When it's about money..

IIFL

July 24, 2017

The Manager, **Listing Department,** **BSE Limited,** **Phiroze Jeejeebhoy Tower,** **Dalal Street,** **Mumbai 400 001.** **Tel no.: 22721233** **Fax No.: 22723719/ 22723121/ 22722037/ 22722041/ 22722061** **BSE Scrip Code: 532636**	**The Manager,** **Listing Department,** **The National Stock Exchange of India Ltd.,** **Exchange Plaza, 5 Floor, Plot C/1, G Block,** **Bandra - Kurla Complex, Bandra (E),** **Mumbai 400 051.** **Tel No.: 2659 8235 Fax No.: 26598237/ 26598238** **NSE Symbol: IIFL**

Dear Sir,

Sub: Annual Report of the Company for the FY 16-17

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report of the Company which has been approved and adopted in the 22nd Annual General Meeting held on July 22, 2017.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

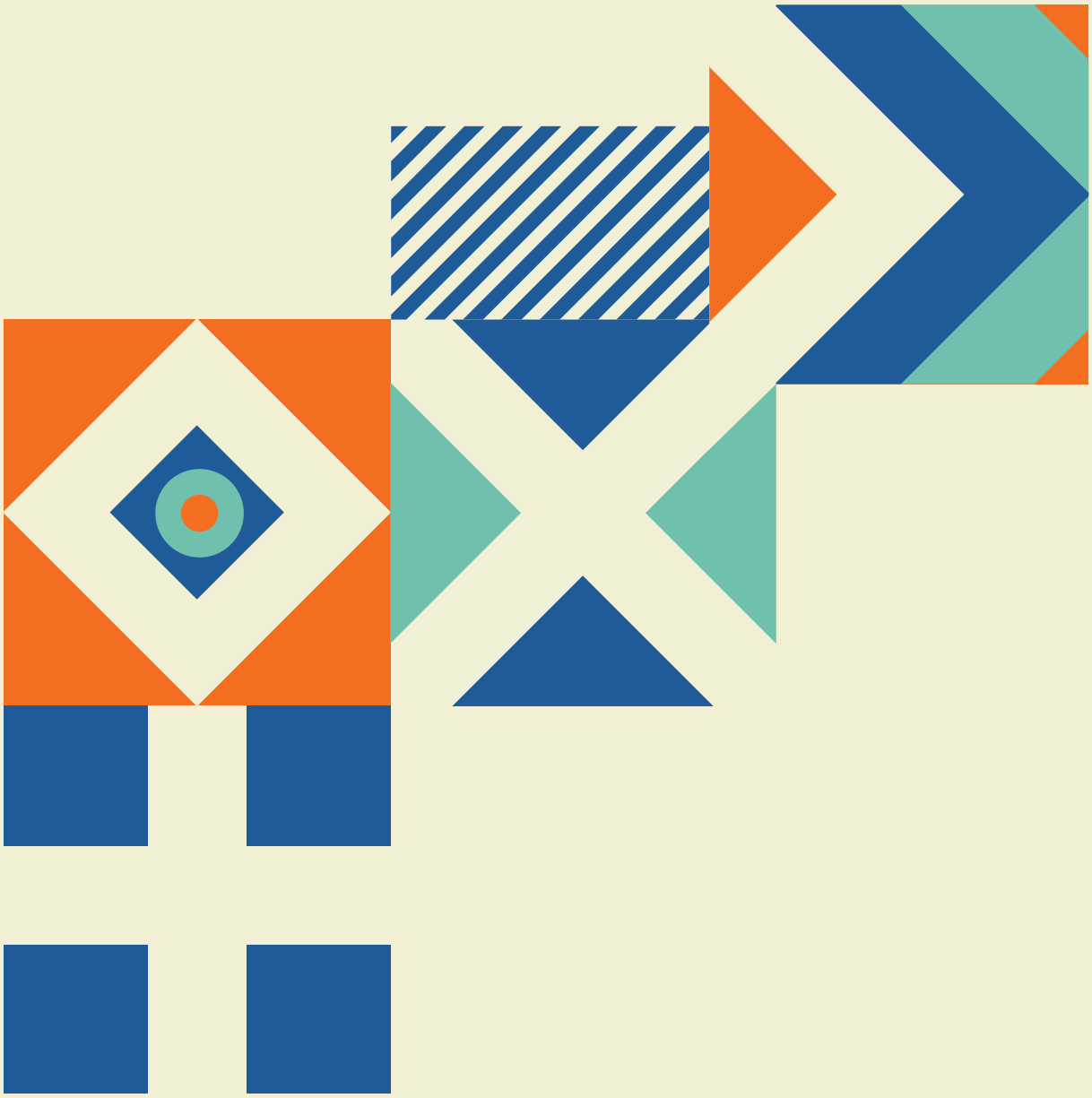
Yours faithfully,

For IIFL Holdings Limited

IIFL Holdings Limited

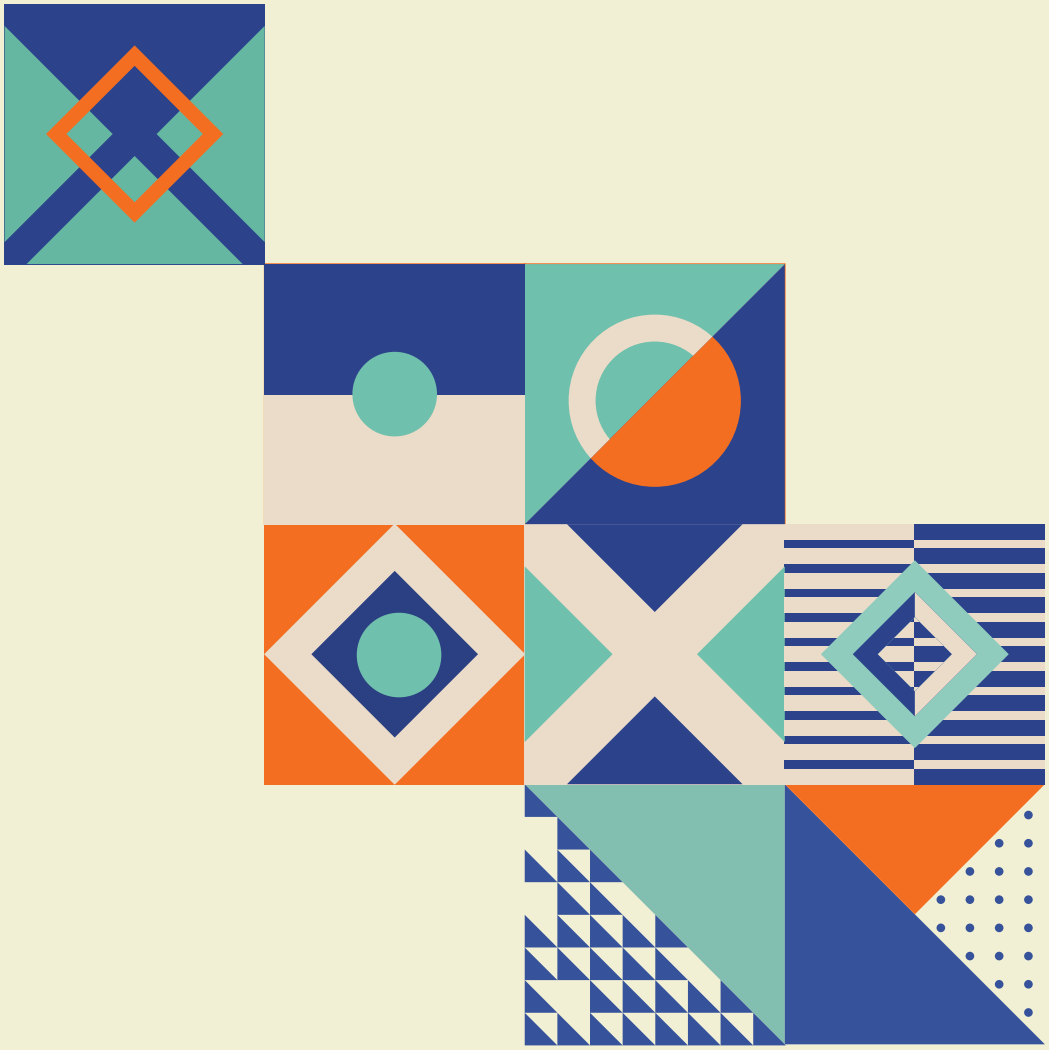
Gajendra Thakur
Company Secretary
Place: Mumbai
Email: gajendra.thakur@iifl.com

Durable and De-risked Growth



2016-17

22nd Annual Report | IIFL Holdings Limited



Over the years, IIFL has evolved from an entrepreneurial start-up to one of the leading players in the financial services domain. The business model is de-risked by adding various businesses, asset classes, client segments and markets in adjacent spaces.

On the cover, positive mathematical shapes like the plus, multiplication and greater-than signs are combined to represent the Company's durable and de-risked growth.

CONTENTS

01 Corporate Overview 1-41

IIFL at a Glance	3
Key Differentiators	6
Operational Highlights	8
Financial Highlights	10
Business Model and Strategic Priorities	12
Chairman's Message	14
Managing Director's Message	16
Doubling	18
Durability	20
De-risking	22
Operations Review	24
Corporate Social Responsibility	28
Advisory Board	32
Board of Directors	34
Awards & Recognitions	36
Technology Edge	38
Investor Conference	40
Other Events	41

02 Statutory Reports 42-129

Directors' Report	42
Management Discussion and Analysis	72
Business Responsibility Report	100
Corporate Governance Report	110

03 Financial Statements 130-211

Standalone Accounts	130
Consolidated Accounts	162

PAT *
₹ 8.22 billion
up 48% y-o-y

ROE
17.7%

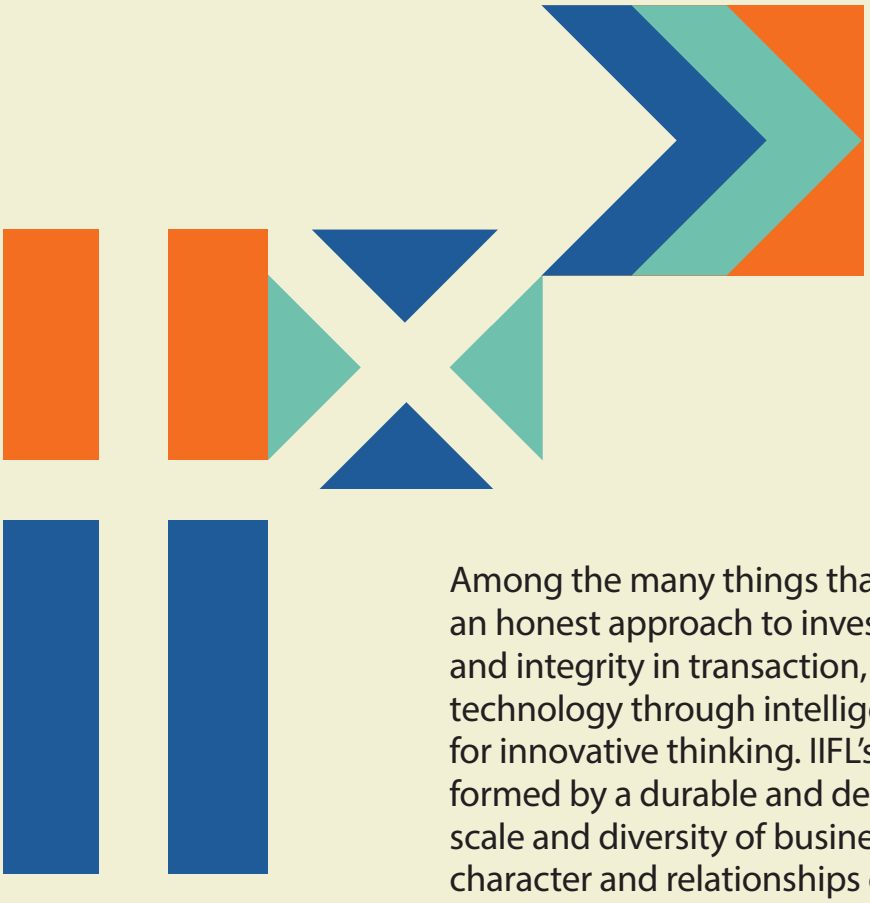
Market Capitalisation
as on March 31, 2017
₹ 127.23 billion

Networth
₹ 43.81 billion

* Pre-minority

Our aspiration is to be a respected, world-class, diversified financial services firm with a portfolio of high-quality growth businesses.

Our Mission 2020 comprises 3-Ds: Double the revenue and achieve a net profit growth of 2.5 times from FY16 to FY20, business model to be Durable so that it can sustain growth and is less vulnerable to volatility and De-risk the business model in terms of geographies, customer base and product portfolio.



Over the years, we have reinforced our various businesses, working to de-risk them to enhance sustainability, and are ready to take advantage of the India growth story. Technology is helping us improve our customer proposition further and achieve greater benefits of scale in our businesses.

Among the many things that our clients value us for are an honest approach to investment advice, transparency and integrity in transaction, an ability to leverage technology through intelligent solutions and a desire for innovative thinking. IIFL's competitive advantage is formed by a durable and de-risked portfolio growth, scale and diversity of businesses and the quality, character and relationships of people.

IIFL AT A GLANCE

IIFL is one of India's leading diversified financial services company providing a broad range of financial products and services to a substantial and diversified client base that includes small businesses, institutions and individuals.

IIFL's products and services span multiple asset classes and consumer segments across domestic and global geographies. The company and its subsidiaries are mainly engaged in loans and mortgages, wealth management and capital market businesses. The loans and mortgages business includes non-banking finance, housing finance and micro finance. The wealth management business is engaged in wealth management and asset management. The capital market business includes financial advisory and broking, institutional research, investment banking and financial product distribution.



