign exchange risk.

36C.1 Interest rate risk

(a) The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Variable rate borrowings	128,583.80	96,579.83	74,075.00
Fixed rate borrowings	137,787.25	246,851.86	183,777.69
Total borrowings	**266,371.05**	**343,431.69**	**257,852.69**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Bank overdrafts, bank loans	9.13%	119,583.80	44.89%	8.24%	89,579.83	26.08%	8.71%	69,075.00	26.79%
Non convertible debentures	8.82%	9,000.00	3.38%	8.48%	7,000.00	2.04%	8.60%	5,000.00	1.94%
Net exposure to cash flow interest rate risk		**128,583.80**			**96,579.83**			**74,075.00**	
Cross Currency Interest Rate Swaps	8.92%	3,630.75	1.36%		900.00	0.26%		0.00	0.00%

An analysis by maturities is provided in note 38(C)(i) above. The percentage of total loans shows the proportion of borrowings that are currently at floating rates in relation to the total amount of borrowings.

The Group had the following floating rate loans outstanding:

(₹ in Millions)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Floating rate loans	11.90%	140,376.86	46.17%	10.74%	205,116.09	53.17%	11.67%	144,514.16	54.33%

The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of loans.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates – increase by 25-30 basis points	(252.02)	(189.39)	-	-
Interest rates – decrease by 25-30 basis points	252.02	189.39	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates – increase by 25-30 basis points	273.97	379.47	-	-
Interest rates – decrease by 25-30 basis points	(273.97)	(379.47)	-	-

36C.2. Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity.

The Group's currency position is as under

(₹ in Millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets	-	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	427.91	-	-	-	-	-
Net Gap as at 31.03.2019	**(427.91)**	**-**	**-**	**-**	**-**	**-**

(₹ in Millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets	316.28	-	-	-	-	0.66
Foreign Currency Liabilities (in INR)*	16.86	-	-	-	-	0.05
Net Gap as at 31.03.2018	**299.42**	**-**	**-**	**-**	**-**	**0.61**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets	139.10	-	-	-	-	0.74
Foreign Currency Liabilities (in INR)*	11.14	-	4.72	-	-	5.61
Net Gap as at 01.04.2017	**127.96**	**-**	**(4.72)**	**-**	**-**	**(4.87)**

*It is fully hedged by forward contract & CCIRS

Sensitivity :

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD sensitivity				
INR/USD -Increase by 5%	(9.01)	(25.71)	(123.76)	-
INR/USD -Decrease by 5%	9.01	25.71	123.76	-

* Holding all other variables constant. The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be NIL.

36C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under

(₹ in Millions)

Particulars	Equity Share	Mutual Funds /Alternate investment funds/ others	Bonds	Gsecs	Total
Market Value as on March 31, 2019	592.00	976.71	1,150.27	-	2,718.98
Market Value as on March 31, 2018	431.66	10,622.26	4,601.00	5,846.83	21,501.75
Market Value as on April 01, 2017	468.48	15,712.15	11,828.02	8,857.73	36,866.38

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Increase 0.25% - 5.00%	86.45	702.91	-	-
Decrease 0.25% - 5.00%	(86.45)	(702.91)	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

36D.Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

36E. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in Millions)

Particulars	As at March 31, 2019		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	12,766.02
Bank Balance other than (a) above	-	-	12,448.26
Derivative financial instruments	-	-	-
Receivables			
(i) Trade Receivables	-	-	364.00
(ii) Other Receivables	-	-	20,177.78
Loans	-	59,751.52	212,949.15
Investments	2,718.98	-	-
Other Financial assets	-	-	2,577.11
Total financial assets	**2,718.98**	**59,751.52**	**261,282.32**
Financial liabilities			
Derivative financial instruments	6.59	421.32	-
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,029.34
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt Securities	-	-	105,775.88
Borrowings (Other than Debt Securities)	-	-	143,987.97
Subordinated Liabilities	-	-	16,028.64
Other financial liabilities	-	-	19,661.01
Total financial liabilities	**6.59**	**421.32**	**286,482.84**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	15,154.83
Bank Balance other than (a) above	-	-	16,067.66
Derivative financial instruments	49.75	-	-
Receivables			
(i) Trade Receivables	-	-	2,546.35
(ii) Other Receivables	-	-	399.65
Loans	-	43,012.38	314,016.40
Investments	21,501.75	-	-
Other Financial assets	-	-	15,816.48
Total financial assets	**21,551.50**	**43,012.38**	**364,001.37**
Financial liabilities			
Derivative financial instruments	817.24	-	-
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	0.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,395.27
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt Securities	8,561.10	-	148,880.79
Borrowings (Other than Debt Securities)	-	-	166,294.92
Subordinated Liabilities	-	-	19,527.59
Other financial liabilities	-	-	33,007.84
Total financial liabilities	**9,378.34**	**-**	**370,106.44**

(₹ in Millions)

Particulars	As at April 1, 2017		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	21,752.08
Bank Balance other than (a) above	-	-	15,961.64
Derivative financial instruments	10.77	-	-
Receivables	-	-	-
(i) Trade Receivables	-	-	3,511.47
(ii) Other Receivables	-	-	1,802.30
Loans	-	16,030.13	224,582.45

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	As at April 1, 2017		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Investments	36,866.38	-	20.50
Other Financial assets	-	-	13,828.86
Total financial assets	**36,877.15**	**16,030.13**	**281,459.30**
Financial liabilities			
Derivative financial instruments	254.02	-	-
Trade Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,940.49
Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt Securities	12,164.70	-	103,907.55
Borrowings (Other than Debt Securities)	-	-	125,992.76
Subordinated Liabilities	-	-	15,598.82
Other financial liabilities	-	-	29,781.27
Total financial liabilities	**12,418.72**	**-**	**277,220.89**

36E. 1. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

36E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.

(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.

(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.

(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.

(v) Government Securities are valued based on the closing price published by CCIL/ FIMMDA for March 2018 and March 2017 respectively and are classified as level 2.

(vi) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.

(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.

(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and are classified as level 2.

