

**INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL  
INFORMATION**

**TO THE BOARD OF DIRECTORS OF**

**IIFL WEALTH MANAGEMENT LIMITED**

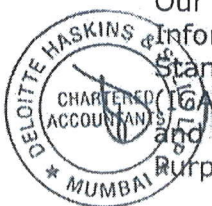
We have audited the accompanying Special Purpose Standalone Financial Information of **IIFL WEALTH MANAGEMENT LIMITED (the "Company")**, which comprise the Condensed Standalone Balance Sheet as at 31 December 2017, the Condensed Standalone Statement of Profit and Loss, and the Condensed Standalone Cash Flow Statement for the Nine months then ended, and the selected explanatory notes (together referred to as the "Special Purpose Financial Information"). This Special Purpose Financial Information has been prepared by the management of the Company in accordance with the recognition and measurement principles laid down in the Accounting Standards 25 'Interim Financial Reporting' (AS 25) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, for the purpose of filing with National Stock Exchange Limited and BSE Limited together referred to as (the "Stock Exchanges") pursuant to the requirements of regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with clause I.A.2(f) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 (together referred to as the "Regulation").

**Management's Responsibility for the Special Purpose Financial Information**

Management of the Company is responsible for the preparation of this Special Purpose Financial Information that gives a true and fair view of the state of affairs, its profit and cash flows of the Company, in accordance with the recognition and measurement principles laid down in the AS 25 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Special Purpose Financial Information that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on this Special Purpose Financial Information based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Financial Information is free from material misstatement.



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Information prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, give a true and fair view of the state of affairs of the Company as at 31 December 2017, and of its profit and its cash flows for the nine months then ended.

### **Other Matter**

Comparative figures for the nine months ended 31 December 2016 are unaudited. Our opinion is not modified in respect of this matter.

### **Restriction on use**

This report has been issued at the request of the Company for filing with the Stock Exchanges pursuant to the requirements of the Regulation. As a result, our report may not be suitable for any another purpose. Our report is intended solely for the information of the Stock Exchanges and the Board of Directors of the Company and is not intended to be and shall not be used by anyone other than these specified parties without our prior written consent.

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



Pallavi A. Gorakshakar  
(Partner)

(Membership No. 105035)

**MUMBAI**, 31 January 2018

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For IIFL Wealth Management Limited



Company Secretary



**IIFL WEALTH MANAGEMENT LIMITED**  
**CONDENSED STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2017**

(Amount in ₹)

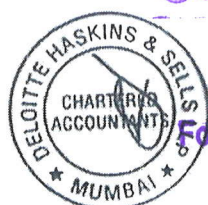
Particulars	As at Dec 31, 2017	As at Mar 31, 2017
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's funds</b>		
(a) Share Capital	157,646,296	155,927,528
(b) Reserves and Surplus	13,143,562,186	12,578,095,487
(c) Money received against share warrants	-	-
<b>Sub total</b>	<b>13,301,208,482</b>	<b>12,734,023,015</b>
<b>(2) Share application money pending allotment</b>	<b>-</b>	<b>-</b>
<b>(3) Non Current Liabilities</b>		
(a) Long-term borrowings	5,863,913	11,030,111
(b) Deferred Tax Liability	-	-
(c) Other Long-term liabilities	-	-
(d) Long-term provisions	-	-
<b>Sub total</b>	<b>5,863,913</b>	<b>11,030,111</b>
<b>(4) Current liabilities</b>		
(a) Short-term borrowings	4,020,456,694	3,961,897,182
(b) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	198,899,221	119,549,163
(c) Other current liabilities	1,991,463,890	2,495,680,952
(d) Short-term provisions	418,637,293	287,775,433
<b>Sub total</b>	<b>6,629,457,098</b>	<b>6,864,902,730</b>
<b>TOTAL</b>	<b>19,936,529,493</b>	<b>19,609,955,856</b>
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
<b>(a) Fixed assets</b>		
(i) Tangible assets	203,741,886	199,552,996
(ii) Intangible assets	18,158,628	34,367,892
(iii) Capital work-in-progress	167,958,244	32,395,104
(iv) Intangible assets under development	1,678,760	1,678,760
<b>Sub total</b>	<b>391,537,518</b>	<b>267,994,752</b>
(b) Non-current investments	11,202,834,003	11,131,795,002
(c) Deferred Tax Asset (Net)	39,896,911	26,382,128
(d) Long-term loans & advances	140,554,172	322,068,422
(e) Other non-current assets	-	-
<b>Sub total</b>	<b>11,383,285,086</b>	<b>11,480,245,552</b>
<b>(2) Current assets</b>		
(a) Current investments	2,579,388,727	12,108,320
(b) Inventories	-	-
(c) Trade receivables	2,267,561,199	1,970,825,280
(d) Cash and Cash Equivalents	1,623,917,597	3,568,882,005
(e) Short-term loans & advances	134,025,640	89,757,291
(f) Other current assets	1,556,813,726	2,220,142,656
<b>Sub total</b>	<b>8,161,706,889</b>	<b>7,861,715,552</b>
<b>TOTAL</b>	<b>19,936,529,493</b>	<b>19,609,955,856</b>
See accompanying selected explanatory notes forming part of the special purpose standalone financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