VISION

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



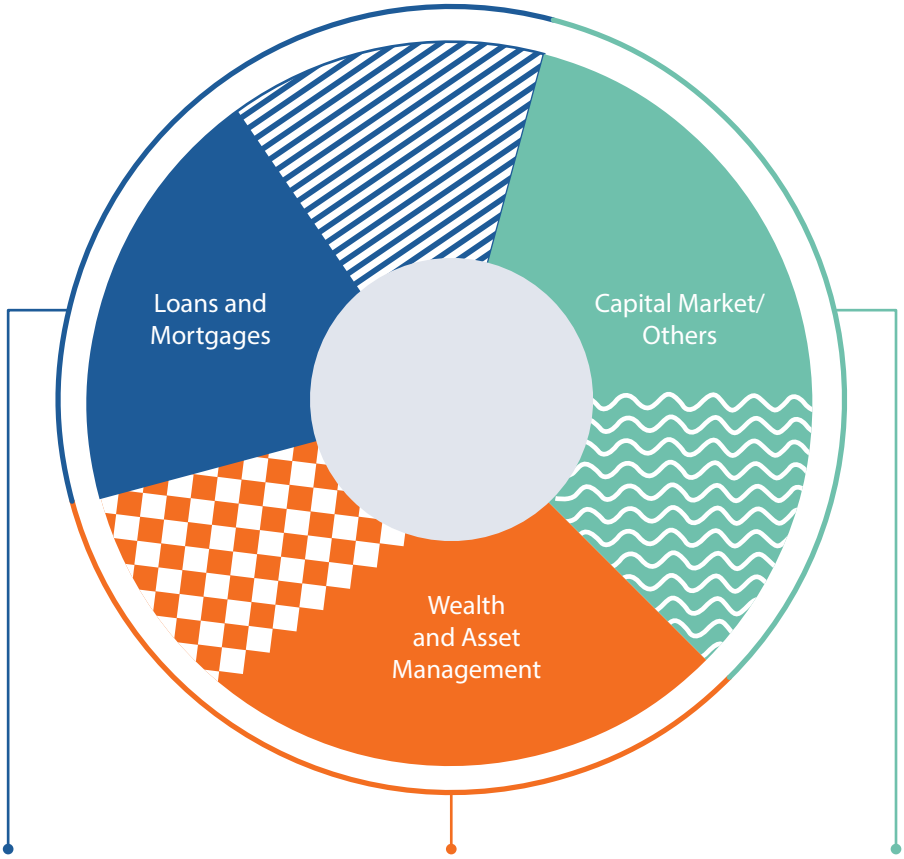
VALUES

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

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

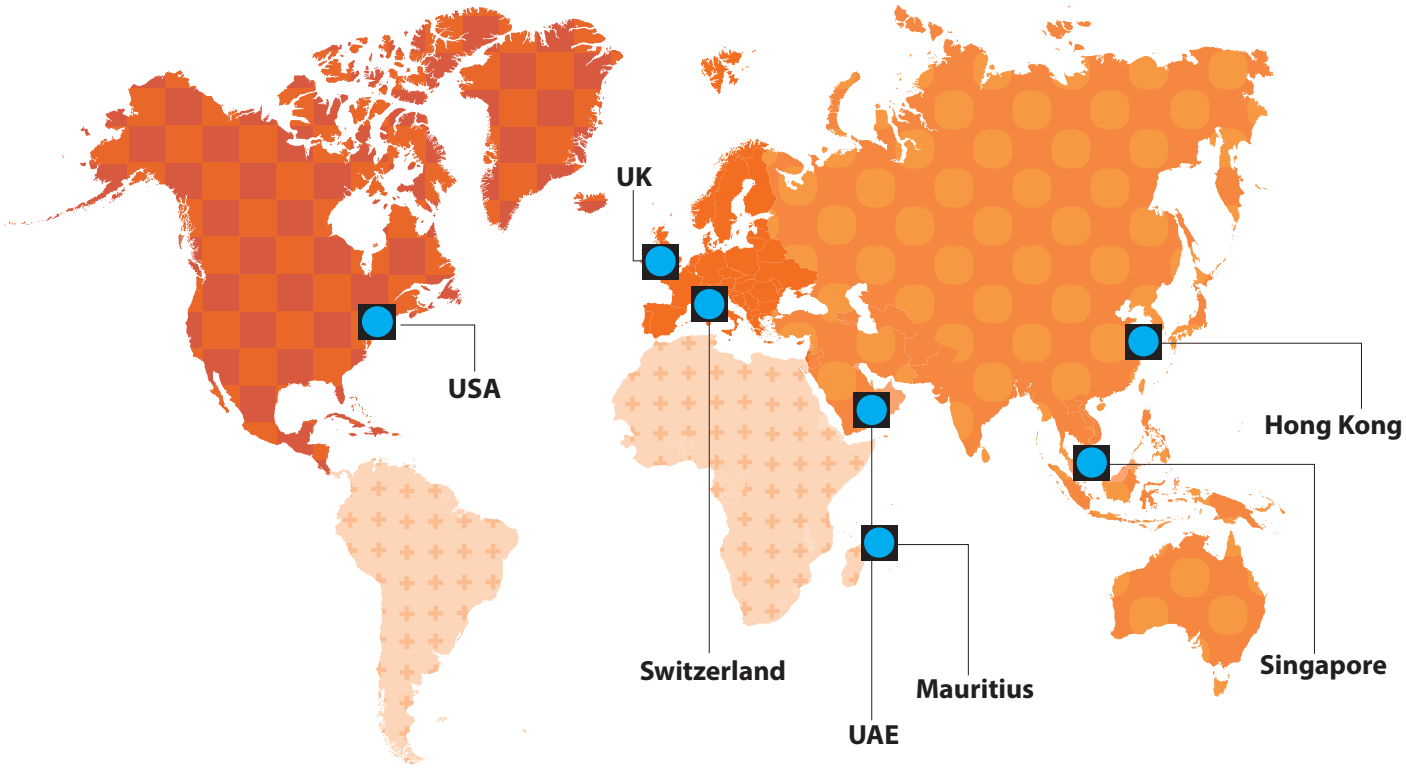
TRANSPARENCY
Transparency in all our dealings with stakeholders, media, investors and the public at large.

Business Segments



	Loans and Mortgages	Wealth and Asset Management	Capital Market/ Others
Business	Diversified non-banking finance company, offering loans secured against collaterals of home, property, gold, medical equipment, commercial vehicles, shares and other securities, and small business loans. Also added micro finance segment through the acquisition of Samasta Microfinance.	One of the largest and fastest growing Wealth Management companies in India with assets under advice, management and distribution of ₹ 1,201billion.	One of the leading broking houses in India with extensive presence all over the country providing financial planning, investment banking and broking services in mutual funds, equity, commodities and currency trading.
Products	Home, Loan against Property, Gold, Construction & Real Estate, Commercial Vehicle, Capital Market, SME, online personal loans and Microfinance loans.	Family Office, Alternative Investment Funds, Advisory and Distribution service.	Retail and Institutional Broking, Investment Banking.
Distribution Channels	Agents, Banks, Brokers, Direct, other distribution agreements.	Agents, Banks, Brokers, Direct, other distribution agreements and independent financial advisors.	Agents, Banks, Brokers, Direct, other distributors and independent financial advisors.
Financials FY17	Income ₹ 13.77 billion Net Profit ₹ 4.23 billion	Income ₹ 8.34 billion Net Profit ₹ 2.50 billion	Income ₹ 6.22 billion Net Profit ₹ 1.48 billion

International Subsidiaries' Locations



Our international subsidiaries are governed by the respective global regulators including Financial Services Authority, UK, Securities Exchange Commission, USA, Monetary Authority of Singapore, Dubai Financial Services Authority and Securities and Futures Commission, Hongkong.

Key Facts

Asset Base
₹ 299 billion

PAT *
₹ 8.22 billion

Locations
2,250+

Team
~11,000

Clients
4 million +
300 global funds

* Pre-minority

KEY DIFFERENTIATORS

A comprehensive portfolio

We have a robust business model encompassing multiple revenue streams across all segments of financial services. Our range of financial products is diverse and is constantly evolving as we are committed to meeting our clients' changing needs.

Relentless client focus

We have a fiduciary relationship with our clients. Their interests always come first. It is our mission to deliver results for our clients, and protect and improve the value of assets they entrust to us. We deliver an unmatched client experience by adapting multifaceted solutions based on a deep understanding of each client's specific investment objectives.

Superior investment performance

Our primary responsibility is to generate superior investment performance on behalf of our clients. Our team-based approach to portfolio management enables us to address our clients' investment objectives and challenges, while meticulously managing risk in their portfolios. Our culture of knowledge sharing and collective intelligence boosts our ability to exceed our clients' performance expectations.

Global and domestic reach

IIFL has a broad footprint, supporting a global investment platform and local relationships with clients. Our deep understanding of local markets, industries and regulatory dynamics, positions us to maximize investment opportunities for clients in 9 countries. In India our presence spans 503 cities across 25 states.



Top talent and winning culture

We have recruited and developed high quality talent across our businesses, enfolded in a winning culture that gives emphasis to collaboration, integrity and treating clients and colleagues with dignity and respect.



Good corporate governance

Corporate Governance is based on a clear allocation of responsibility, a well-developed structure for management, internal control and ownership. We have a high-quality Advisory Board and a distinguished set of Independent Directors, providing an informed perspective and oversight to Management.



Cutting-edge technology

IIFL has intensified its focus and is investing significantly on new age mediums and digital technologies. The technology platform has enabled the company to achieve high standards of customer service at comparatively lower cost structures. One of the key features of the technology strategy is to establish long-term partnerships with best-in-class technology service providers that will enable co-creation of value and facilitate the provision of differentiated solutions to our customers. Our open platform enables us to integrate and leverage best in-breed technologies, allowing us to work seamlessly with technology partners such as research agencies and cloud-service providers to develop innovative solutions for our stakeholders.



Sound risk culture

Risk management is an integral part of ensuring that we deliver on the promises we have made to our customers. We do this through growing our business, maintaining capital strength to withstand unexpected events and ensuring adequate returns for the risks we take. We have developed a well-respected risk management discipline for identifying, assessing and managing risks throughout the organization.

We have invested in ensuring that our internal audit and control systems are adequate and commensurate with the nature of our business and the size of our operations.

OPERATIONAL HIGHLIGHTS



Commercial Launch of IIFL Wealth Finance

IIFL Wealth Finance, a wholly owned subsidiary of IIFL Wealth Management Limited (IIFLW), has been strongly capitalized by ₹ 9 billion with investment received from General Atlantic Singapore Fund Pte Limited.

IIFLW Finance is a non-deposit taking systemically important Non-Banking Finance Company and provides loan against securities, including capital market financing, promoter funding, margin funding, IPO financing and loan against property to ultra-high net worth individuals and corporate clients of IIFLW.



CDC Group plc, UK invests ₹ 10 billion

CDC Group plc, the United Kingdom's government-owned Development Finance Institution, invested around ₹ 10 billion in India Infoline Finance Ltd (IIFL Finance). This investment will help in expanding the financing business and address the capital needs of under-served segments through diversified offerings. The investment is by way of Equity Shares and Compulsorily Convertible Preference Shares, which on conversion will result in 15.45% equity stake for CDC on a fully diluted basis.



October to December 2016

Demerger of 5Paisa digital undertaking

The Board of Directors of the Company and 5Paisa Capital Limited, a wholly owned subsidiary of the Company, approved a draft Scheme of Arrangement between IIFL Holdings Limited and 5Paisa Capital Limited and their respective shareholders to demerge 5Paisa digital undertaking of the Company into 5Paisa Capital Limited. 5Paisa is an online financial services provider engaged in the distribution of financial services and broking, with product offerings including mutual funds, bonds, commodities etc. 5Paisa provides a DIY (Do-it-yourself) platform to customers, thereby empowering them to make the right investment choices and build wealth through a strong investment portfolio with technology driven advice and user friendly interfaces.



January to March 2017

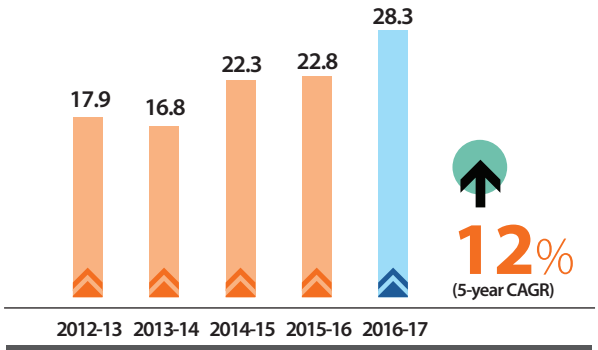
Acquisition of Micro-Finance Institution

India Infoline Finance Ltd acquired Samasta Microfinance Ltd to enter the microfinance segment and extend its offerings. This acquisition will help IIFL enter into microfinance segment and extend its wide-ranging financial services to their large customer base. IIFL expects MFI to be a new and promising opportunity for growing its business and further developing its cross sell opportunities.

FINANCIAL HIGHLIGHTS

Income *

(₹ in billion)

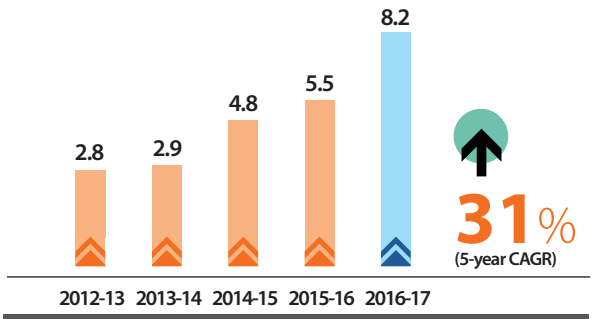


Performance - Income grew from ₹ 22.8 billion in 2015-16 to 28.3 billion in 2016-17 showing a growth of 24%.

* Net of interest expense

Net Profit *

(₹ in billion)

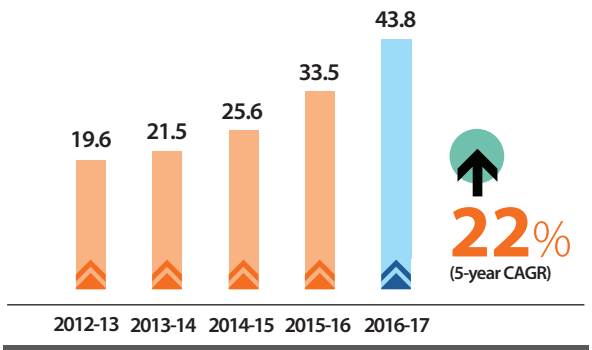


Performance - Net profit increased from ₹ 5.5 billion in 2015-16 to ₹ 8.2 billion in 2016-17 showing a growth of 48%.

* Pre-minority

Networth

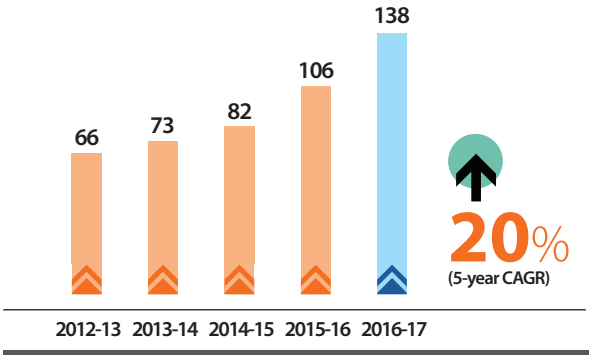
(₹ in billion)



Performance - Networth increased from ₹ 33.5 billion in 2015-16 to ₹ 43.8 billion in 2016-17 showing a growth of 31%.