(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

(x) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - classified under FVOCI	-	-	59,751.52	59,751.52
Investments	**1,562.66**	**501.13**	**655.19**	**2,718.98**
(i) Mutual Funds/Alternate Investment fund / Others	913.52	-	63.19	976.71
(ii) Government Securities	-	-	-	-
(iii) Debt Securities	649.14	501.13	-	1,150.27
(iv) Equity	-	-	592.00	592.00
Dervatives financial Assets	-	-	-	
Total financial assets	**1,562.66**	**501.13**	**60,406.71**	**62,470.50**
Financial liabilities				
Forward exchange contract/ CCIRS	-	427.91	-	427.91
Call option included under Debt securities & Subordinated liabilities	-	55.42	-	55.42
Debt securities	-	-	-	-
Total financial liabilities	**-**	**483.33**	**-**	**483.33**

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - classified under FVOCI	-	-	43,012.38	43,012.38
Investments	**5,737.78**	**10,447.83**	**5,316.14**	**21,501.75**
(i) Mutual Funds/Alternate Investment fund / Others	5,688.47	-	4,933.79	10,622.26
(ii) Government Securities	-	5,846.83	-	5,846.83
(iii) Debt Securities	-	4,601.00	-	4,601.00
(iv) Equity	49.31	-	382.35	431.66
Dervatives financial Assets	-	49.75	-	
Total financial assets	**5,737.78**	**10,497.58**	**48,328.52**	**64,514.13**
Financial liabilities				
Forward exchange contract	-	817.24	-	817.24
Call option included under Debt securities & Subordinated liabilities	-	-	-	-
Debt securities	-	8,561.10	-	8,561.10
Total financial liabilities	**-**	**9,378.34**	**-**	**9,378.34**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at April 01, 2017				
Financial assets				
Loans - classified under FVOCI	-	-	16,030.13	16,030.13
Investments	**1,574.18**	**20,685.56**	**14,627.14**	**36,886.88**
(i) Mutual Funds/Alternate Investment fund / Others	1,487.87	-	14,244.78	15,732.65
(ii) Government Securities	-	8,857.73	-	8,857.73
(iii) Debt Securities	0.19	11,827.83	-	11,828.02
(iv) Equity	86.12	-	382.36	468.48
Dervatives financial Assets	-	10.77	-	10.77
Total financial assets	**1,574.18**	**20,685.56**	**30,657.27**	**52,917.01**
Financial liabilities				
Forward exchange contract	-	254.02	-	254.02
Call option included under Debt securities & Subordinated liabilities	-	-	-	-
Debt securities	-	12,164.70	-	12,164.70
Total financial liabilities	**-**	**12,418.72**	**-**	**12,418.72**

36E.3. Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, balances other than cash and cash equivalents, Trade receivables, other receivables, and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value. Loans and advances are presented net of provisions for impairment.

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2019			
Financial assets			
Cash and cash equivalents	12,766.02	12,766.02	-
Bank Balance other than included above	12,448.26	12,448.26	-
Receivables			
(i) Trade Receivables	364.00	364.00	-
(ii) Other Receivables	20,177.78	20,177.78	-
Loans	214,097.34	212,949.15	Level 3
Other Financial assets	2,577.11	2,577.11	-
Total financial assets	**262,430.51**	**261,282.32**	

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2019	Total fair value	Carrying Value	Valuation Hierarchy
Financial Liabilities			
Trade Payables	1,029.34	1,029.34	-
Other Payables	-	-	-
Debt Securities	103,977.41	105,775.88	Level 3
Borrowings (Other than debt securities)	144,779.19	143,987.97	Level 3
Subordinated Liabilities	15,229.87	16,028.64	Level 3
Other financial liabilities	19,661.01	19,661.01	-
Total financial liabilities	**284,676.82**	**286,482.84**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2018	Total fair value	Carrying Value	Valuation Hierarchy
Financial assets			
Cash and cash equivalents	15,154.83	15,154.83	-
Bank Balance other than included above	16,067.66	16,067.66	-
Receivables			-
(i) Trade Receivables	2,546.35	2,546.35	-
(ii) Other Receivables	399.65	399.65	-
Loans	314,838.48	314,016.40	Level 3
Other Financial assets	16,364.69	15,816.48	-
Total financial assets	**365,371.66**	**364,001.37**	
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	0.03	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,395.30	2,395.27	-
Other Payables			-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt Securities	148,760.99	148,880.79	Level 3
Borrowings (Other than Debt Securities)	166,442.74	166,294.92	Level 3
Subordinated Liabilities	19,686.45	19,527.59	Level 3
Other financial liabilities	32,991.60	33,007.84	-
Total financial liabilities	**370,277.08**	**370,106.44**	

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at April 01, 2017			
Financial assets			
Cash and cash equivalents	21,752.08	21,752.08	
Bank Balance other than included above	15,961.64	15,961.64	
Receivables			
(i) Trade Receivables	3,511.47	3,511.47	
(ii) Other Receivables	1,802.30	1,802.30	
Loans	226,337.47	224,582.45	Level 3
Investment in Associates	20.50	20.50	Level 3
Other Financial assets	14,842.29	13,828.86	
Total financial assets	**284,227.75**	**281,459.30**	
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,940.49	1,940.49	
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	
Debt Securities	105,631.20	103,907.92	Level 3
Borrowings (Other than Debt Securities)	125,608.75	125,992.76	Level 3
Subordinated Liabilities	17,407.94	15,598.82	Level 3
Other financial liabilities	30,324.73	29,781.27	
Total financial liabilities	**280,913.11**	**277,221.26**	

36.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2018	**43,012.38**	**4,933.79**	**382.35**
Purchases	-	-	-
Issuances	113,902.38	9.27	-
Settlements	-	-	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(97,163.24)	(7.93)	-
Total gain /losses recognised in profit and loss	-	(28.42)	209.65
Transfers in	-	-	-
Transfers out	-	-	-
Less: On account of demerger (Refer Note 39.1)		(4,843.52)	
Balances as at March 31, 2019	**59,751.52**	**63.19**	**592.00**
Unrealised gain /losses related to balances held at the end of financial year	-	(31.25)	210.25

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2017	**16,030.13**	**14,244.78**	**382.36**
Purchases	-	15,947.81	-
Issuances	41,535.21	55.92	-
Settlements	-	(20,983.78)	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(14,552.96)	(4,469.13)	(0.01)
Total gain /losses recognised in profit and loss	-	138.20	-
Transfers in	-	-	-
Transfers out	-	-	-
Balances as at March 31, 2018	**43,012.38**	**4,933.79**	**382.35**
Unrealised gain /losses related to balances held at the end of financial year	-	(5.07)	-

36 F. Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2019, the Group has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in Millions)