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Pallavi A. Gorakshakar  
Partner

For IIFL Wealth Management Limited

Company Secretary

Place : Mumbai  
Date : January 31, 2018

Karan Bhagat  
Managing Director  
(DIN: 03247753)

Mihir Nanavati

Mihir Nanavati  
Chief Financial Officer

Yatin Shah  
Executive Director  
(DIN: 03231090)

Ashutosh Naik

Ashutosh Naik  
Company Secretary



IIFL WEALTH MANAGEMENT LIMITED  
CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS FOR NINE MONTHS ENDED DECEMBER 31, 2017

(Amount in ₹)

Particulars	Nine months ended 31 Dec 2017	Nine months ended 31 Dec 2016
	Audited	Unaudited
<b>INCOME:</b>		
Revenue from Operations	4,354,821,711	2,864,534,539
Other Income	865,370,952	115,790,270
<b>Total Revenue</b>	<b>5,220,192,663</b>	<b>2,980,324,809</b>
<b>EXPENSES:</b>		
Employee Benefit Expenses	1,966,424,915	1,122,861,018
Other Expenses	1,143,498,896	801,644,449
Finance Charges	489,616,516	89,846,536
Depreciation and Amortisation	91,299,150	52,676,483
Provision & Write off	350,380,640	5,754,552
<b>Total Expenditure</b>	<b>4,041,220,117</b>	<b>2,072,783,038</b>
<b>Profit before tax</b>	<b>1,178,972,546</b>	<b>907,541,771</b>
Tax expenses :		
Current tax	410,865,065	304,276,773
Deferred tax charge/(Credit)	(13,514,783)	16,985,617
Short / (excess) provision for income tax	1,475,225	(3,968,610)
<b>Total Tax Expenses</b>	<b>398,825,507</b>	<b>317,293,780</b>
<b>Profit for the year</b>	<b>780,147,039</b>	<b>590,247,991</b>
Earning Per Share- Basic	9.95	7.98
Earning Per Share- Diluted	9.83	7.80
Face Value Per Share	2.00	2.00
See accompanying selected explanatory notes forming part of the special purpose standalone financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



*Pallavi A. Gorakshakar*  
Pallavi A. Gorakshakar  
Partner

Place : Mumbai  
Date : January 31, 2018

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

*Mihir Nanavati*  
Mihir Nanavati  
Chief Financial Officer

*Yatin Shah*  
Yatin Shah  
Executive Director  
(DIN: 03231090)

*Ashutosh Naik*  
Ashutosh Naik  
Company Secretary

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**For IIFL Wealth Management Limited**

**Company Secretary**

IIFL WEALTH MANAGEMENT LIMITED  
CONDENSED STANDALONE CASH FLOW STATEMENT FOR NINE MONTHS ENDED DECEMBER 31, 2017

(Amount in ₹)

Particulars	Nine months ended 31 Dec 2017 Audited	Nine months ended 31 Dec 2016 Unaudited
A. Cash flows generated from operating activities	1,137,016,593	72,663,045
B. Cash flows used in investing activities	(2,449,778,712)	(546,904,399)
C. Cash flows used in financing activities	(649,530,167)	(356,178,088)
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,962,292,286)</b>	<b>(830,419,442)</b>
Opening Cash and Cash Equivalents	2,918,882,005	893,002,904
<b>Closing Cash and Cash Equivalents</b>	<b>956,589,719</b>	<b>62,583,462</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	956,589,719	62,583,462
Add: In Fixed Deposits with original maturity more than 3 months		
- In Deposit account	10,000,000	10,000,000
- In Deposit account as collateral with Exchange	268,250,000	265,000,000
- In Deposit account under lien	389,077,878	210,000,000
<b>Cash and Cash Equivalents as per Condensed Standalone Balance Sheet</b>	<b>1,623,917,597</b>	<b>547,583,462</b>
See accompanying selected explanatory notes forming part of the special purpose standalone financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

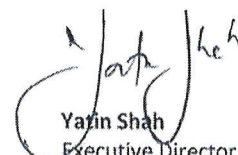
For and on behalf of the Board of Directors



Pallavi A. Gorakshakar  
Partner



Karan Bhagat  
Managing Director  
(DIN: 03247753)