Book Value Per Share

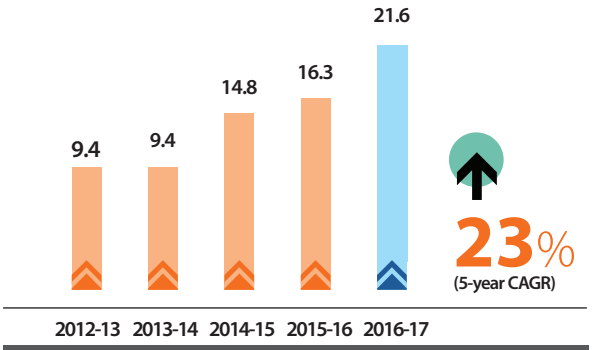
(in ₹)



Performance – Book Value per share stood at ₹ 138.

Earnings Per Share

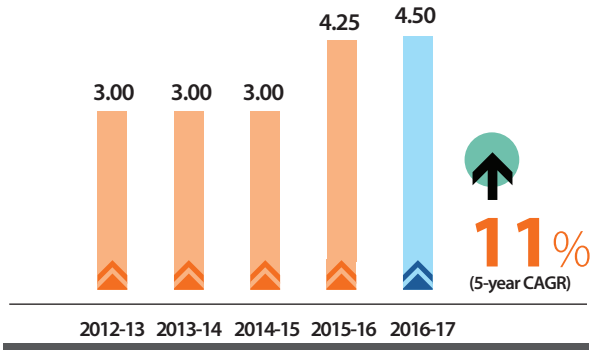
(₹)



Performance – EPS for 2016-17 stood at ₹ 21.6.

Dividend Per Share

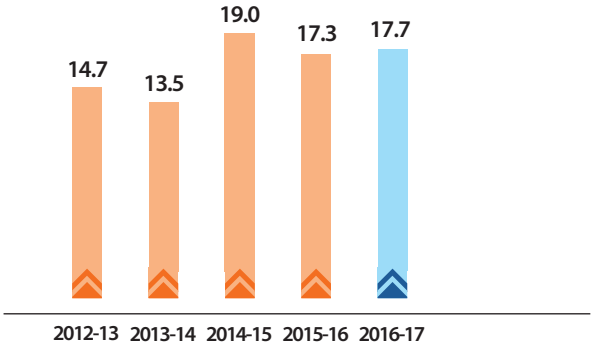
(₹)



Dividend per share for the year ended March 31, 2017 stood at ₹ 4.5.

Return on Equity

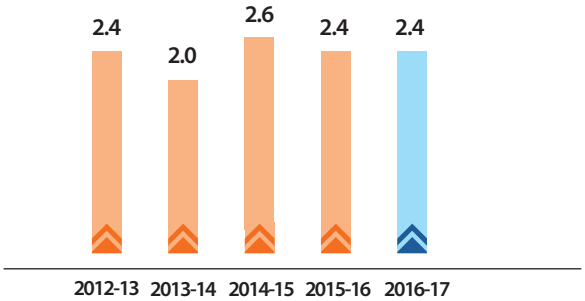
(in %)



Performance – Return on Equity as on March 31, 2017 stood at 17.7%.

Return on Assets

(in %)



Performance - Return on Assets stood at 2.4% for 2016-17.

BUSINESS MODEL

India has made significant strides on its path of economic reform over the last two decades and recurrent fluctuations aside, the economy is structurally on a high growth curve. IIFL businesses are well positioned to capitalize on this growth opportunity. IIFL has invested across multiple businesses in the financial services spectrum with the objective of creating scalable businesses that generate sustained profitability and create value for stakeholders.

Business Approach

Client-centric approach
Developing long-term relationship with clients

Contributing to sustainable economic growth
Ensuring that our core businesses support sustainable growth and job creation

Managing our operations to deliver long-term value to stakeholders

Investing in communities
Working with local communities to encourage social and economic development

Solutions to Meet Clients Evolving Needs

Loans and Mortgages
Home, Loan against Property (LAP), Gold, Construction & Real Estate, Commercial Vehicle, Capital Market, SME & Microfinance loans

Wealth and Asset Management
Family Office, Alternative Investment Funds (AIF), Advisory and Distribution services

Capital Market and Distribution
Retail and Institutional broking, savings and investment advisory, and Investment Banking

Return

Income
₹ 28.3 billion

Net Profit
₹ 8.22 billion

EPS
₹21.6

ROE
17.7%

Value Creation for Each Stakeholder

Shareholders
Aiming to deliver long-term sustainable returns for shareholders

Clients
Enabling individuals to grow and protect their wealth and supporting businesses to invest, trade, transact and expand

Employees
Providing learning and development opportunities to create a high performing team

Communities
Supporting growth and job-creation, delivering financial inclusion and having a positive social impact

Strategic Priorities

Well Diversified Portfolio with Complementary products

- Build a strong core product portfolio with high focus on retail financial services
- Achieve volume growth with superior asset mix
- Build momentum in NBFC and Housing finance business
- Grow our leading position in capital markets
- Expand geographical reach in the major cities/townships of the country
- Collaborate with partners for mutually beneficial relationships
- Manage enterprise risk effectively
- Maintain good asset quality and strive to keep incremental infection zero

Prudent Balance Sheet Management

- Strengthen our capital base and improve our funding positions
- Diversify our funding sources
- Optimize the deployment of fund and capital across core business and the subsidiaries

Nurture People through Leadership and Skill Development

- Nurture high skilled talent pool
- Create friendly work environment to deliver the best
- Promote high ethical standards
- Make IIFL the preferred employer in the Financial Services industry

Create a Responsible Brand

- Invest in the brand and promote our services to chosen markets
- Ensure good governance and transparency
- Increase support to underprivileged population in health and education through India Infoline Foundation

Simplify Processes and Reduce Cost

- Continually improve key areas of customer service
- Simplify processes and ensure meticulous expense management
- Upgrade our technology that will make us more efficient and competitive

DURABLE AND DE-RISKED GROWTH

CHAIRMAN'S MESSAGE



We always built best-in-class risk management framework with specific focus on credit assessment, compliance, technology and reputational aspects. We have continuously strengthened our systems and processes not only to mitigate risks but to prevent them in the first place.

DEAR SHAREHOLDERS,

I am pleased to report that along-with your company's revenue and profits, its brand and customers' trust have also made a new high. Your company's market capitalization as on March 31, 2017 stood at close to ₹ 127 billion, a steady relentless value creation since it went public in 2005 at post money valuation of ₹ 3.3 billion. While this is an impressive growth track record, outlook for the next decade is even brighter.

India is in a sweet spot. Amongst large economies, India is likely to be the fastest growing economy. Indian economy has the potential to attain double digit real growth in a few years. The country with favourable policy framework, democratic government and an unbiased judiciary, is well placed to be the most attractive destination for foreign capital. More importantly India is perhaps the only country that can absorb large capital and generate healthy returns, given its young population and underdeveloped infrastructure. Over the next few years, interest rate in India should head downward as inflation is likely to remain low. India is quite integrated with the world and global commodity prices continue to be under pressure due to subdued demand. Indian financial services sector should be a prime beneficiary of the country's accelerated economic growth. Besides, there are a few more tailwinds; there is a distinct increase in domestic savings' investment into financial assets at the cost of real estate and gold, the government's strong incentive package for affordable housing will drive housing finance growth as well, the under-penetrated credit market will witness robust growth and a major part of incremental growth will go to private players as PSU banks are constrained for capital.

Your company has emerged as one of the leading players in financial services. It is reasonable for one to expect your company to register rapid growth in the next few years. When business is on the uptrend, one tends to ignore efforts and investments required to strengthen the foundation and backbone. We see the opportunity as long-term and cyclical gyrations inevitable. It is in this context that we are focusing on making growth durable and de-risked.

Durable growth

In all our businesses, there are ways to be opportunistic and target faster growth in short-term. Growth in our core businesses has dependence on buoyancy in the economy and capital markets. Notwithstanding the same, your company has systematically chalked out a strategy to make growth sustainable over long-term. I shall briefly describe our business-wise approach.

Financing business, carried out by NBFC and its HFC subsidiary, has a simple strategy 'Retail lending- Digital delivery.' In the lending business, large ticket wholesale loans are simpler to scale up and typically deliver better margins as well. The concentrated exposure carries higher risk. Therefore, our preference for retail loans is to mitigate risk as one can not only disperse risk over large number of borrowers but it is easier to predict behaviour of population comprising a large number of constituents. Our edge in retail lending is underpinned by keeping costs under control by leveraging digital technology.

Wealth business is focusing on building long-term sticky customer relationships. It has always refrained from maximising revenue in the short-term. Our team is working on increasing share of active assets and advisory or discretionary mandate.

Capital market business has retail and institutional segment. In retail, we have been moving customers on digital and mobile platform. For institutional business, our core strength is research capabilities and therefore the focus client segment comprise mutual funds and foreign portfolio investments with long-term investment mandate. Similarly, our Investment Banking focuses on our core strength in equities and distribution reach in all segments.

De-risking the growth

Financial services business is particularly prone to multiple risks. Management and mitigation of risks has completely new dimensions for revolutionary changes in technology on one hand and continuing tightening of regulatory framework. We always built best-in-class risk management framework with specific focus on credit assessment, compliance, technology and reputational aspects. We have continuously strengthened our systems and processes not only to mitigate risks but to prevent them in the first place. Besides overall control of risks with Board supervision, every business has built multiple lines of defences to protect the business. We are leveraging technology to provide early warning signals and intelligent detection of frauds, risks and lapses in compliance. Besides, we are actively broadening our service offerings, diversifying asset mix and geographical spread of customers.

I take this opportunity to place on record the hard work and commitment of all my colleagues and gratitude to customers, shareholders, bankers and regulators for their unstinted support. Your company is committed to work for long-term shareholders' value and focus not only on growth but to have durable growth in a fairly de-risked business model.

Yours sincerely,

Nirmal Jain
Chairman,
IIFL Holdings Limited

STRENGTHENING THE BACKBONE

MANAGING DIRECTOR'S MESSAGE



As an organization, we firmly believe that we have to invest in People, Process and Platform to help us achieve our Business Plan.

DEAR SHAREHOLDERS,

We believe that macro-economic conditions in India are sanguine and prospects for financial services are better than ever before. To achieve our business plan of Durable and De-risked Growth, it is important for us as an organization to strengthen our backbone, which lays the foundation to enable us to scale heights.

Typically in any sales-oriented organization, when prospects are optimistic, management time is spent on front-line sales. Investments in front-line sales yield quick results, and in a bullish environment, rising sales are appreciated and rewarded. However, ignoring backbone operations, which is the unglamorous part of business, can prove to be costly. To give a medical analogy, strengthening the core muscle group around the spine helps keep the load minimal, prevents injuries and helps one run faster over a longer period of time.

A strong core will improve your technique, strength, stamina and complement everything you do!
- Anonymous

I can relate this to my own experience of running half marathons. Initially, I used to only run with the underlying assumption that the more I practice running, the faster I can run. Completion time in the marathon gives you bragging rights. With age, experience and counsel from seasoned runners, I have realized the importance of strengthening the core and stretched my limits. The exercises to strengthen the core are generally ignored because one doesn't get quick hits.

As an organization, we firmly believe that we have to invest in People, Process and Platform to help us achieve our Business Plan. The 3 Ps are critical for the success of any venture, especially in the financial services industry.

***It's better to grow your employees, steer them into a place that they can learn and succeed, and want to work hard and be loyal, than to have a revolving door of employees.* - Glen Mazzara**

PEOPLE

In our industry, assets walk in each day and leave at the end of the day. Human resources are important in any field but more so in financial services. We continue to take steps to strengthen our talent pipeline. This not only means we have to hire right but also give equal importance to retaining our talent. In coming days, there will be a fight for talent and this will be a challenge for us too. Our training and development department is geared for the same and is continuously working towards having the right strategy and processes in place for developing and nurturing talent. We have invested in a digital learning platform with use of videos and tablets.

Perfection has to do with the end product, but excellence has to do with the process.
-Jerry Moran

PROCESS

As our sales volumes grow, it is important for us to scale-up our operations. We are leveraging technology to target end to end digitalization, untouched by hand. Some instances of projects commissioned include instant account opening using Aadhaar authentication and instant loan approvals on tablets among others. As I articulated in our last year's Annual Report, technology, especially on mobile platforms, will dramatically impact our business. We are building strong digital capabilities to leverage this opportunity.

Within the operational processes, risk management is important. All our lines of business have identified Risk Officers. This is supplemented by an independent audit function – where the in-house team is supported by outsourced external audit firms. We conduct mystery shopping, review all default cases and perform root cause analysis. This enables us to identify our mistakes, gives us inputs for process and policy changes, and helps redefine parameters.

***As technology advances, it reverses the characteristics of every situation again and again. The age of automation is going to be the age of 'do it yourself.'* -Marshall McLuhan**

PLATFORM

Technology investments and scale-up is a continuous activity. We have rolled out tablets in all our branches across multiple business lines, with a focus to enhance customer service and reduce turnaround time. As you are aware, IIFL Markets - the trading mobile application, created a record of sorts with 1 million downloads. Similarly, we have rolled out a tablet application for NBFC products like gold loans, commercial vehicles finance, SME finance and home loans. We have implemented load balancing for increased scalability including segment-based segregation of service and mission-critical applications and services. Data security has become even more important. We have implemented Privilege Identity Management and upgraded our anti-virus system. Post roll out of tablets across our branches, we have also put in place a mobile device management system to avoid misuse.