Particulars	FY 2018-19	FY 2017-18
Financial assets derecognised during the year	97,163.24	14,552.96
Gain from derecognition	1,486.94	638.65

36 G. Transferred financial assets that are recognised in their entirety:

The Group uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Group retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Carrying amount of transferred assets measured at amortised cost	9,493.35	14,134.98	15,110.67
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	9,493.35	14,134.98	15,110.67
Fair value of assets	9,596.03	13,912.91	14,794.94
Fair value of associated liabilities	9,596.03	13,912.91	14,794.94
Net position at Fair value	-	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 37. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

A. Contingent Liabilities

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
In respect of Income tax demands (note a)	493.12	566.26
In respect of Service Tax Demands	620.71	436.80
In respect of Profession Tax Demands	1.55	1.55
In respect of Bank guarantees given (note b)	-	6,999.13
Corporate Guarantees	48,650.00	62,730.07
In respect of legal case/ penalties	0.30	61.23
Contingent liability in respect of credit enhancement for securitisation transaction	1,322.90	1,328.15

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) The above guarantee has been given on behalf of subsidiary/group companies.

(c) Amount paid under protest with respect to income tax demand is ₹ 260.09 million(P.Y ₹ 422.33 million).

(d) Amount paid under protest with respect to Service tax demand is ₹ 29.66 million(P.Y ₹ 2.19 million).

(e) Amount paid under protest with respect to professional tax demand is ₹ 0.47 million(P.Y ₹ 0.47 million).

(f) Apart from the above, Group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

B. Commitments not provided for:

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments related to loans sanctioned but undrawn	24,063.64	21,395.36
Estimated amount of contracts remaining to be executed on capital account	126.82	88.51
Commitments related to Alternate Investment Funds	34.31	769.47
Commitments related to Assets	-	129.58

NOTE 38. MINIMUM LEASE RENTALS

The Group has taken office premises on operating lease at various locations. Lease rents in respect of the same have been charged to the Statement of Profit and Loss. The total of future minimum lease rentals under non cancellable operating leases, outstanding as at March 31, 2019, are as under:

(₹ in Millions)

Minimum Lease Rentals	FY 2018-2019	FY 2017-2018
Due for		
Up to One year	15.54	200.40
One to Five years	16.99	262.23
More than Five years	-	1.96
Total	**32.53**	**464.59**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 39: COMPOSIT SCHEME OF ARRANGEMENT

Note 39.1: Demerged Operation

The Board of Directors of the Company at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst India Infoline Finance Limited (""IIFL Finance"), IIFL Holdings Limited (""Company/IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth"") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i. amalgamation of IIFL M&R with IIFL Holdings;

ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Securities;

iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;

iv. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis; and

v. amalgamation of IIFL Finance with the Company.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other steps, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the Company have approved the Scheme on December 12, 2018.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India(RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by the Company, the Board of Directors at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

a) Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date i.e. April 01, 2017;

b) Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date i.e. April 01, 2018; and

c) Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.

d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

On the record date each shareholder of IIFL Holdings will be entitled to:

a) additional 1 fully paid up equity share of Rs. 2 each in IIFL Securities for every 1 share held in IIFL Holdings for the demerger of Securities Business Undertaking;

b) additional 1 fully paid up equity share of Rs. 2 each in IIFL Wealth for every 7 shares held in IIFL Holdings for the demerger of Wealth Business Undertaking;

After aforesaid merger of IIFL Finance with IIFL Holdings, each shareholder of IIFL Finance whose name is recorded in the register of members of IIFL Finance on the record date will be entitled to 135 fully paid up equity shares of Rs. 2 each in IIFL Holdings for every 100 shares held in IIFL Finance.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 39.2: Demerged Operation

During the year 2017-18, the Company has received the approval of NCLT for the Scheme of Arrangement under Section 230-232 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited and 5paisa Capital Limited (5PCL) and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5PCL. The said order has been filed with MCA on September 30, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. October 01, 2016 in the books of accounts of the Company. Accordingly, the financial statement have been presented after giving effect to the Scheme. As per the Scheme, the shareholders of the Company as on the record date i.e. October 18, 2017, has been allotted 1 equity share of Rs 10/- each fully paid up of 5PCL for every 25 equity shares of Rs 2/- each held in the Company. In view of above, 5PCL ceased to be a subsidiary of the Company.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement:

(I) To comply with Appendix C of Ind AS - 103 following Assets and Liabilities were transferred to 5PCL as at April 01, 2017.

Particulars	(₹ in Millions)
Investment in 5PCL	896.87
Fixed Assets	0.32
Prepaid Expenses	0.08
Sub-Total	**897.27**
Less :-	
Other Liability & Provision	2.03
Net Asset transferred	**895.24**

(II) The excess of the book value of asset transferred (net of diminution/depreciation, if any) over the book value of liabilities have been debited to Capital Reserve ₹ 433.70 million and General Reserve of ₹ 461.10 million and ₹ 0.43 millions was settled by cheque.

NOTE 40. SHARE BASED PAYMENT

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) 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 the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

(A) The details of various Employee Stock Option Schemes that are in existence during the year are as under

Particulars	ESOP 2008
Method of accounting	Intrinsic Value
Vesting plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.
Exercise period	Seven years from the date of grant.

Movement of options granted during the year ended March 31, 2019

(₹ in Millions)

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Options outstanding at the beginning of the year	1,205,392	55.26 – 468.67	142.27	4.03
Granted during the year	-	-	-	-
Forfeited during the year	(30,800)	175.75 - 468.67	210.09	-
Expired during the year	(2,070)	175.75 - 468.67	232.35	-
Exercised during the year	(224,066)	55.26 - 177.27	165.06	-
Options outstanding at the end of the year	**948,456**	**55.26 – 468.67**	**134.49**	**2.88**
Exercisable at the end of the year	**620,676**	**55.26 - 468.67**	**99.10**	**2.27**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Movement of options granted during the year ended March 31, 2018

(₹ in Millions)

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Options outstanding at the beginning of the year	2,548,860	56.60 – 181.55	117.66	3.68
Granted during the year	200,000	468.67	468.67	-
Forfeited during the year	(312,355)	175.75 - 480.00	330.47	-
Expired during the year	(160,280)	66.54 - 181.55	104.24	-
Exercised during the year	(1,070,833)	55.26 – 181.55	90.20	-
Options outstanding at the end of the year	**1,205,392**	**55.26 - 177.27**	**142.27**	**4.03**
Exercisable at the end of the year	**565,939**	**55.26 - 177.27**	**88.48**	**3.07**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

(₹ in Millions)

Particulars	ESOP 2008	
	2018-19	2017-18 *
Stock price (₹)	-	479.75
Volatility	-	43.98%
Risk-free Rate	-	6.94%
Exercise price (₹)	-	480
Time to Maturity (Years)	-	5
Dividend yield	-	1.99%
Weight Average Value (₹)	-	197.23

* The aforesaid variables are based on grant dated April 29, 2017 before considering effect of demerger of 5paisa digital undertaking from IIFL Holdings Limited in terms of Scheme of Arrangement approved by NCLT vide its order dated September 06, 2017. Post demerger, the revised exercise price got reduced by 2.36% to ₹ 468.67 and fair value of option stand revised to ₹ 201.65, as approved by Nomination and Remuneration Committee of the Board of Directors of the Company.