Yatin Shah  
Executive Director  
(DIN: 03231090)



Mihir Nanavati  
Chief Financial Officer



Ashutosh Naik  
Company Secretary

Place : Mumbai  
Date: January 31, 2018

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For IIFL Wealth Management Limited

Company Secretary





**IIFL WEALTH MANAGEMENT LIMITED**

**Selected Explanatory Notes forming part of the Special Purpose Standalone Financial Information as at and for the nine months ended on December 31, 2017**

**Note 1: Basis of Preparation**

These Special Purpose Standalone Financial Information which comprise the Condensed Standalone Balance Sheet as at 31 December 2017, the Condensed Standalone Statement of Profit and Loss, and the Condensed Standalone Cash Flow Statement for the nine months then ended, and the selected explanatory notes have been prepared under the historical cost convention and accrual basis of accounting, unless otherwise stated and in accordance with the recognition and measurement principles laid down in the Accounting Standards 25 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, for the purpose of filing with National Stock Exchange Limited and BSE Limited pursuant to the requirements of regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with clause I.A.2(f) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 in relation to the Draft Composite Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst IIFL Holdings Limited and India Infoline Media & Research Services Limited and India Infoline Limited and IIFL Wealth Management Limited and India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders.

**Note 2: Principal Accounting Policies**

The accounting policies followed by IIFL Wealth Management Limited (the "Company") in preparation of these Special Purpose Standalone Financial Information as at and for the nine months ended December 31, 2017 are consistent with those used in preparation of the financial statements of the Company for the year ended March 31, 2017.

**Note 3: Basic and Diluted Earnings Per Share ["EPS"]** computed in accordance with Accounting Standard 20 'Earnings per share' as specified u/s 133 of the Companies Act, 2013.

(Amount in ₹)			
PARTICULARS		Nine months ended 31 Dec 2017	Nine months ended 31 Dec 2016
		Audited	Unaudited
<b>BASIC EPS</b>			
Profit after tax as per Condensed Standalone Statement of Profit and Loss	A	780,147,039	590,247,991
Weighted Average Number of Shares Subscribed	B	78,369,118	73,958,658
Face Value of Equity Shares (₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	9.95	7.98
<b>DILUTED EPS</b>			
Weighted Average Number of Shares	C	78,369,118	73,958,658
Add : Potential Equity Shares on account of conversion of Employee Stock Option	D	1,011,019	1,733,891
Weighted Average Number of Shares Outstanding	E=C+D	79,380,137	75,692,549
Diluted EPS (₹)	A/E	9.83	7.80

**Note 4: Capital and Other Commitments**

At the balance sheet date, the total outstanding commitments of capital investments amounts to ₹ 5,000,000/- and capital expenditure amounts to ₹ 28,904,945/- (Previous year ₹ 89,542,493/-)



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**For IIFL Wealth Management Limited**

**Company Secretary**

**IIFL WEALTH MANAGEMENT LIMITED**

Selected Explanatory Notes forming part of the Special Purpose Standalone Financial Information as at and for the nine months ended on December 31, 2017 (Continued)

**Note 5: Contingent Liabilities at Balance Sheet date**

Particulars	As at Dec 31, 2017	As at March 31, 2017
Bank Guarantees*	750,000,000	750,000,000
Corporate Guarantee#	2,000,000,000	-
Disputed Income Tax Demand	15,153,295	-

\*Fixed deposits amounting to ₹ 389,077,878/- (P.Y. 375,000,000/-) are pledged against this Bank Guarantees.

# Corporate Guarantee issued to a bank towards the provision of credit facilities to a subsidiary of the Company.

**Note 6:** There are no pending litigations by and on the Company as on the balance sheet date.

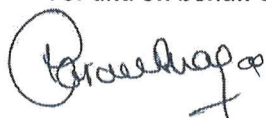
**Note 7: Segment Reporting:**

In the opinion of the management, there is only one reportable business segment of Distribution business as envisaged by AS 17 'Segment Reporting', as specified under Section 133 of the Companies Act, 2013. Accordingly, no separate disclosure for segment reporting is required to be made in the Special Purpose Standalone Financial Information of the Company.

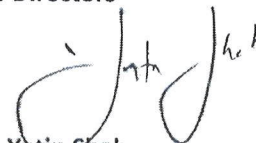
Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

**Note 8:** Previous figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current period's presentation.

For and on behalf of Board of Directors



Karan Bhagat  
Managing Director  
(DIN: 03247753)



Yatin Shah  
Executive Director  
(DIN: 03231090)



Mihir Nanavati  
Chief Financial Officer



Ashutosh Naik  
Company Secretary

Place : Mumbai  
Dated : January 31, 2018

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For IIFL Wealth Management Limited

  
Company Secretary