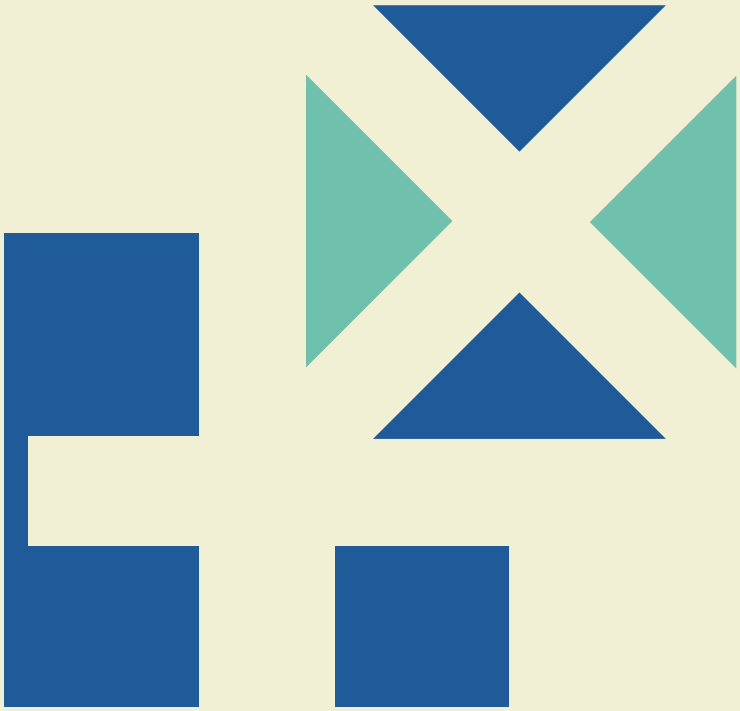
As we continue to scale-up front-line sales to capitalize on the opportunity, we are also making commensurate investments in the Backbone – People, Process and Platform, so that the organization forges ahead as a durable and de-risked unit.

Thank you,

R. Venkataraman
Managing Director,
IIFL Holdings Limited

Doubling

To leap forward as an organization par excellence, we have prepared our Mission 2020. Our endeavour is to be consistent and deliver stable performance. Our strategic roadmap will revolve around a strong capital base and cutting edge technology architecture to build a highly customer-centric service and delivery organization. We capture them in 3 Ds - Doubling, Durability and De-risking.







Set a target of doubling the revenue and increase net profit by 2.5 times from 2016 to 2020.

Our goal is to grow our top line fast and the bottom line faster. We have set a target of doubling our revenue, increase net profit by 2.5 times and improve ROE from 17.3% to 24% from 2016 to 2020.

With a burgeoning working class population that is digitally enabled, India is primed to become an economic superpower. As the government invests in infrastructure and policy changes, the nation's economy is being propelled towards growth and opportunity. At IIFL, we work together with our clients to develop strategies that use competitive strengths to create sustainable portfolio growth. IIFL continues to leverage its state-of-the-art technology platform to offer innovative products and services across various delivery channels to ensure highest level of customer satisfaction.



Our strong social values and commitment to the development of the country encourage us to develop innovative and consistent products and services that empower customers to realize their aspirations.

Adequately capitalized to sustain volume growth

Credit penetration in India continues to be low in comparison with other economies. We aim to capitalize on this opportunity by providing credit to even the financially excluded customers across the hinterlands of the country. Our strong social values and commitment to the development of the country encourage us to develop innovative and consistent products and services that empower customers to realize their aspirations.

With capital infusion and liquidity improvement in the NBFC segment, cost of funds will steadily decline. This will reflect in an improved capital position and a well-diversified product portfolio, with presence across the financial services space and an increased focus towards retail lending.

Durability

IIFL has over the years evolved greatly from being a small entrepreneurial start-up in the year 1995 into a major financial services group in India today. The organization has always believed in continual growth as per contemporary business environments without losing focus on the core financial services domain. The aim is to deliver consistent performance with the ability to withstand business cycles and inherent volatility.



Locations



We have been the forerunners in online technology and our endeavour is to deliver to the customer at the lowest brokerage possible - digitally and completely online, including the research and advisory services.

Loans and Mortgages

The strategic element of the loans and mortgages business segment in the future will be retail lending and digital delivery. We have a unique advantage of being one of the most widely networked NBFCs with over 1,100 branches. Our proximity to customers and emphasis on making housing affordable for all sections of the society with a focus on Tier 2 and Tier 3 towns in India, lends us an advantage to achieve significant growth going forward. Technology is central to every part of our business. The company has established appropriate credit selection processes and underwriting procedures that consider both the adequacy and quality of collateral, profile and cash flow of the borrower. It also has well defined collection processes and an experienced team. The business is supported by robust risk management and audit systems. Our end goal is to make our operations completely automated and we shall move towards it progressively. During 2016-17, our retail assets as a percentage of total assets have gone up from 69% to 83%.

Wealth and Asset Management

For the wealth and asset management business segment, the emphasis will be on gradually increasing advisory income and asset management fee and reduce dependence on transactional and distribution income. We will continue to invest in technology to increase employee efficiency and deliver best-in-class products and services to clients.

Capital Market

In the capital market segment, we are trying to focus on long-term investors and reduce our dependency on intraday traders and on high-volume but low yield derivative trades. We have been the forerunners in online technology and our endeavour is to deliver to the customer at the lowest brokerage possible - digitally and completely online, including research and advisory services.

De-Risking

IIFL has de-risked its business through multiple revenue streams and products. It has always endeavoured to keep costs low and has pushed for innovation at all levels. The group remains majorly a retail-focused entity, which thrives on knowledge and quality service.

4 million customers

IIFL has diversified into a full range of financial services, serving over 4 million customers across various business segments.

The aim of IIFL's risk management framework is to assure that operations are effective and well aligned with the strategic goals.

Diversified Asset Mix

IIFL has evolved into a large financial services firm through its strategy of synergistic diversification. The business model is de-risked by adding various businesses, asset classes, client segments, demographics, markets and geographies in adjacent spaces. This strategy has helped in building a bank-like diversified financial services firm within the non-banking financial services sector. IIFL has adapted to the dynamic business environment without losing focus on its domain of financial services. IIFL has diversified into a full range of financial services, serving over 4 million customers across various business segments. Such diversity provides balance, reduces volatility and helps minimize risk.

Efficient risk management framework

The aim of IIFL's risk management framework is to ensure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information. The framework endorses ethical values, good corporate governance and risk management practices.

Broadening Service Offerings

Loans and Mortgages

IIFL Finance offers a plethora of products including home loans, loan against property, gold loans, commercial vehicle finance, construction & real estate finance and loans to small and medium enterprises. During the year, IIFL Finance acquired Samasta Microfinance Ltd, a Bengaluru-based micro finance institution to enter the microfinance segment and expand its offerings.

Wealth Management

IIFL Wealth is one of the fastest growing wealth management companies in India offering a comprehensive suite of products including advisory, wealth structuring solutions, asset management, and onshore and offshore distribution services to over 10,000+ high net-worth families in the country. The newly added IIFL Wealth Finance segment focuses on capital-market-related lending to its high networth clientele.

Capital Market and Others

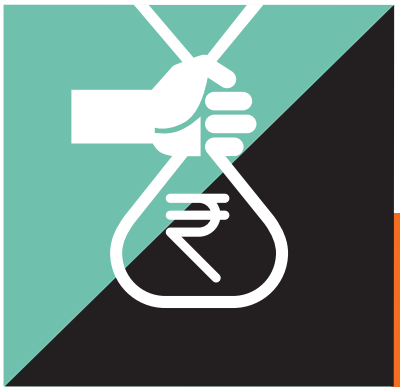
IIFL has been investing in infrastructure and manpower to be a one-stop investment shop with advisory support to help the investor build a portfolio balanced for his risk appetite and return expectation.

Scale and Digitization to bring down costs

IIFL has been at the forefront of technological innovation in the industry we operate. Digital and analytics continue to be the key focus areas to bring in agility, availability and significance. As we continue to expand geographic reach and enhance the scale of operations, we intend to further develop and integrate technology to support growth and improve service quality.

Operations Review





Loans and Mortgages

IIFL Finance, with a diversified product portfolio caters to promising segments and addresses growing capital needs across under-served markets. The company has established appropriate credit selection processes and underwriting procedures that consider both the adequacy and quality of collateral, profile and cash flow of the borrower. It also has well defined collection processes and an experienced team. The business is supported by robust risk management and audit systems. Therefore IIFL Finance has consistently maintained steady growth of loan assets and low levels of NPAs.

Key Highlights 2016-17

- Home loans along with commercial vehicle finance, and small business loans were the key growth drivers.
- CDC made an investment of around ₹ 1,000 crore, which was used to expand the financing business and address the capital needs of under-served segments through diversified offerings.
- Received long-term credit rating by CRISIL AA/Stable, [ICRA] AA (Stable), CARE AA, Brickworks AA+/Stable and short-term rating by [ICRA] A1+.
- Acquired Samasta Microfinance Ltd to enter the microfinance segment and extend its offerings.

2017-18 Focus Areas

FOCUS ON RETAIL LENDING

IIFL endeavours to achieve cost efficiencies by optimising its retail distribution model, enhancing technology and leveraging its existing infrastructure.

It aims to further develop the retail lending business through the acquisition of new clients, diversification of product mix and leveraging its infrastructure.

DIGITIZATION

To demonstrate our relevance in an increasingly digital world, we are actively embracing disruption and innovation, and working with innovation partners to deliver better value for our clients. We strive to find ways that make financial services more cost-effective, convenient and relevant.



Wealth Management

IIFL Wealth Management offers advisory, wealth structuring solutions, asset management and distribution services. IIFL Wealth has a holistic approach towards managing client's assets which not only include financial investments but also the overall wealth structuring keeping in mind the family's needs and objectives. This includes advice on structure of investment entities and also succession planning through use of wills and trusts.

Key Highlights 2016-17

- IIFL Wealth Finance, a wholly owned NBFC subsidiary of IIFL Wealth, commenced operations during the year. It is focused on providing loan against securities and properties to HNI clients. The loan book grew to ₹ 36.16 billion in its maiden year of operation.
- In addition to AIF license under IIFL Asset Management Limited, the group has also obtained Category II and Category III AIF License, with IIFL Alternate Asset Advisors Limited as an Investment Manager.
- Enabled with Corporate Agency for insurance products' distribution with due IRDA registration.

2017-18 Focus Area

With the realignment of the organization structure, the businesses are now strategically aligned for future growth with proper accountability and responsibility. Senior management positions on the sales and non-sales side have been introduced to ensure execution of the future goals of the business, in line with the re-aligned growth focused organization structure.

Putting into place technology, systems and processes into each business area to achieve short and long-term goals will be the biggest priority for 2017-18.

This will facilitate the following advantages for various stakeholders:

- **CLIENTS**
  Best-in-class offerings and easy access to company information and reports via technology, as well as ease of engaging and communicating with the firm.
- **MANAGEMENT**
  Management control and efficiency, risk control, compliance and MIS; usage of latest sales management tools.
- **EMPLOYEES**
  Efficiency of resource management, especially people placement in operations and other back office functions, ease of processes and avoidance of unnecessary duplication.



Capital Market and Distribution

IIFL is a leading online and offline broking and advisory services provider for cash and derivative segments to retail and institutional clients. The company has created a brand, marked by informed research, systemic uptime, transaction speed, cutting edge technology, extensive footprint, high service standard and competitive brokerage. While we will continue to invest in technology, our focus on our award-winning research and unbiased advice remains as one of the key differentiators for our business.

Key Highlights 2016-17

- A landmark year – where the team completed 21 investment banking transactions including 5 IPOs, the largest number of IB deals in a year.
- Ranked #2 in terms of amount raised through QIPs in 2016-17.
- Institutional cash segment volumes were up 27% compared to 2015-16, the derivatives market volume grew by about 13%.
- The average daily cash market volumes too registered a strong growth of 22% y-o-y with India Infoline Limited holding over 4% share in cash market.
- Was a Book Running Lead Manager in the ₹ 60,568 million IPO of ICICI Prudential Life Insurance Company Limited- the first IPO in the insurance sector and the largest IPO in 6 years.
- Lead Manager in the ₹ 100 billion public issue of NCDs of Dewan Housing Finance Corporation Limited- the largest public issue of NCDs by a private sector company till date.
- 5Paisa Capital Ltd, an online financial services provider engaged in the distribution of financial services and broking, with product offerings including mutual funds, bonds and commodities, was formed - catering to the emerging DIY (Do-it-yourself) customer segment. The segment shows promise and will aid seamless transactions.

2017-18 Focus Area

- Enhance offerings on digital and mobile platforms.
- Continue focusing on building a culture of advisory and financial planning with client profitability being the primary focus.
- IIFL will also continue to leverage its research and technology capabilities to expand and service its retail customer base.

CORPORATE SOCIAL RESPONSIBILITY

CSR is entrenched in our governance and plays a critical role in our business strategy of responsible growth.



Supporting community learning centers in Rajasthan

Key Initiatives

ERADICATING ILLITERACY AMONG GIRLS

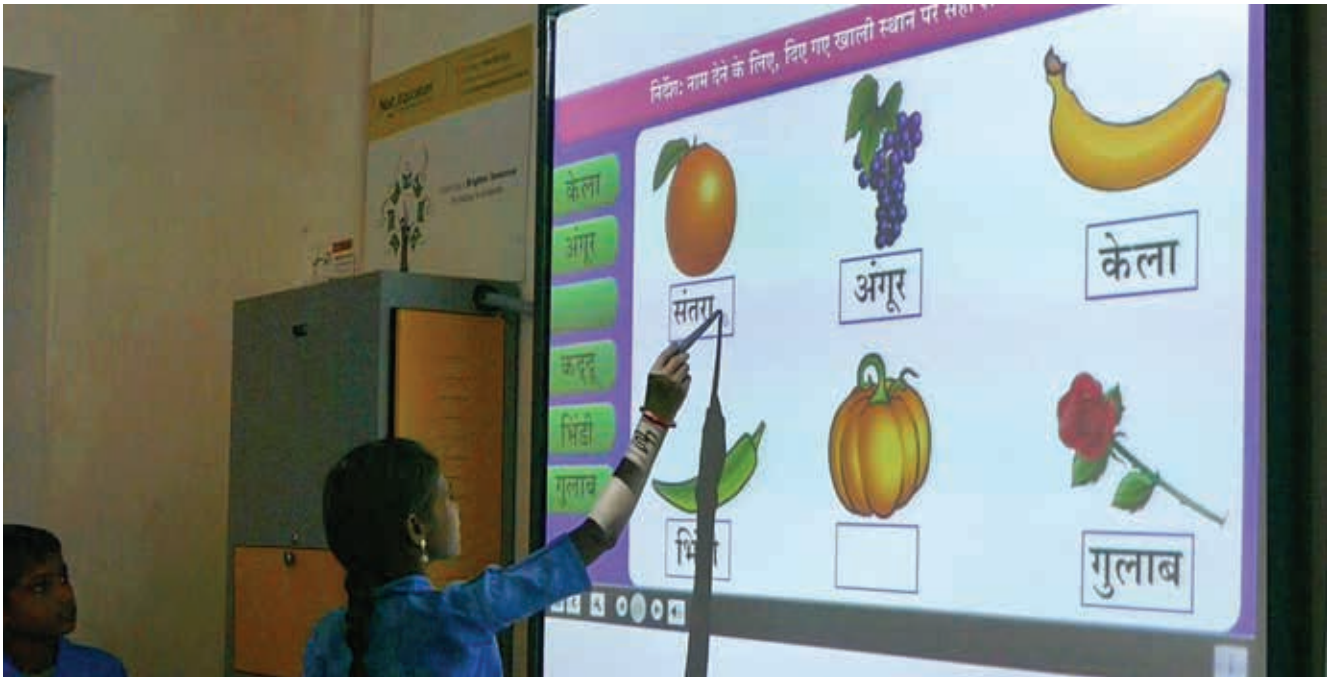
We propose to embark on an audacious mission - that of eradicating female illiteracy in the state of Rajasthan. We believe that education is the best investment for the future as it benefits not only one person in the family but all the next generations. An educated work force will be better placed to solve social issues and take the country on an accelerated development path and educating girls is an essential step in this regard.