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

41. A) LIST OF RELATED PARTIES

Nature of relationship	Name of party
Director	Mr. A K Purwar
	Mr. S Narayan
	Mr. Kranti Sinha
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey
	Ms. Geeta Mathur
	Mr. Chandran Ratnaswami
Key Management Personnel	Prabodh Agrawal
	Gajendra Thakur
Firms in which Director or his relative is a partner	Khimji Kunverji & Co
Private company in which a director or his relative is a member or director;	Orpheus Trading Private Limited
	Ardent Impex Private Limited
Direct Subsidiary	India Infoline Finance Limited
Step Down Subsidiaries	IIFL Home Finance Limited
	Samasta Microfinance Limited
	Clara Developers Private Limited
"Other Related Parties * (Including subsidiaries and step-down subsidiaries up to April 01, 2018) "	IIFL Securities Limited
	IIFL Securities Services IFSC Limited
	IIFL Wealth Management Limited
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Commodities Limited
	IIFL Foundation
	IIFL Insurance Brokers Limited
	IIFL Management Services Limited
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Alternate Asset Advisors Limited
	IIFL Asset Reconstruction Limited
	IIFL Distribution Services Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)
	IIFL Private Wealth (Hong Kong) Limited
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IFL Asset Management (Mauritius) Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Wealth Securities IFSC Limited
	IIFL Altiore Advisors Private Limited (Formerly Altiore Advisors Private Limited)
	IIFL Wealth Advisors(India) Limited (Formerly Wealth Advisors (India) Private Limited)
	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary IIFL Management Services Ltd.)
	5paisa Capital Limited
	5paisa P2P Limited
	FIH Mauritius Investment Limited
	India Infoline Employee Trust Limited
	5paisa Insurance Brokers Limited

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Notes:

1) List includes related parties with whom transactions were carried out during current or previous year

2) Pursuant to the implementation of Composite Scheme of Arrangement as approved by the NCLT (refer note 39.1), India Infoline Media and Research Services Limited was merged with IIFL Holdings Limited w.e.f. April 1, 2017 and thereafter, the said business was carved out from IIFL Holdings Limited and merged with IIFL Wealth Management Limited w.e.f. April 1, 2018. Accordingly, transactions during FY 2017-18 with India Infoline Media and Research Services Limited have been disclosed under IIFL Holdings Limited and transactions with India Infoline Media and Research Services Limited during FY 2018-19 have been disclosed under IIFL Wealth Management Limited.

(₹ in Millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Interest income			
5paisa Capital Limited	6.64	-	6.64
	(4.77)	-	(4.77)
IIFL Management Services Limited	7.12	-	7.12
	-	-	-
IIFL Facilities Services Limited	4.53	-	4.53
	-	-	-
IIFL Securities Limited	28.04	-	28.04
	-	-	-
Nirmal Jain	-	-	-
	-	(5.59)	(5.59)
Venkataraman Rajamani	-	-	-
	-	(4.84)	(4.84)
Madhu Jain	-	-	-
	-	(2.45)	(2.45)
Interest expense			
IIFL Facilities Services Limited	114.41	-	114.41
	-	-	-
IIFL Wealth Finance Limited	2.26	-	2.26
	-	-	-
IIFL Alternate Asset Advisor Limited	1.82	-	1.82
	-	-	-
Referral fees income			
IIFL Wealth Management Limited	14.35	-	14.35
	-	-	-
Rent Income			
5paisa Capital Limited	-	-	-
	(26.33)	-	(26.33)
Brokerage/Delayed Payin Charges/DP charges			
Mr. Nirmal Jain	-	-	-
	-	(14.92)	(14.92)
Mr. Venkataraman Rajamani	-	-	-
	-	(0.39)	(0.39)
Orpheus Trading Private Limited	-	-	-
	(0.03)	-	(0.03)
Ardent Impex Private Limited	-	-	-
	(0.04)	-	(0.04)
Donation paid			
IIFL Foundation	145.10	-	145.10
	(187.97)	-	(187.97)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Arranger / processing Fees / advisory expenses/referral fees/ brokerage on Non convertible debenture/lead merchant banking fees			
IIFL Wealth Management Limited	154.23	-	154.23
	-	-	-
IIFL Securities Limited	249.15	-	249.15
	-	-	-
IIFL Management Services Limited	59.55	-	59.55
	-	-	-
IIFL Investment Advisors And Trustee Services Limited	25.00	-	25.00
	-	-	-
5 Paisa Capital Limited	1.17	-	1.17
	(0.10)	-	(0.10)
IIFL Facilities Services Limited	25.00	-	25.00
	-	-	-
Rent expenses			
IIFL Facilities Services Limited	62.33	-	62.33
	-	-	-
Aditi Athavankar	-	2.40	2.40
	-	(2.40)	(2.40)
Commission / brokerage expense			
IIFL Securities Limited	5.06	-	5.06
	-	-	-
Remuneration paid			
Mr.Nirmal Jain	-	68.67	68.67
	-	(59.54)	(59.54)
Mr.R. Venkataraman	-	48.57	48.57
	-	(42.50)	(42.50)
Director sitting fees and commssion to directors			
Mr.Nilesh Vikamsey	-	0.78	0.78
	-	(1.36)	(1.36)
Mrs.Geeta Mathur	-	1.37	1.37
	-	(2.28)	(2.28)
Equity dividend paid			
India Infoline Employee Trust Limited	0.38	-	0.38
	-	-	-
ICD/loan taken			
IIFL Facilities Services Limited	21,270.00	-	21,270.00
	-	-	-
5paisa Capital Limited	-	-	-
	(140.00)	-	(140.00)
ICD/loan returned			
IIFL Facilities Services Limited	21,270.00	-	21,270.00
	-	-	-
5paisa Capital Limited	-	-	-
	(140.00)	-	(140.00)
ICD/loan given			
5paisa Capital Limited	1,072.00	-	1,072.00
	(671.50)	-	(671.50)
IIFL Facilities Services Limited	23,592.50	-	23,592.50
	-	-	-
IIFL Management Services Limited	2,740.00	-	2,740.00
	-	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
IIFL Securities Limited	26,330.00	-	26,330.00
	-	-	-
Nirmal Jain	-	-	-
	-	(2,764.49)	(2,764.49)
Venkataraman Rajamani	-	-	-
	-	(2,505.88)	(2,505.88)
Madhu Jain	-	-	-
	-	(1,255.96)	(1,255.96)
ICD/loan received back			
5paisa Capital Limited	1,072.00	-	1,072.00
	(651.50)	-	(651.50)
IIFL Management Services Limited	2,450.00	-	2,450.00
	-	-	-
IIFL Facilities Services Limited	23,065.00	-	23,065.00
	-	-	-
IIFL Securities Limited	26,330.00	-	26,330.00
	-	-	-
Nirmal Jain	-	-	-
	-	(2,764.49)	(2,764.49)
Venkataraman Rajamani	-	-	-
	-	(2,505.88)	(2,505.88)
Madhu Jain	-	-	-
	-	(1,255.96)	(1,255.96)
Allocation / reimbursement of expenses paid			
IIFL Securities Limited	650.04	-	650.04
	-	-	-
IIFL Management Services Limited	15.19	-	15.19
	-	-	-
IIFL Facilities Services Limited	47.00	-	47.00
	-	-	-
5 Paisa Capital Limited	0.02	-	0.02
	-	-	-
Allocation / reimbursement of expenses paid others			
IIFL Facilities Services Limited	0.55	-	0.55
	-	-	-
IIFL Commodities Limited	0.05	-	0.05
	-	-	-
IIFL Insurance Brokers Limited	0.07	-	0.07
	-	-	-
5paisa Capital Limited	0.15	-	0.15
	-	-	-
IIFL Management Services Limited	0.13	-	0.13
	-	-	-
IIFL Securities Limited	9.80	-	9.80
	-	-	-
IIFL Wealth Management Limited	0.11	-	0.11
	-	-	-
Allocation / reimbursement of expenses received			
IIFL Facilities Services Limited	0.01	-	0.01
	-	-	-
IIFL Management Services Limited	0.99	-	0.99
	-	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

(₹ in Millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
5paisa Capital Limited	2.69	-	2.69
	(14.09)	-	(14.09)
IIFL Securities Limited	39.05	-	39.05
	-	-	-
IIFL Insurance Brokers Limited	0.64	-	0.64
	-	-	-
Allocation / reimbursement of expenses received others			
IIFL Facilities Services Limited	0.53	-	0.53
	-	-	-
IIFL Management Services Limited	31.01	-	31.01
	-	-	-
IIFL Foundation	-	-	-
	(0.01)	-	(0.01)
5 Paisa Capital Limited	0.06	-	0.06
	-	-	-
IIFL Wealth Management Limited	-	-	-
	-	-	-
IIFL Securities Limited	3.19	-	3.19
	-	-	-
Others received			
5paisa Capital Limited	-	-	-
	(2.05)	-	(2.05)
Security deposit paid towards rent			
IIFL Facilities Services Limited	11.70	-	11.70
	-	-	-
Security Deposit Paid (Others)			
5paisa Capital Limited	-	-	-
	(0.20)	-	(0.20)
Security Deposit Received (Others)			
5paisa Capital Limited	-	-	-
	(0.20)	-	(0.20)
Dividend income			
IIFL Commodities Limited	12.54	-	12.54
	-	-	-
IIFL Insurance Brokers Limited	50.00	-	50.00
	-	-	-
IIFL Securities Limited	280.77	-	280.77
	-	-	-
IIFL Wealth Management Limited	450.00	-	450.00
	-	-	-
Non convertible debenture Issued			
IIFL Alternate Asset Advisors Limited	1,019.54	-	1,019.54
	-	-	-
IIFL Wealth Finance Limited	1,731.61	-	1,731.61
	-	-	-
Non convertible debenture Redeemed			
IIFL Alternate Asset Advisors Limited	286.74	-	286.74
	-	-	-
IIFL Wealth Finance Limited	65.25	-	65.25
	-	-	-
IIFL Facilities Services Limited	197.10	-	197.10
	-	-	-

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 41.1 Closing balances with related parties

(₹ in Millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Other payable			
IIFL Facilities Services Limited	0.12	-	0.12
	-	-	-
IIFL Securities Limited	24.68	-	24.68
	-	-	-
IIFL Management Services Limited	17.57	-	17.57
	-	-	-
5 Paisa Capital	0.50	-	0.50
	-	-	-
Other receivable			
IIFL Insurance Brokers Limited	0.02	-	0.02
	-	-	-
IIFL Management Services Limited	4.87	-	4.87
	-	-	-
Security Deposit receivable			
Aditi Athavankar	-	50.00	50.00
	-	(50.00)	(50.00)
IIFL Facilities Services Limited	11.70	-	11.70
	-	-	-
Outstanding ICD given			
IIFL Management Services Limited	290.00	-	290.00
	-	-	-
IIFL Facilities Services Limited	527.50	-	527.50
	-	-	-
Outstanding non convertible debenture issued			
IIFL Facilities Services Limited	200.00	-	200.00
	-	-	-
Interest accrued on outstanding non convertible debenture issued			
IIFL Facilities Services Limited	12.82	-	12.82
	-	-	-
Gratuity payable*			
Mr.Nirmal Jain	-	1.20	1.20
	-	(1.13)	(1.13)
Mr.R. Venkataraman	-	1.20	1.20
	-	(1.13)	(1.13)
Leave encashment payable*			
Mr.Nirmal Jain	-	4.84	4.84
	-	(4.06)	(4.06)
Mr.R. Venkataraman	-	3.44	3.44
	-	(2.88)	(2.88)
Bank Gaurantee			
IIFL Home Finance Limited	33,250.00	-	33,250.00
	(28,080.00)	-	(28,080.00)
India Infoline Finance Limited	14,000.00	-	14,000.00
	(29,350.00)	-	(29,350.00)
IIFL Securities Limited	900.00	-	900.00
	(1,550.00)	-	(1,550.00)
IIFL Commodities Limited	-	-	-
	(1,250.00)	-	(1,250.00)

"*Based on acturial valuation report

#Amount is less than ₹ 0.01 mn hence shown as ₹ 0.00 mn wherever applicable."