260

India Infoline Foundation started 260 community learning centers for out-of-school and illiterate girls in South Rajasthan, in the tribal districts of Rajsamanad and Udaipur.



Bringing girls back into the fold of education



Bridging the gap by means of modern technology, a girl operating a 'Smart Board' installed at Kadechawas Village, Gogunda, District - Udaipur

India Infoline Foundation has vowed to eradicate illiteracy among girls from the state of Rajasthan by 2030 and thereby contribute towards achieving sustainable development goals in education in one of the most difficult and challenging states in India. IIFL brings a strong professional approach, an ability to take a long-term perspective, an innovative and out-of-the box approach, capacity to understand and bring best practices from across the world in the program and also uses technology on a large scale in the program.



Bringing girls back into the fold of education

Since June 2016 in this financial year IIFL started 260 community learning centers for out-of-school and illiterate girls in South Rajasthan, in the tribal districts of Rajsamanad and Udaipur. This initiative has managed to bring over 7,800 girls back into the fold of education.

7,800

No. of Girls brought back into the fold of education.

IIFL adopted seven schools in remote parts of Rajasthan in the districts of Udaipur, Jodhpur, Jobner, Kota and Bikaner.

OTHERS

Improving quality of education in government schools

Education has multipronged challenges – one of the biggest is the inability to learn in schools due to lack of adequate classrooms as well as lack of teachers. IIFL adopted seven schools in remote parts of Rajasthan in the districts of Udaipur, Jodhpur, Jobner, Kota and Bikaner. In these districts smart boards are installed to address the serious problem of lack of quality teachers. These schools have made history by becoming the first schools in the district to have smart boards and also saw the Hon. Governor inaugurating the smart classrooms. IIFL is also building four classrooms in Kadechavas school in Gogunda, Udaipur to enable infrastructure support. This will not only improve learning levels among children, but overall better the outcomes and motivate other children to study.

Vocational Training for Tribal Youth

Over 2,000 boys were trained in different vocational skills such as electrical maintenance, plumbing, two wheeler and four wheeler maintenance, retailing skills etc. and were placed with different companies. This has been a life changing experience for these boys as, from being a school dropout to becoming a professional having a decent income, contributing to family and supporting them to break the vicious circle of poverty, they have come a long way.



Setting libraries for Tribal school children at Jawhar, District - Palghar, Maharashtra



Hon. Governor of Rajasthan Shri. Kalyan Singh inaugurating Smart Classrooms at Kadechawas, Udaipur

2,000

Over 2,000 boys were trained in different vocational skills such as electrical maintenance, plumbing, two wheeler and four wheeler maintenance, retailing skills etc. and were placed with different companies.



Financial Literacy session for farmers at Bari Sadri, District - Chittaurgarh



Financial Literacy - school students

Financial Literacy Programs

As an organization in the financial space, we realize our responsibility towards creating a financially literate society and we have undertaken several high impact programs with different stakeholders across the country.

Financial literacy is one of the flagship programmes of IIFL Group. Under our Financial Literacy Agenda for Mass Empowerment (FLAME) initiative, we have been undertaking several programmes for people from different walks of life. In 2016-17, we reached over 10,000 women in remote corners of West Bengal, over 25,000 children studying in different schools in low income communities in Mumbai and over 2,000 truck drivers, in a very uniquely designed program. Several programs were conducted to create awareness among women from self help groups post demonetisation.

Health Interventions

Each year IIFL conducts two health camps in association with Bhaktivedanta Hospital. The first camp is held at Pandharpur, the annual pilgrimage destination visited on foot by millions of devotees. Most of these devotees are from poor families and often their month long walk makes them highly vulnerable to various health problems. The preventive health camp supported by IIFL provides check-up and treatment for these devotees. Last year over 1.5 lakh devotees took advantage of this camp.

The second camp is held at Barsana and is one of the largest eye check-up camps held in North India which also provides eye operations free of cost. The camp is held over a 10 day period and people come here from far flung places for check-up and treatment. Last year over 25,000 people got their eye check-up and operation done, where needed.

The Annual Cancer screening camp was attended by over 1,500 people.



Barsana Medical Camp 2016

ADVISORY BOARD

IIFL's Advisory Board comprises stalwarts with extensive experience and domain expertise, providing independent and informed perspective and oversight to Management, while guiding the Group's strategic focus.



Mr. Ashok Jha
Retired IAS, Former Finance Secretary, Government of India

Mr. Ashok Jha, an IAS officer, has had a stint of 38 years in civil services and held crucial positions in State and Central Government establishments. For about two years, Mr. Jha served in the Finance Ministry of the Government of India, first as Secretary, Economic Affairs, and later with additional responsibility as Finance Secretary. He was India's alternate Governor in the World Bank and the Asian Development Bank. Mr. Jha served as the Secretary, Department of Industrial Policy and Promotion and Chairman of Foreign Investment Promotion Board (FIPB) in his capacity as Secretary, Economic Affairs. He was also Advisor, International Affairs, FICCI. After retiring, Mr. Jha was President, Hyundai Motors, India. He is currently an Independent Director on the Boards of some companies.



Mr. Keki Dadiseth
Former Chairman of HUL

Mr. Keki Dadiseth, a Fellow member of The Institute of Chartered Accountants in England & Wales, had joined Hindustan Lever Ltd in 1973 and became Chairman of HUL in 1996. He was appointed as Director on the Board and Executive Committee of Unilever PLC and Unilever NV in May 2000. In India, he is on the Boards of Britannia Industries, Piramal Enterprises, Siemens, Godrej Properties, JM Financial Ltd & J M Financial Services Ltd. He is the Chairman of the Convening Board of Marsh & McLennan Cos in India, and Non-Executive Chairman of Omnicom India. He is also on the Advisory Boards of Accenture Services Pvt Ltd, PricewaterhouseCoopers Pvt Ltd and Indian School of Business, and a Senior Advisor to the World Gold Council, India.



Mr. Keki Mistry
Vice Chairman and CEO of HDFC Ltd

Mr. Keki M. Mistry is a Fellow of The Institute of Chartered Accountants of India. Mr. Mistry joined the Corporation in 1981. He was appointed as Executive Director in 1993, as Deputy Managing Director in 1999, and as Managing Director in 2000. He was re-designated as the Vice Chairman and Managing Director in October 2007 and as Vice Chairman and Chief Executive Officer from January 2010. Besides being on the board of several HDFC group companies, Mr. Mistry is a director on the board of other public limited companies such as HCL Technologies, Sun Pharmaceutical Industries, Torrent Power. He is also on the board of CDC Group, London.



Mr. Sat Pal Khattar

Singapore-based prominent lawyer and investor

Mr. Khattar is a Singapore-based Indian community leader and businessman. He was founder of Khattar Wong & Partners, one of Singapore's largest law firms, and is the Chairman of Khattar Holdings, a private family investment firm. Among the various positions held by him, Mr. Khattar was Chairman of the Board of Trustees of Singapore Business Federation and a member of the President Council for Minority Rights. He is a Life Trustee of the Singapore Indian Development Association (SINDA) and Co-Chairman of the Singapore-India Partnership Foundation. He received the prestigious Padma Shri award from Government of India in 2011.



Mr. Somasekhar Sundaresan

An Eminent Corporate Lawyer

Mr. Somasekhar Sundaresan is an independent counsel with a regulatory litigation practice focused on securities laws, competition law, exchange controls and corporate law. Prior to setting up chambers as counsel, he was a partner at J. Sagar Associates, a national law firm and headed the firm's financial sector regulatory practice.



Mr. S. Venkatachalam

Career banker, ex-Citibank, Chairman, Oracle India

Mr. S. Venkatachalam is the Chairman of the Board of Directors of Oracle Financial Services Software. He has served Citibank N. A. for nearly 30 years, holding several senior positions during his stint. He is currently on the Board of Equifax Credit Information Services and Canara Robeco Asset Management Company. He was an advisor to Karvy Financial Services from 2010-2016. He has previously served as an advisor to Fullerton India Credit Corporation and was on the Board of State Bank of India as an Independent Director. A Chartered Accountant by profession, he has rich experience in the field of banking, finance, administration, compliance, taxation, and labour laws.

BOARD OF DIRECTORS





MR. NIRMAL JAIN (CHAIRMAN)

Mr. Nirmal Jain is the founder and Chairman of the Company, is a PGDM (Post Graduate Diploma in Management) from IIM (Indian Institute of Management), Ahmedabad, 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 Pvt. Ltd. (later renamed 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 attained its position as a dominant and diversified player in the financial services space over the past 22 years.



MR. R. VENKATARAMAN (MANAGING DIRECTOR)

Mr. R. Venkataraman, Co-Promoter and Managing Director of the Company, is a B.Tech (Electronics and Electrical Communications Engineering, IIT Kharagpur) and an MBA (IIM, Bangalore). He joined the company's Board in July 1999. He has been contributing immensely into the establishment of various businesses and sphearheading key initiatives of the group over the past 18 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 the Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 26 years in the financial services sector.



MR. A. K. PURWAR (INDEPENDENT DIRECTOR)

Mr. Purwar is currently Chairman of ILFS Renewable Energy, one of the largest renewable energy Company of the country. He also works as an independent director in leading Companies across diverse sectors like Power, Solar Energy, Telecom, Steel, Engineering Consultancy, Pharmaceuticals, Entertainment and Financial Services. 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 covering almost 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.



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 ICICI Lombard General Insurance, Thomas Cook (India), Fairbridge Capital in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, First Capital Insurance Limited, Singapore, 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.



MS. GEETA MATHUR (INDEPENDENT DIRECTOR)

Ms. Geeta Mathur is a Chartered Accountant, specializes 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 as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is currently on the board of several large companies across manufacturing and services including Motherson Sumi Limited, NIIT Limited Tata Communication Transformation Services ltd and RSWM. She is the Co-chair for the India Chapter of Women Corporate Directors Foundation, a global organization working towards increasing the participation of women on corporate boards and board leadership position. She is a graduate in Commerce from Shriram College of Commerce, Delhi University.



MR. KRANTI SINHA (INDEPENDENT DIRECTOR)

Mr. Kranti Sinha completed his masters from the Agra University and started his career as a Class I Officer with Life Insurance Corporation of India (LIC). He served as the Director and Chief Executive of LIC Housing Finance Limited from August 1998 to December 2002 and concurrently as the Managing Director of LICHFL Care Homes Limited (a wholly-owned subsidiary of LIC Housing Finance Limited). He retired from the permanent cadre of the Executive Director of LIC. He also served as the Deputy President of the Governing Council of Insurance Institute of India and as a member of the Governing Council of National Insurance Academy, Pune apart from various other such bodies.



MR. NILESH VIKAMSEY (INDEPENDENT DIRECTOR)

Mr. Nilesh Vikamsey is a Senior Partner at M/s Khimji Kunverji & Co., Chartered Accountants, a member firm of HLB International. Mr. Vikamsey is the President of the Institute of Chartered Accountant of India (ICAI). Mr. Vikamsey is ex-Chairman of Federal Bank Limited and is also on the Board of several companies like SBI Life Insurance Company Limited, Thomas Cook (India) Limited, PNB Housing Finance Limited, Navneet Education Limited, NSEIT Limited, SOTC Travel Services Private Limited and Extensible Business Reporting Language (XBRL) India among others. Mr. Vikamsey is Chairman of SEBI's Qualified Audit Report Committee (QARC) & member of Associated Chambers of Commerce and Industry of India (ASSOCHAM) National Council on Asset Reconstruction. He was member of Committee on Disclosures and Accounting Standards (SCODA) of SEBI, LLP Committee of Ministry of Corporate Affairs (MCA), Chairman of Education & CPD Committee of South Asian Federation of Accountants (SAFA), IRDA's Committee on Road Map for Risk Based Solvency Approach in Insurance, Chairman of ICAI's Board of Studies, Research Committee, Financial Reporting Review Board & Expert Advisory Committee & Vice Chairman of ICAI's Committee on Information Technology & Corporate Laws & Corporate Governance Committees etc.



DR. S. NARAYAN (INDEPENDENT DIRECTOR)

Dr. S. Narayan is a retired IAS Officer. He was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets. Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies. He is a Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore, at Singapore since 2005.