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 42.1. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

(₹ in Millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
[1]	**Financial assets**			
	(a) Cash and cash equivalents	12,766.02	-	12,766.02
	(b) Bank balance other than (a) above	12,214.13	234.13	12,448.26
	(c) Derivative financial instruments	-	-	-
	(d) Receivables	-	-	
	(i) Trade receivables	364.00	-	364.00
	(ii) Other receivables	20,177.78	-	20,177.78
	(e) Loans	1,25,869.09	1,46,831.58	2,72,700.67
	(f) Investments	2,071.56	647.42	2,718.98
	(g) Other financial assets	1,215.54	1,361.57	2,577.11
		-	-	
[2]	**Non-financial assets**	-	-	
	(a) Current tax assets (net)	-	1,278.67	1,278.67
	(b) Deferred tax assets (net)	-	3,368.90	3,368.90
	(c) Investment property	-	2,634.27	2,634.27
	(d) Property, plant and equipment	-	1,026.69	1,026.69
	(e) Capital work-in-progress	-	67.77	67.77
	(f) Other Intangible assets	-	23.50	23.50
	(g) Other non-financial assets	200.86	97.38	298.24
Total Assets		**1,74,878.98**	**1,57,571.88**	**3,32,450.86**
LIABILITIES AND EQUITY				
LIABILITIES				
[1]	**Financial liabilities**			
	(a) Derivative financial instruments			
	(b) Payables	14.78	413.13	427.91
	(I) Trade payables	-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(II) Other payables	1,029.34	-	1,029.34
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(c) Debt securities	54,071.17	51,704.71	1,05,775.88
	(d) Borrowings (other than debt securities)	47,123.75	96,864.22	1,43,987.97
	(e) Subordinated liabilities	-	16,028.64	16,028.64
	(f) Other financial liabilities	17,085.09	2,575.92	19,661.01
[2]	**Non-financial liabilities**	-	-	-
	(a) Current tax liabilities (net)	519.05	-	519.05
	(b) Provisions	284.33	80.57	364.90
	(c) Other non-financial liabilities	981.03	-	981.03
[3]	**EQUITY**	-	-	-
	(a) Equity Share capital	-	638.41	638.41
	(b) Other Equity	-	36,310.34	36,310.34
	(c) Non-controlling interest	-	6,726.38	6,726.38
Total Liabilities and Equity		**1,21,108.54**	**2,11,342.32**	**3,32,450.86**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 42.2. Maturity analysis of assets and liabilities as at March 31, 2018

(₹ in Millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	15,045.27	109.56	15,154.83
(b)	Bank balance other than (a) above	14,711.21	1,356.45	16,067.66
(c)	Derivative financial instruments	49.75	-	49.75
(d)	Receivables	-	-	
(i)	Trade receivables	2,546.35	-	2,546.35
(ii)	Other receivables	399.65	-	399.65
(e)	Loans	1,82,175.85	1,74,852.94	3,57,028.79
(f)	Investments	16,691.93	4,809.82	21,501.75
(g)	Other financial assets	11,121.75	4,694.73	15,816.48
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	57.43	2,125.60	2,183.03
(b)	Deferred tax assets (net)	-	3,917.55	3,917.55
(c)	Investment property	-	2,503.00	2,503.00
(d)	Property, plant and equipment	-	5,972.72	5,972.72
(e)	Capital work-in-progress	0.58	1,098.81	1,099.39
(f)	Goodwill	-	107.18	107.18
(g)	Other Intangible assets	-	122.37	122.37
(h)	Other non-financial assets	385.59	96.53	482.12
Total Assets		**2,43,185.36**	**2,01,767.26**	**4,44,952.62**
LIABILITIES AND EQUITY				
LIABILITIES				
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	2.99	814.25	817.24
(b)	Payables	-	-	
(I)	Trade payables	-	-	
(i)	total outstanding dues of micro enterprises and small enterprises	0.03	-	0.03
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	2,395.23	0.04	2,395.27
(II)	Other payables	-	-	
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Debt securities	1,09,183.57	48,258.31	1,57,441.88
(d)	Borrowings (other than debt securities)	93,836.22	72,458.70	1,66,294.92
(e)	Subordinated liabilities	4,993.29	14,534.30	19,527.59
(f)	Other financial liabilities	26,622.17	6,385.67	33,007.84
[2]	**Non-financial liabilities**	-	-	
(a)	Current tax liabilities (net)	691.85	-	691.85
(b)	Provisions	291.48	110.27	401.75
(c)	Other non-financial liabilities	1,946.32	-	1,946.32
[3]	**EQUITY**			
(a)	Equity Share capital	-	637.96	637.96
(b)	Other Equity	-	46,790.85	46,790.85
(c)	Non-controlling interest	-	14,999.12	14,999.12
Total Liabilities and Equity		**2,39,963.15**	**2,04,989.47**	**4,44,952.62**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

Note 42.3. Maturity analysis of assets and liabilities as at March 31, 2017

(₹ in Millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
ASSETS				
[1]	**Financial assets**			
(a)	Cash and cash equivalents	21,748.80	3.30	21,752.10
(b)	Bank balance other than (a) above	15,346.41	615.23	15,961.64
(c)	Derivative financial instruments	10.77	-	10.77
(d)	Receivables	-	-	-
(i)	Trade receivables	3,511.47	-	3,511.47
(ii)	Other receivables	1,802.30	-	1,802.30
(e)	Loans	1,06,058.29	1,34,554.29	2,40,612.58
(f)	Investments	28,996.79	7,890.09	36,886.88
(g)	Other financial assets	10,496.04	3,332.82	13,828.86
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	19.06	1,996.98	2,016.04
(b)	Deferred tax assets (net)	-	2,944.78	2,944.78
(c)	Investment property	-	559.69	559.69
(d)	Property, plant and equipment	-	5,289.99	5,289.99
(e)	Capital work-in-progress	-	687.58	687.58
(h)	Goodwill	-	107.18	107.18
(f)	Other Intangible assets	-	64.92	64.92
(g)	Other non-financial assets	278.91	754.56	1,033.47
Total Assets		**1,88,268.84**	**1,58,801.41**	**3,47,070.25**
LIABILITIES AND EQUITY				
LIABILITIES				
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	10.81	243.21	254.02
(b)	Payables	-	-	-
(I)	Trade payables	-	-	-
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	1,940.47	0.02	1,940.49
(II)	Other payables	-	-	-
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Debt securities	48,545.81	67,526.44	1,16,072.25
(d)	Borrowings (other than debt securities)	71,583.63	54,409.13	1,25,992.76
(e)	Subordinated liabilities	644.35	14,954.46	15,598.81
(f)	Other financial liabilities	24,815.99	4,965.29	29,781.28
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	939.09	53.43	992.52
(b)	Provisions	369.96	74.06	444.02
(c)	Other non-financial liabilities	2,630.95	0.90	2,631.85
[3]	**EQUITY**	-	-	-
(a)	Equity Share capital	-	635.82	635.82
(b)	Other Equity	-	39,929.92	39,929.92
(c)	Non-controlling interest	-	12,796.51	12,796.51
Total Liabilities and Equity		**1,51,481.06**	**1,95,589.19**	**3,47,070.25**

NOTE 43. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2018-2019, the Group has spent ₹ 145.10 million (P.Y. ₹ 187.97 million) out of the total amount of ₹ 145.10 million (P.Y. ₹ 182.65 million) required to be spent as per section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to IIFL Foundation.

NOTE 44. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Millions)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
IIFL Holdings Limited	1.35%	500.45	9.40%	756.31	(1.17%)	1.18	9.54%	757.49
Indian Subsidiaries								
India Infoline Finance Limited	66.37%	24,521.66	32.24%	2,592.97	(24.94%)	25.22	32.97%	2,618.19
IIFL Home Finance Limited (formerly India Infoline Housing Finance Limited)	43.32%	16,004.35	37.94%	3,051.52	106.15%	(107.35)	37.07%	2,944.17
Samasta Microfinance Limited	7.17%	2,648.58	6.29%	506.17	4.20%	(4.25)	6.32%	501.92
Clara Developers Private Limited	0.00%	0.08	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Subtotal	**118.20%**	**43,675.11**	**85.87%**	**6,906.92**	**84.25%**	**(85.19)**	**85.89%**	**6,821.72**
Non Controlling interest in subsidiaries	(18.20%)	(6,726.38)	14.13%	1,136.35	15.74%	(15.92)	14.11%	1,120.43
Total		**36,948.74**		**8,043.27**		**(101.12)**		**7,942.15**

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 45. SEGMENT REPORTING

Segment information for the year ended March 31,2019.Primary Segment information (by Business Segment)

(₹ in Millions)

Sr. No	Particulars	Fund based activity	Financial Product distribution	Capital market activity	Others	Total
I	Segment Revenue					
	External	50,596.61	-	-	1,070.82	51,667.43
		(41,072.00)	(16,578.77)	(7,981.74)	(2,142.07)	(67,774.58)
	Less: Inter-Segment	-	-	-	-	712.15
		(-)	(-)	(-)	(-)	(3,114.25)
	Total Revenue	50,596.61	-	-	1,070.82	50,955.28
		(41,072.00)	(16,578.77)	(7,981.74)	(2,142.07)	(64,660.33)
II	Segment Result	11,047.53	-	-	248.94	11,296.47
		(6,281.19)	(4,943.55)	(2,124.87)	(1,112.94)	(14,462.55)
	Less: Unallocated Expenses	-	-	-	-	-
		(-)	(-)	(-)	(-)	(18.72)
	Operating Profit	-	-	-	-	11,296.47
		(-)	(-)	(-)	(-)	(14,481.27)
	Interest Expense	25,857.26				25,857.26
		-	-	-	(-)	(27,220.14)
	Profit before Tax	11,047.53	-	-	248.94	11,296.47
		(6,281.19)	(4,943.55)	(2,124.87)	(1,112.94)	(14,481.27)
	Less: Current Tax	-	-	-	-	3,253.21
		(-)	(-)	(-)	(-)	(4,274.67)
	Net Profit after Tax	-	-	-	-	8,043.27
		(-)	(-)	(-)	(-)	(10,206.60)
III	Segment Assets	3,31,172.17	-	-	-	3,31,172.17
		(4,00,477.91)	(16,980.32)	(25,311.35)	-	(4,42,769.59)
	Unallocated Corporate Assets	-	-	-	-	1,278.67
		(-)	(-)	(-)	(-)	(2,183.03)
	Total Assets	3,31,172.17	-	-	-	3,32,450.84
		(4,00,477.91)	(16,980.32)	(25,311.35)	(-)	(4,44,952.61)
IV	Segment Liabilities	2,88,256.68	-	-	-	2,88,256.68
		(3,50,522.06)	(10,101.93)	(21,208.85)	-	(3,81,832.84)
	Unallocated Corporate Liabilities	-	-	-	-	519.04
		(-)	(-)	(-)	(-)	(691.85)
	Total Liabilities	2,88,256.68	-	-	-	2,88,775.71
		(3,50,522.06)	(10,101.93)	(21,208.85)	(-)	(3,82,524.69)
V	Capital Expenditure	-				-
		-	-	-		-
	Unallocated Capital Expenditure	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Capital Expenditure	-	-	-	-	-
		(-)	(-)	(-)	(-)	-
VI	Depreciation	321.25	-	-	-	321.25
		(182.25)	(170.74)	(317.99)	-	(670.98)
	Unallocated Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Depreciation	-	-	-	-	321.25
		(-)	(-)	(-)	(-)	(670.98)
VII	Non-Cash Expenditure	3,109.94				3,109.94
		-	-	-		-
	Other than Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

Notes forming part of Consolidated Financial Statements for the Year ended March 31, 2019 (Contd.)

NOTE 46. SHARED SERVICES

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/ group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable 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.