AWARDS & RECOGNITIONS



ET Now Dealing Room Heroes



Finance Asia Deal of The Year India

Key Highlights 2016-17

01 Economic Times Best BFSI Brands Recognition Award

02 Golden Peacock Award for Corporate Social Responsibility – 2016

03 Winner at World Quality Congress: Stars of the Industry in the category of 'Best Customer Service in Financial sector'

04 BSE Skoch Order of Merit Award for Innovative Deployment of Technology Within Investing Services Space

05 Finance Asia - Deal of the Year for India Awards – for ICICI Prudential Life Insurance's $912 million IPO

06 Best Independent Wealth Management Team, India at Capital Finance International

07 Best Private Bank, India at The Asset Triple A Digital Enterprise Awards

08 Best Private Wealth Manager, India at Alternative Investment Awards

09 Best Wealth Management Firm, India at APAC Insider Investment Awards



Golden Peacock Award - CSR



BBC Best Customer Experience Award

10 BSE Skoch Awards for Innovation and Meritorious CSR

11 India Infoline Ltd received the NSDL Star Performer "Leader in Go Green Initiative -1st Position" Award

12 IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Overall App

13 Best Private Banking Services - Overall by Euro-money Private Banking and Wealth Management Survey, 2017

14 Best Wealth Manager - India Domestic by Asian Private Banker Awards of Distinction, 2016

15 Best Private Bank, India by Global Finance Best Private Bank Awards 2017

16 Best Private Wealth Manager, India at Alternative Investment Awards

17 Best Family Office Services Euromoney Private Banking and Wealth Management Survey, 2017

18 Best Research and Asset Allocation Advice Euromoney Private Banking and Wealth Management Survey, 2017

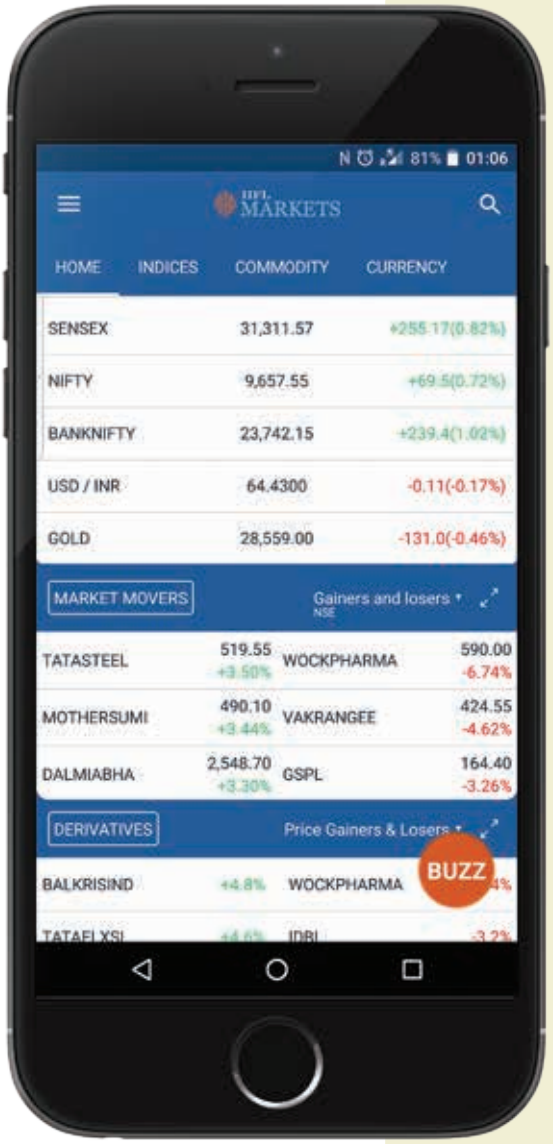
19 Digital Innovation Champion Award – CIO Crown 2016

20 IIFL Markets wins Best Technological Innovation in Capital Markets Space at Zee Business Market Excellence Awards in 2016 for IIFL Markets Application

21 Gold Loan Digital Transformation was awarded with Digital Innovation Champion Award at CIO Crown 2016 organized by Sify Technologies

TECHNOLOGY EDGE

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:

01

- IIFL Markets App has over 1 million downloads across multiple platforms – Android, IOS, Windows etc.
- The app has sustained a rating of 4.4 on Android - making it the highest rated and most downloaded app in Indian financial markets space.
- The app caters to 40% of active clients on daily basis and generated 25% of total brokerage on daily basis.
- The app was recognized for its exemplary performance in terms of simplicity, usefulness and online community development, and received five prominent awards in 2016-17.
- The app launched some key features such as Price Alert, Offers, Ideas, News, Videos, Live TV, P&L summary, Technical Charts, Key Ratio, Shareholding Patterns and multiple watch lists among others; and these were well appreciated by users.

02

The IIFL Mutual Funds App, a dedicated platform facilitating investing, monitoring and redemption of mutual funds on the go, has seen tremendous growth in the last year and achieved an overall user rating of 4.0 on its largest user base Android.

03

IIFL Loans mobile App providing services and information like Instant Chat, payments and payment history, product descriptions etc for customers through a self-service platform, received positive response with over 100,000+ downloads in its inaugural year.

04

In line with growing digital ecosystem in India, the company completed multiple integrations for eKYC, biometrics and online payments including UPI.

05

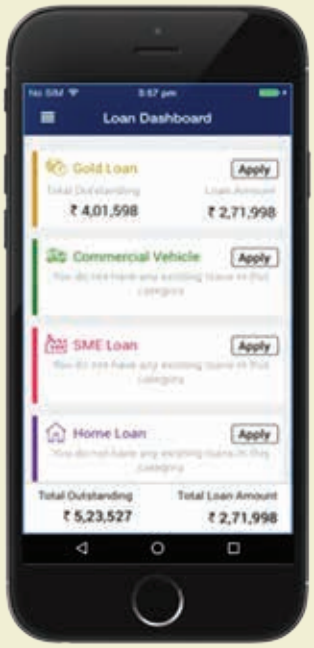
The company rolled out more customer facing and feet-on-street mobile applications, and web-based apps as part of its digital initiatives to reduce cycle time.

Tablets were introduced in branches enabling faster loan disbursements and delivering operational efficiencies.

This also resulted in more transparent customer interactions with increased focus on self-service.

06

The company successfully completed the ISO 27001:2013 annual re-certification in January 2017. ISO/IEC 27001:2013 is an information security standard which specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system within an organization.



As the company 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.

INVESTOR CONFERENCE



Mr. Nirmal Jain, Chairman, IIFL Group, inaugurating the Enterprising India Conference, 2017

IIFL's Enterprising India Global Investors' Conference

IIFL's Eighth Enterprising India Conference, held in February 2017 was a blockbuster event in which 109 companies having aggregate market value of US$ 866 billion from across business sectors participated. About 600+ investors participated in the event that had 23 specialist speakers.

The specialist speakers included Dr. Jim Walker, renowned economist, Adi Godrej, Godrej group chairman, Dr. Brian Tempest, former CEO Ranbaxy, Dr. D Subbarao, former Governor of RBI, Harish Mariwala, Chairman Marico, Rajeeva Karandikar, Mathematician and Psephologist, Sameer Shukla, Director Nielsen, Srinath Raghvan, Senior Fellow-Centre for policy research, and Vinay Sitapathi, political scientist.

The conference was well attended and suggests that overall interest in India remains high among foreign investors.

IIFL's Enterprising India Conference has grown over the years in size and stature to emerge as a key corporate event.



Dr. Jim Walker



Conference attendees

OTHER EVENTS



Off the Cuff events

OFF THE CUFF

Off The Cuff, or OTC, is a series of candid talk shows organized in collaboration with NDTV and was launched in January 2016 and held once a month. The event is hosted as an on-ground event anchored by eminent journalist Shekhar Gupta.

OTC has Shekhar Gupta in conversation with a distinguished guest in the presence of a notable, invited audience. After the initial dialogue between the guest and the moderator, OTC is open to the audience to question and engage with the guest. The idea is to break through the clutter and noise of existing debates on television and other platforms, and bring out an engaging, constructive discussion; while also keeping live audiences involved throughout. OTC is recorded and telecast on NDTV 24X7 and NDTV Prime at a later date in the month.



PACT event

PACT

Positive Action Changes Things 2016 – included a series of client events held in London & Dubai, and was attended by more than 250 clients collectively. Speakers such as Dr. Shashi Tharoor and leading fund managers from India addressed the audience, while stand-up comedian Vir Das tickled their funny bone.



Off the Cuff event

RAMNATH GOENKA LECTURE SERIES

The Ramnath Goenka Lecture, in the spirit of the founder and the newspaper, aims to deepen understanding of change, inspire debate and enrich public discourse through the power of ideas.

The lecture was launched by Dr. Raghuram Rajan, then Governor, Reserve Bank of India.

EXPRESS ADDA

IIFL Private Wealth associated with The Indian Express to put together Express Adda, a series of freewheeling dialogues on contemporary issues with newsmakers in an informal setting. The events were held in New Delhi and Mumbai.



Prime Minister Narendra Modi was the guest of honour at the Ramnath Goenka Excellence in Journalism Awards function, held in New Delhi

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Twenty Second Annual Report of IIFL Holdings Limited ('your Company') together with the Audited Financial Statements for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS

A summary of the financial performance of your Company and its major subsidiaries/associates, for the financial year ended March 31, 2017 is as under:

(₹ in Million)

Name of Company	Revenue	Profit after tax
Consolidated	49,248.83	8,222.76
IIFL Holdings Limited	1,923.37	1,567.78
India Infoline Finance Limited	22,642.24	3,427.28
India Infoline Housing Finance Limited	9,049.75	835.58
Samasta Microfinance Limited	328.45	8.09
IIFL Wealth Management Limited	4,524.71	864.38
India Infoline Limited	5,083.99	760.00
IIFL Wealth Finance Limited	4,614.72	1,003.86
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited)	1,312.29	69.39
IIFL Asset Management Limited	861.94	148.85
5paisa Capital Limited (Formerly IIFL Capital Limited)	74.67	(104.45)
IIFL Asset Management (Mauritius) Limited	663.25	350.69
India Infoline Media and Research Services Limited	569.40	451.51
India Infoline Insurance Brokers Limited	321.76	115.86
IIFL Capital Pte. Limited	239.26	31.20
India Infoline Commodities Limited	159.87	37.14
IIFL Distribution Services Limited	144.41	0.67
IIFL Capital Inc.	89.77	6.82
IIFL Private Wealth Management (Dubai) Limited	78.59	19.20
IIFL Securities Pte Limited	99.84	10.10
IIFL Investment Adviser and Trustee Services Limited	99.28	3.47
IIFL Wealth (UK) Limited	66.88	0.001
IIFL Alternate Asset Advisers Limited	57.01	9.30
IIFL Private Wealth Hong Kong Limited	20.24	3.75
Others	331.34	68.26
Inter Company Adjustments	(4,108.20)	(1465.97)

Consolidated Financial Results

A summary of the consolidated financial performance of your Company, for the financial year ended March 31, 2017, is as under:

(₹ in Million)

Particulars	2016-2017	2015-2016
Gross total income	49,248.83	39,626.43
Profit before interest, depreciation and taxation	33,726.00	25,891.51
Interest and financial charges	20,922.00	16,799.95
Depreciation	539.71	660.82
Profit before tax (from Continuing Operations)	12,264.29	8,430.74
Taxation - Current	4,215.18	2,915.53
- Deferred	(283.32)	(79.11)
- Short or excess provision for income tax	86.27	41.77
Net profit for the year (from Continuing Operations)	8,246.16	5,552.55
Profit/(loss) before tax from Discontinuing Operation	(23.40)	(4.47)
Net profit before minority interest	8,222.76	5,548.08
Less: Share of Profit to Minority Shareholders	1,361.87	436.32
Net profit after minority interest	6,860.89	5,111.76
Less: Minority interest	730.37	1,023.97
Less: Appropriations		
Dividend	1,449.62	1,613.65
Dividend Distribution Tax	291.04	286.88
Transfer to Special Reserve	1,082.40	703.98
Transfer to Debenture Redemption Reserve	830.15	1,429.41
Transfer to Capital Redemption Reserve	1,500.00	-
Deferred tax Liability	14.81	5.02
Add: Adjustment arising out of Liquidation of Subsidiary	-	55.94
Add: Balance brought forward from the previous year	5,579.16	5,474.37
Balance to be carried forward	6,541.66	5,579.16

* Previous periods figures have been regrouped / rearranged wherever necessary

Standalone Financial Results:

A summary of the standalone financial performance of your Company, for the financial year ended March 31, 2017, is as under:

(₹ in Million)

Particulars	2016-2017	2015-2016
Gross total income	1,923.37	2,114.10
Profit before interest, depreciation and taxation	1,804.61	1,973.11
Interest and financial charges	67.92	63.45
Depreciation	5.83	0.88
Profit before tax	1,730.86	1,90 8.78
Taxation - Current	84.91	159.63
- Deferred	13.93	24.87
- Short or excess provision for income tax	40.84	-
Profit/(loss) after Tax from Continuing Operation	**1,591.18**	**1,724.28**
Profit/(Loss) after Tax from Discontinuing Operation	**(23.40)**	**(4.47)**
Profit/(Loss) for the year	**1,567.78**	**1,719.81**
Less: Appropriations		-
Interim Dividend	1,429.19	1,340.80
Dividend Distribution Tax	0.64	-
Transfer to Debenture Redemption Reserve	41.90	42.01
Add: Balance brought forward from the previous year	2,214.13	1,877.13
Balance to be carried forward	2,310.18	2,214.13

* Previous periods figures have been regrouped / rearranged wherever necessary

Directors' Report (contd.)

2. REVIEW OF BUSINESS AND OPERATIONS AND STATE OF YOUR COMPANY'S AFFAIRS

During the year, your Company's total income, on a consolidated basis, increased to ₹ 49,249 million, up 24% year-on-year (y-o-y). Profit before tax increased to ₹ 12,240 million, up 45% y-o-y and Profit after tax before minority interest increased to ₹ 8,223 million, up 48% y-o-y.

The Company's financial services business is well diversified consisting of NBFC business which also includes the newly acquired micro finance business constituting 46%, Housing Finance business constituting 18%, Wealth Management business constituting 22%, and capital markets and other businesses comprising of investment banking, equity broking and related income constituting 14% of the group's total income.

During the year, the income from the NBFC business has increased by 14% y-o-y to ₹ 31,651 million. This was driven by growth in the loan AUM by 14% from ₹ 195 billion in FY16 to ₹ 223 billion in FY17. The retail home loan business witnessed robust growth of 55% and the home loan book grew to ₹ 81,924 million as of March 31, 2017 as against ₹ 52,843 million in the previous year. During the year, income from the Wealth Management business witnessed significant growth of 83% y-o-y to reach ₹ 10,822 million and assets under advice, distribution and management increased by 51% y-o-y to ₹1,201 billion. The Company through its step down subsidiary i.e. IIFL Asset Management Limited manages over ₹ 86 billion of AIF Assets, making it one of the largest AIF platforms in the country. Income from Capital Market and Investment Banking business increased by 3% y-o-y to ₹ 5,672 million. Other income stood at ₹ 124 million.

There is no change in the nature of business of the Company. There were no significant or material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

3. MACROECONOMIC OVERVIEW

India remains one of the fastest growing economies in the world. According to the Central Statistical Office's (CSO) revised estimates, India's GDP growth remained steady at 7.1% in FY17 with the third quarter registering a growth rate of 7% y-o-y despite the effects of demonetisation. Certain macro-economic indicators like automobile sales, export traffic and unemployment suggest that the economy is steadily recovering from the impact of demonetisation, announced on 8th November, 2016, with the RBI forecasting GDP growth at 7.4% in FY18.