Note 47. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place: Mumbai
Dated: May 15, 2019

ANNEXURE – A

Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Millions)

Sr. No.	Particulars	India Infoline Finance Limited	IIFL Home Finance Limited (formerly India Infoline Housing Finance Limited)	Samasta Microfinance Limited	Clara Developers Private Limited
1	Share Capital	2,809.20	209.68	1,780.39	0.10
2	Other Equity	32,202.00	15,757.14	885.39	(0.02)
3	Total Assets	177,185.87	145,958.65	19,309.01	0.10
4	Total Liabilities	142,174.67	129,991.83	16,643.23	0.02
5	Investments	13,121.54	-	11.22	-
6	Total Turnover	28,832.61	18,457.36	3,397.54	-
7	Profit/ (loss) before taxation	5,471.36	4,493.91	724.31	(0.05)
8	Provision for taxation (including deferred tax)	1,631.25	1,429.98	192.21	-
9	Profit/ (loss) after taxation	3,840.11	3,063.93	532.09	(0.05)
10	Proposed preference dividend	-	-	-	-
11	Extent of interest in subsidiary	84.51%	84.51%	83.12%	84.51%

Note

1. All subsidiaries have common year end of March 31, 2018 hence no additional information under Section 129(3) read with rule 5 has been disclosed.
2. Names of subsidiaries which are yet to commence operations : NIL
3. Names of Subsidiaries which have been liquidated or sold during the year : NIL

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place: Mumbai
Dated: May 15, 2019

ANNEXURE – A to the Consolidated Financial Statements (contd.)

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

(₹ in Millions)

Name of Joint Venture	
1. Latest audited Balance Sheet Date	Not Applicable
2. Date on which the Associate or Joint Venture was associated or acquired	
2. Shares of Associate/Joint Ventures held by the company on the year end.	
Number	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / (Loss) for the year	
i) Considered in Consolidation	
ii) Not Considered in Consolidation	

Note 1- Name of the Associates / Joint Ventures which are yet to commence operations

NIL

For and on behalf of the Board of Directors
For IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place: Mumbai
Dated: May 15, 2019

NOTES

NOTES

Corporate information

BOARD OF DIRECTORS

Mr. Nirmal Jain
Chairman

Mr. R. Venkataraman
Managing Director

Mr. A.K. Purwar
Independent Director

Mr. V. K. Chopra
Independent Director

Mr. Nilesh Vikamsey
Independent Director

Ms. Geeta Mathur
Independent Director

Mr. Nagarajan Srinivasan
Non Executive Director

Mr. Chandran Ratnaswami
Non Executive Director

COMMITTEE OF BOARD

AUDIT COMMITTEE

Mr. V. K. Chopra
Chairman

Mr. Nilesh Vikamsey

Mr. R. Venkataraman

Ms. Geeta Mathur

NOMINATION AND REMUNERATION COMMITTEE

Mr. V. K. Chopra
Chairman

Mr. Nilesh Vikamsey

Mr. A.K. Purwar

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. A. K. Purwar
Chairman

Mr. Nirmal Jain

Mr. R. Venkataraman

RISK MANAGEMENT COMMITTEE E

Mr. Nirmal Jain
Chairman

Mr. Nilesh Vikamsey

Mr. A.K. Purwar

CSR COMMITTEE

Mr. Nirmal Jain
Chairman

Mr. Nilesh Vikamsey

Mr. R. Venkataraman

CHIEF FINANCIAL OFFICER

Mr. Prabodh Agrawal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gajendra Thakur

AUDITORS

M/s. Deliotte Haskins & Sells LLP
Chartered Accountants

M/s. V. Sankar Aiyar & Co.
Chartered Accountants
(For Samasta Microfinance Limited)

INTERNAL AUDITORS

Mahajan & Aibara
Chartered Accountants

KPMG
Chartered Accountants
(For Subsidiary Companies)

SECRETARIAL AUDITORS

M/s. Nilesh Shah & Associates
Company Secretaries

CORE MANAGEMENT TEAM

Mr. Sumit Bali	ED & CEO of India Infoline Finance Limited
Mr. Monu Ratra	ED & CEO, IIFL Home Finance Limited
Mr. Venkatesh N	MD, Samasta Microfinance Limited
Mr. Shivaprakash Deviah	ED, Samasta Microfinance Limited
Mr. Balaji Raghavan	Developer and Construction Finance
Mr. Amit Labroo	SME Loans
Mr. Saurabh Kumar	Gold Loans
Mr. Anand Mathur	Human Resources
Mr. S. Venu	Administration
Mr. B.S Amarnath	Treasury
Mr. Anujeet Kudva	Risk Management
Mr. Vinod Lalwani	Operations & Customer Services
Mr. Ashok Mittal	Taxation
Mr. Vipul Oberoi	Marketing
Mr. Rohit Salwaan	Legal
Mr. Shiju Rawther A	Technology
Mr. Kumar Animesh	Business Analytics
Mr. Ashish Khunger	Internal Audit

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited,
C-101, 247 Park, 1st Floor, L.B.S Marg, Vikhroli (West), Mumbai – 400 083

REGISTERED OFFICE

IIFL House, Sun Infotech Park, Road no. 16V, Plot no. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604

CORPORATE OFFICE

802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar, Andheri East,
Mumbai – 400 069.

LIST OF BANKERS OF THE COMPANY & ITS SUBSIDIARIES

Andhra Bank
Axis Bank
Bandhan Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Citibank N.A
Corporation Bank
Dena Bank (now Bank of Baroda)
HDFC Bank Limited
HSBC Bank
ICICI Bank Limited
IDFC First Bank Limited
Indian Bank
IndusInd Bank Limited
Jammu and Kashmir Bank
Karnataka Bank
Kotak Mahindra Bank
Lakshmi Vilas Bank
Oriental Bank of Commerce
Pallavan Grama Bank
Punjab National Bank
Punjab Sind Bank
RBL Bank Limited
Shinhan Bank
Small Industries Development Bank of India
South Indian Bank
Standard Chartered Bank
State Bank of Mauritius (SBM)
State Bank of India
Syndicate Bank
UCO Bank
Union Bank of India
United Bank of India
Woori Bank
Yes Bank Limited

CAUTIONARY STATEMENT

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions and are therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Finance Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.

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Views: **3.6 million**

/IIFLCorporate

Followers: **78,200**

Tweet Impressions: **1.21 million**

IIFL (India Infoline Group)

Followers: **75,888**

IIFL FINANCE

IIFL Finance Limited
(formerly IIFL Holdings Limited)
CIN: L67100MH1995PLC093797

Registered office:
IIFL House, Sun Infotech Park, Road No. 16,
Plot No. B-23, MIDC, Thane Industrial Estate,
Wagle Estate, Thane - 400 604

Corporate office:
802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai - 400 069
Tel: +91 22 6788 1000
Email: shareholders@iifl.com | ir@iifl.com
Website: **www.iifl.com**

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