Consumer inflation moderated to 4.5% in FY17 versus 4.9% in FY16 (Ministry of Statistics and Programme Implementation, 2017) and is likely to remain below 5% in FY18. RBI cut policy rates by 50 bps through the course of FY17. Low commodity prices have helped push current account deficit to less than 1% of GDP. The Central Government remains on the path of fiscal consolidation and is projected to reduce fiscal deficit to 3.2% of GDP in FY18 from 3.5% in FY17. However, state finances have been worsening and maintaining FRBM prescribed limits of fiscal deficit would be challenging due to UDAY scheme, Pay Commission implementation and the recent trend of farm loan waivers in some states.

Government continues to make efforts to revive investment cycle and is spending on building physical infrastructure like road, rails etc. Government has been able to revive many stalled projects in the public sector; however, private sector investments remain weak given low capacity utilization and leveraged balance sheets. The government continued with further liberalized FDI and FPI investments, whereby placing most of the sectors under automatic route and very few sectors under approval route. Overall FDI inflows had increased to $ 60.08 billion during the year 2016-17. The government has further liberalized foreign investments and recently abolished the Foreign Investment Promotion Board (FIPB). We are on the verge of one of the most important reform measures in the country – the transition to the Goods and Services Tax (GST) from 1st July, 2017. The GST will unify India into a single market thereby simplifying the compliance process, broadening the tax base and improving productivity. While there remains a possibility of disruption in the short run, given the scale of change, recent experience with the demonetization exercise suggests that the disruption to economy from GST implementation, if any, is likely to be small and short lived. The long-term potential from GST is immense.

4. DIVIDEND ON EQUITY SHARES

During the year 2016-17, Company declared and paid an interim dividend of ₹ 4.50 per equity share (i.e. 225% of face value of ₹ 2/- per share). This led to an outgo of ₹ 1,429 million owing to dividend (excluding dividend distribution tax). The same is considered as final. The total dividend paid during the financial year 2015-16 was ₹ 4.25/- per share which includes a special dividend of ₹ 1.25/- per equity share to commemorate a decade of listing.

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. The Board had approved the Dividend Distribution Policy on January 25, 2017 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations,

2015. The Policy is available on the Company's website at https: // www. iifl.com/aboutus/policies.

During the year, unclaimed dividend pertaining to F.Y. 2009-10 of ₹ 602,134 and ₹ 1,176,922 pertaining to Interim Dividend 1 and Interim Dividend 2 respectively was transferred to the Investor Education & Protection Fund.

5. SCHEME OF ARRANGEMENTS

Demerger of 5paisa digital Undertaking

The Board of Directors of your Company at their meeting held on September 30, 2016 considered and approved the proposed demerger of '5Paisa Digital Undertaking' from IIFL Holdings Limited ("IHL") into 5Paisa Capital Limited ("5PCL"), a 100% subsidiary of IHL engaged in distribution of financial services and broking, as follows:

a. The proposed demerger would be through a Scheme of Arrangement under section 230-232 of the Companies Act, 2013 between IHL and 5PCL and their respective shareholders. Post demerger, 5PCL will be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The appointed date of the demerger is October 01, 2016 and the Scheme shall be effective after filing the order of the National Company law Tribunal ("NCLT") with the Registrar of Companies.

b. As per terms of the proposed scheme of Arrangement, the consideration for the demerger is by way of allotment of equity shares by 5PCL to the shareholders of IHL in the ratio of 1 share of ₹ 10 each of 5PCL for every 25 shares of IHL held by the shareholders of IHL, as per the share entitlement ratio issued by the Independent Chartered Accountant i.e.M/s. SSPA & Co. and fairness opinion provided by Category I Merchant Banker i.e. M/s. Keynote Corporate Services Limited.

c. The proposed arrangement does not involve any change in the capital structure of IHL. The shareholding of 5PCL will be a mirror image of the shareholding of IHL as on record date to be determined after the approval of Scheme of Arrangement by NCLT.

The Company has received No objection from SEBI, BSE and NSE on the draft Scheme of Arrangement. Pursuant to the order of NCLT and upon approval of the Shareholders of the Company, the Scheme will become effective.

Demerger of IIFL Real Estate Limited

The Board of Directors of IIFL Holdings Limited at its meeting held on January 25, 2017 considered and noted the proposed draft Scheme of Arrangement envisaging the demerger of Real Estate Advisory services undertaking from IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited and IIFL Realty Limited) ("IREL"), a wholly-owned-subsidiary of the Company into another wholly-owned-subsidiary i.e. India Infoline Insurance Services Limited, in terms of the provisions of Companies Act, 2013. The above proposal does not envisage any change in the capital structure of IIFL Holdings Limited or its interest in the aforesaid Subsidiaries. The appointed date of the proposed Scheme of Arrangement is April 01, 2017. The aforesaid scheme is subject to necessary regulatory approvals including NCLT. IREL has since filed Scheme with NCLT and is awaiting final order.

Pursuant to the said demerger, IREL's primary business and income will be from rentals of commercial real estate assets owned by it. The proposed restructuring is to facilitate IREL as an eligible SPV for investments under the proposed IIFL REIT, subject to the required Board, SEBI and other regulatory approvals.

Merger of IIFL Properties Private Limited

The Company's step down subsidiary under IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited and IIFL Realty Limited) ("IREL") namely IIFL Properties Private Limited was holding a real estate property. NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Arrangement for the merger of IIFL Properties Private Limited with IREL for consolidation of the same. The merger has been effected w.e.f. April 01, 2015.

6. KEY INITIATIVES/DEVELOPMENTS

i. Strategic Investment by CDC Group Plc in India Infoline Finance Ltd. (NBFC) Subsidiary

CDC Group Plc, UK ("CDC"], the United Kingdom's government-owned development finance institution invested about ₹ 10 billion in India Infoline Finance Ltd ("IIFL Finance"), a Subsidiary of the Company, by way of issuance of 43,33,409 Compulsorily Convertible Preference share ("CCPS") and 100 Equity shares. Upon Conversion of CCPS, CDC shall hold a stake of 15.45% of the total outstanding equity share capital of the IIFL Finance on a fully diluted basis. CDC's investment will help IIFL Group in expanding the financing business and address the capital needs of under-served segments through diversified offerings.

ii. IIFL Wealth Finance Limited

IIFL Wealth Finance Limited ("IIFLW Finance"), a non-deposit taking systemically important Non-Banking Finance Company (NBFC-ND-SI) registered with the Reserve Bank of India, is a wholly owned subsidiary of IIFL Wealth Management Limited ("IIFLW"). IIFLW Finance provides loan

Directors' Report (contd.)

against securities, wherein, includes capital market financing, promoter funding, margin funding, IPO financing and loan against property to ultra-high net worth individuals and corporate clients of IIFLW. IIFLW has invested ₹ 9000 million out of investments received from General Atlantic towards equity into IIFLW Finance during the financial year 2015-16 and has further invested ₹ 620 million during the financial year 2016-17. IIFLW Finance commenced its lending business to HNI's and Corporates in February 2016 and has grown its business during the year with the total loan asset(s) as on March 31, 2017 to ₹ 36,000 million. IIFLW Finance has issued non-convertible debentures amounting to ₹ 22.46 billion and commercial papers amounting to ₹ 33.70 billion as on March 31, 2017.

iii. Investment Banking

Fiscal 2017 has been a landmark year for investment banking. IIFL Holdings Limited completed 21 transactions (the largest number of Investment Banking transactions executed by IIFL in its history in a single financial year) viz. IPOs, QIPs, NCD placements, open offers, private equity advisory and pre IPO placements. In all, IIFL was involved in capital raising and advisory transactions of ~₹ 377 billion including 5 equity IPOs.

In fiscal 2017, IIFL completed a number of large transactions with marquee clients. IIFL was involved in the largest QIP of FY2016-2017 (Motherson Sumi Systems Limited aggregating to ₹ 19,934 million) and 2017 YTD (Yes Bank Limited aggregating to ₹ 49,067 million). IIFL was ranked #2 in terms of amount raised through QIPs in fiscal 2017. IIFL was one of the book running lead managers in the ₹ 60,568 million IPO of ICICI Prudential Life Insurance Company Limited, the first IPO in the insurance sector and the largest IPO in 6 years. Additionally, IIFL completed the ₹ 100 billion public issue of NCDs of Dewan Housing Finance Corporation Limited, the largest public issue of NCDs by a private sector company till date.

IIFL has a robust pipeline of investment banking transactions spanning across a number of product categories, which are in different stages of execution.

IIFL continues to diversify its product/service offerings and invest in people, processes and technology. Our efforts and investments into this business are beginning to pay off. Clients continue to value IIFL's focus and commitment and consider us as their trusted advisor.

iv. Samasta Microfinance Limited

During the March 2017, India Infoline Finance Limited ("IIFL Finance") , a subsidiary of the Company, has acquired control and management of Samasta Microfinance Limited ["Samasta"], a Non Banking Finance Company – Micro Finance Institution [NBFC-MFI] registered with RBI and based in Bangalore after obtaining all regulatory and other approvals. This acquisition is through purchase of equity shares from its erstwhile shareholders as well as additional capital investment of ₹ 50 Cr. in March 2017 by IIFL. Upon the acquisition, Samasta became a step down subsidiary of the Company with its shareholding standing at 95.22% as on March 31, 2017.

Samasta began operations as an MFI in March 2008 with an aim to provide financial services to the financially weaker sections in the Southern and Western states of India. It operates in Tamil Nadu, Karnataka, Maharashtra and Goa through 70 branches.

Samasta's income from operations increased by around 66% to ₹ 320 million during the year ended March 31, 2017.

The acquisition of Samasta will help IIFL in entering into the growing micro finance segment and extend its wide ranging financial services to their large customer base.

v. Other Financial Services

During the year ended March 31, 2017, IIFL Wealth Finance Limited and India Infoline Housing Finance Limited, the step down subsidiaries of the Company have obtained Corporate Insurance Agency license from IRDA for the distribution of insurance products.

During the financial year ended March 31, 2017, IIFL Wealth Management Limited has obtained membership of NSE and BSE and also become a depository participant of CDSL and NSDL for providing separate services to niche High Net-Worth Individuals and wealth management clients. The Wealth Broking has commenced operations and migration of clients under this platform is under process.

vi. 5Paisa- Digital Undertaking

5Paisa Capital Ltd ("5PCL") is a Wholly Owned Subsidiary of IIFL Holdings Ltd. 5PCL is engaged in providing an online technology platform for trading in National Stock Exchange of India Limited and BSE Limited through web based trading terminal, mobile application and a state-of-the-art Call and Trade Unit. 5PCL is also a SEBI approved Research analyst, a Depository Participant with CDSL and registered with AMFI for distribution of mutual funds. 5PCL provides a wide range of financial services to its customers including depository services, distribution of mutual funds, bonds and debentures, Equity and Mutual fund research etc through its technology based platforms.

5PCL invested in Online Marketing, Branding and IT. Also, it has developed Robo Advisory, an automated Mutual Fund advisory platform, which has got a very good response. 30% of 5PCL's mutual fund transactions are now happening through the Robo advisory platform. This year also saw 5PCL's new mobile application crossing 100 thousand downloads on Play store with a very good rating of 4.2.

The Board of Directors of IIFL Holdings Limited and 5paisa Capital Limited have approved the Scheme of Arrangement for demerger of 5paisa digital undertaking of IIFL Holdings Limited into 5paisa Capital Limited on September 30, 2016. With a view to giving a segregated focus on the digital way of doing trading and distribution services, which is emerging as a new segment and possesses the potential to grow exponentially in the coming years, especially with the spread of internet and mobile penetration, 3G/4G data services across the country under the DIY (do-it-yourself) model. Further to SEBI, NSE and BSE approvals, the scheme is pending for approval from NCLT. The appointed date of the demerger is October 01, 2016 and the Scheme shall be effective after filing the order of the NCLT with the Registrar of Companies.

vii. Asset Management

During FY 2016-2017, the revenues of IIFL AMC grew by 30.3% to ₹ 861.9 million and Profit After Tax growth was 148.26%.

The total assets managed by IIFL AMC under Mutual Fund, AIF and Portfolio Management Services has increased to ₹ 86,980 million as on March 31, 2017 vis-s-vis ₹ 55,230 million as on March 31, 2016. Under IIFL Mutual Fund Platform, the assets under management have increased from ₹ 4,924.6 million to ₹ 6,252.3 million. AIF assets saw a growth of 93.17% on a YoY basis to more than ₹ 73,000 million as on March'17 end. Significant ramp-up was seen during the year on the back of the following new diverse product launches:

1) Category II Alternative Investment Funds:
   a. IIFL Special Opportunities Fund
   b. IIFL Real Estate Fund Domestic Series 4
   c. IIFL Select Equity Fund
   d. IIFL Income Opportunities - Series Debt Advantage
   e. IIFL Income Opportunities - Series Regular Income

2) Category III Alternative Investment Funds:
   a. IIFL Yield Enhancer Fund
   b. IIFL Phoenix Cash Opportunities Fund
   c. IIFL Focused Equity Strategies Fund
   d. IIFL Regular Income Fund
   e. IIFL Cash Opportunities Fund II
   f. IIFL Fixed Income Plus Fund
   g. IIFL Debt Advantage Fund
   h. IIFL Re Organise India Equity Fund
   i. IIFL Perpetual Bond Fund – Series 1
   j. IIFL India Opportunities Fund – Series 1, 2 & 3

During the year, the Company took initiatives to diversify and strengthen its distribution. IIFL AMC got empaneled with several large banks and wealth management firms enabling IIFL AMC to significantly enhance it's reach and distribute it's products widely. The Company has also significantly strengthened its sales team and mid-office team in order to service investors better.

viii. Corporate Social Responsibility

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: https://www.iifl.com/aboutus/iifl-csr-policy.

The IIFL group has identified following focus areas for Corporate Social Responsibility ("CSR") engagement through India Infoline Foundation, a section 8 Company:

a. Girl child illiteracy eradication program for out of school and illiterate girls in Rajasthan.
b. Improving the quality of education in Government schools through technological interventions.
c. Financial Literacy and Financial Inclusion
d. Preventive Health

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 three years on CSR projects. At the group level, besides the Company, nine subsidiary companies came under the purview of the provisions for CSR for the year. During the fiscal year 2016-17, the group made a total deployment of ₹ 135.05 million into CSR activities.

IIFL's CSR has gained the necessary momentum and has implemented large scale projects, which will have substantial sustainable long term impact. The capabilities, systems and processes needed to take up big activities in an organised manner are also in place. Going forward, the Company will consolidate these projects to get a much bigger and wider impact.

Directors' Report (contd.)

ix. Investor Conference/Events

IIFL's Enterprising India Global Investors' Conference

IIFL's Eighth Enterprising India Conference was held from the 21st to 23rd of February 2017. 109 companies and 600+ investors participated in the event which also hosted 23 specialist speakers. The participating companies had an aggregate market value of US$ 866 bn and represented all major business sectors. The event happened against the backdrop of local and global economic uncertainty and the specialist speakers provided invaluable insights on major developments in the economy including demonetization and GST. The well attended conference suggested overall interest in India to be high among foreign investors and expectations of the economy to recover well from the effects of demonetization to be high.

The event was well timed to provide learned insights on the budget 2017 and the outlook for the new financial year.

Express Addas

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PACT

Positive Action Changes Things 2016 –included a series of client events held in London & Dubai, and was attended by more than 250 clients collectively. Speakers such as Dr. Shashi Tharoor and leading fund managers from India addressed the audience, while stand-up comedian Vir Das tickled their funny bone.

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Ramnath Goenka Lecture Series

The Ramnath Goenka Lecture, in the spirit of the founder and the newspaper, aims to deepen understanding of change, inspire debate and enrich public discourse through the power of ideas.

The lecture was launched by Dr Raghuram Rajan, then Governor, Reserve Bank of India.

x. Awards and Recognitions

The following awards were conferred in FY17:

- ET Best BFSI Brands Recognition
- The prestigious Economic Times Awards for Corporate Excellence shortlisted IIFL in the Emerging Company of The Year Award category
- Golden Peacock Award for Corporate Social Responsibility – 2016
- BSE Skoch Order of Merit Award for Innovative Deployment of Technology Within Investing Services Space
- ET NOW Dealing Room Heroes – 10 IIFL Employees Awarded for April – September and October – March period.
- Finance Asia -- Deal of the Year for India Awards – for ICICI Prudential Life Insurance's $912 million IPO
- Best Independent Wealth Management Team, India at Capital Finance International
- Best Wealth Management Firm, India at APAC Insider Investment Awards
- India Infoline Ltd received the NSDL Star Performer "Leader in Go Green Initiative -1st Position" Award. This award was given to us in recognition of DP participant executing maximum no of digital transactions with NSDL
- IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Overall App
- IIFL Markets mobile app won Silicon Valley Business Awards 2016 for Best Finance and Management
- IIFL Markets wins Best Technological Innovation in Capital Markets Space at Zee Business Market Excellence Awards in 2016 for IIFL Markets Application.
- Best Private Banking Services - Overall by Euro-money Private Banking and Wealth Management Survey, 2017
- Best Net-worth-specific services - Euromoney Private Banking and Wealth Management Survey, 2017
- Best Family Office Services - Euromoney Private Banking and Wealth Management Survey, 2017
- Best Research and Asset Allocation Advice - Euromoney Private Banking and Wealth Management Survey, 2017

- Best Succession Planning Advice and Trusts - Euromoney Private Banking and Wealth Management Survey, 2017
- Best Innovative Technology - Back Office Systems Euromoney Private Banking and Wealth Management Survey, 2017
- Best Wealth Manager - India Domestic by Asian Private Banker Awards of Distinction, 2016
- Best Private Bank, India by Global Finance Best Private Bank Awards 2017
- Best Performing National Financial Advisor - Wealth Distributor Award by CNBC & UTI Financial Advisors Award 2016
- Best India Start-Up Fund - Seed Venture Fund at Alternative Investment Awards
- Best Online Wealth Management Experience at The Asset Triple A Digital Enterprise
- Digital Innovation Champion Award – CIO Crown 2016.
- Drivers of Digital Award 2016 - Special Jury Mention.
- Gold Loan Digital Transformation was chosen as the Best Top 20 Project in 5th BFSI Innovation and Technology Summit - 2016.
- BSE Skoch Awards for Innovation and Meritorious CSR
- IIFL Foundation received Skoch Blue Economy Order of Merit Award. IIFL Foundation's projects were also adjudged as Top 100 projects in India
- Bureaucracy Today - CSR Excellence Awards to IIFL Foundation
- www.indiainfoline.com won the Best Website in Banking & Investment category from Website of the Year India, 2016.
- IIFL Corporate Communications team was shortlisted among the top five for Fulcrum Awards in communication
- Prayesh Jain of IIFL Wealth Management won 'Best Auto Analyst' Award at Zee Business Market Excellence Awards 2016.
- Bhavesh Gandhi of IIFL Wealth Management won 'Best Pharma Analyst' Award at Zee Business Market Excellence Awards 2016.

7. SHARE CAPITAL

During the year under review, the total share capital of the Company has increased from ₹ 63,30,73,706/- to ₹ 63,58,16,386/- pursuant to allotment of 13,71,340 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 7,49,800 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, there have been no stock options granted to the employees during the year under the Employee Stock Option Scheme(s).

The issue of equity shares pursuant to exercise of options does not affect the Statement of Profit and Loss of the Company, as the exercise of options is made at the market price prevailing a day before the grant plus taxes as applicable.

There is no material change in Employees' Stock Option Scheme during the year under review and the Scheme is in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The Company has received 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. The certificate would be placed at the Annual General Meeting for inspection by members. The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 are provided on the website of the Company 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 and Sundays (including Public Holidays), during business hours up to the date of the 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 utilized by the recipient are given in the standalone financial statement (please refer to Note 10,16 & 28 to the standalone financial statement).

10. SUBSIDIARY COMPANIES

As on March 31, 2017, the Company had 32 (Thirty Two) subsidiaries (including step down subsidiaries)/Associates located in India and overseas. During the year, India Infoline Finance Limited, a subsidiary of the Company has acquired controlling stake in Samasta Microfinance Limited- a Non Banking Finance Company - Micro Finance Institution [NBFC-MFI] registered with RBI and based in Bangalore. Ayusha Dairy Private Limited is a wholly-owned subsidiary of Samasta

Directors' Report (contd.)

Microfinance Limited. Further, IIFL Wealth Management Ltd, a subsidiary of the Company, transferred its shareholding (71%) in India Alternatives Investment Advisors Private Limited to its private shareholders.

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 Accounting Standards, the Board of Directors had at their meeting held on May 04, 2017 approved the consolidated financials 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 2016-17. 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 Report of all the subsidiaries will be uploaded on the website of the Company. As required by Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard - 21 (AS 21) issued by the Institute of Chartered Accountants of India, the Company's consolidated financial statements included in this Annual Report incorporate the accounts of its subsidiaries, associates and joint ventures. A report on the performance and financial position of each of the subsidiaries, associates and joint ventures companies as per Companies Act, 2013 is provided in the prescribed Form AOC-I as Annexure A of the Consolidated Financial Statement 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 was the Material Subsidiary of the Company for the financial year 2016-17.

For the financial year 2017-18, the following are the Material Subsidiaries of the Company:

1. India Infoline Finance Limited
2. IIFL Wealth Management Limited
3. IIFL Wealth Finance Limited
4. India Infoline Housing Finance Limited

The policy on determining the material subsidiary is available on the website of the Company at www.iifl.com.

11. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, in terms of Regulation 34(2) (f) of SEBI(Listing Obligations and Disclosure 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 consists of 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. Kranti Sinha, Dr S. Narayan and Ms. Geeta Mathur are Independent Directors and Mr. Chandran Ratnaswami is a non-executive Director of the Company.

In accordance with Section 152 of the Companies Act, 2013 ("Act") read with Article 157 of the Articles of Association of the Company, Mr. Nirmal Jain is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. The Board recommends the same for shareholders' approval.

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. None of the Key Managerial Personnel has resigned or appointed during the year under review.

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2017 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 6 (Six) 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 of Mr Nilesh Vikamsey, Mr Kranti Sinha, Ms Geeta Mathur and Mr R. Venkataraman. 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. The Committee met during the year under review and discussed on various matters including financials, audit reports and appointment of auditors. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The terms of reference of Audit Committee and other details thereof has been provided in the Corporate Governance Report.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three Independent Directors with Mr Kranti Sinha as the Chairman of the Committee, Mr Nilesh Vikamsey and Mr A K Purwar 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 said policy is stated in the Corporate Governance Report of the Company. The details of Committee meeting are provided in the Corporate Governance Report.

Corporate Social Responsibility Committee:

As per the provision of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility (CSR) Committee, comprises of Mr Nilesh Vikamsey, Mr Nirmal Jain and Mr R. Venkataraman. The Committee has approved CSR Policy of the Company. The group has set-up India Infoline Foundation (generally referred as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013, which will act as the principal arm to undertake CSR initiatives on behalf of the IIFL Group. The details of CSR Committee meeting are provided in the Corporate Governance Report. The policy on corporate social responsibility is available on the website www.iifl.com. The Annual Report on Corporate Social responsibility is attached as **"Annexure I"**.

Stakeholders Relationship Committee:

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee. The Committee comprises of Ms. Geeta Mathur, Independent Director as the Chairperson, Mr Nirmal Jain and Mr R. Venkataraman, Executive Directors as the Members. The details of the Stakeholders Relationship Committee meeting are given in the Corporate Governance Report.

The role, 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 Company received 17 complaints from investors under SEBI's SCORES portal. All complaints were redressed to the satisfaction of the investors. No complaints were pending either at the beginning or at the end of the year.

Risk Management Committee:

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Company has constituted a Risk Management Committee. The objective of the Committee is to oversee the risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

The Risk Management Committee comprises of Mr. A. K. Purwar, Independent Director, Mr Nilesh Vikamsey, Independent Director and Mr Nirmal Jain, Executive Director. The details of the Risk Management Committee meeting is provided in the Corporate Governance Report.

Directors' Report (contd.)

Board Effectiveness

Familiarization 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 Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. Details of the Familiarization Programme are explained in the Corporate Governance Report and are also available on the Company's website at http://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/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 committee and 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 17, 2017 reviewed the following:

- Performance of Non-Independent Directors and the Board as a whole
- Performance of the Chairperson of the Company
- 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 under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independent laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Your Directors have in place Risk Management Committee to assist the Board in (a) overseeing and approving the company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks 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 process improvements to internal controls

systems and processes to drive a common integrated view of risks and optimal and mitigation responses. This integration is enabled through suitable co-ordination across group wide Risk Management, Internal Control and Internal Audit methodologies 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.

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 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 Company's website www.iifl.com. You may refer to Note no. 34 to the 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.

19. EXTRACT OF 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"**.

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, which have 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 year 2016-17. 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"**. 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"** to 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 at the website at https://www.iifl.com/aboutus/policies.

24. PREVENTION OF SEXUAL HARASSMENT

Your Company recognizes 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 2016-17, there were no complaints received pursuant to the Sexual

Directors' Report (contd.)

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 more than ninety days: 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

25. PARTICULARS OF EMPLOYEES

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

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

As per the provisions of Section 139 of the Companies Act 2013, M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (Firm Registration Number: 109983W), will conclude their term as the Statutory Auditors from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. Sharp & Tannan Associates as the Statutory Auditors of the Company.

Subject to the approval of the members, the Board of Directors of the Company has recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/W-100018) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Members' attention is drawn to a Resolution proposing the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company which is included at Item No 03 of the Notice convening the Annual General Meeting.

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

During the year, the Reserve Bank of India vide its press release dated June 10, 2016 has notified FII/ FPI investment limit in the paid up capital of IIFL Holdings Limited to 80% under the Portfolio Investment Scheme.

Pursuant to RBI Master circular No. 15/2015-16 dated July 01, 2015, the Statutory Auditors of the Company has certified compliances with regards to Regulations on downstream investments and other FEMA provisions.

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.

30. GENERAL

Your Directors state that during the financial year 2016-17:

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.

31. APPRECIATION

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the government, regulators, stock exchanges, other statutory bodies and Company's bankers 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 the Company to 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: May 04, 2017
Place: Mumbai

ANNEXURE – I TO DIRECTORS' REPORT

The Annual Report on Corporate Social Responsibility (CSR) Activities

[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 Holdings Limited are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarized in one acronym – GIFTS, which stands for:

- Growth
- Integrity
- Fairness
- Transparency
- Service Orientation

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

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

- Girl Child Illiteracy eradication program
- Supporting Library for under privileged.
- Financial Literacy Program

The IIFL Group has established the India Infoline Foundation (generally referred as 'IIFL Foundation') to manage CSR projects on behalf of the group companies. The CSR Policy adopted by IIFL Group of companies is available on https://www.iifl.com/about-us/iifl-foundation.

2. COMPOSITION OF THE CSR COMMITTEE

IIFL Holdings Limited 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 as well as their designations have been listed below:

- Mr. Nirmal Jain, Chairman & Executive Director
- Mr. R. Venkataraman, Managing Director
- Mr. Nilesh Vikamsey, Independent Director

3. PRESCRIBED CSR SPEND OF IIFL HOLDINGS LTD.

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 ₹ 250,885,476/-.

ii. Prescribed CSR Expenditure

The recommended CSR expenditure for IIFL Holdings Limited as per Section 135 for the financial year 2016-17 was ₹ 5,017,710/-

iii. Amount Spent

During the financial year 2016-17, IIFL Holdings Ltd. could spend entire amount i.e. ₹ 5,018,000/- on various social development activities.

iv. Amount unspent

Nil

4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

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	Girl Child illiteracy eradication program	Education	Kumbhalgarh & Railmagra in Rajasthan	10,000,000/-	4,368,000/-	4,368,000/-	4,368,000/- Through IIFL Foundation
2.	Library Program for under privileged youths	Education	Tamil Nadu	650,000/-	650,000/-	650,000/-	650,000/- Through IIFL Foundation

IIFL Holdings Limited and the other IIFL group companies are committed to social development and through its corporate social responsibility activities has undertaken several high impact projects in its quest to contribute proactively to nation development. Some of these have been briefly discussed below:

1) **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 (IIFL Foundation) has vowed to change this in

Directors' Report (contd.)

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 260 schools, IIFL Foundation has already brought back over 8,000 girls into the fold of education. And this is just the beginning.

2) **Library for the underprivileged:** One of the key challenged faced by the youths from challenged background wanting to study further is the steep cost of books which are expensive and unaffordable. IIFL Foundation supports one such project in slums of Chennai where such expensive books are made available to the youths aspiring for higher education.

3) **Installing Smart Boards in rural remote schools in Rajasthan:** The biggest tragedy in rural areas is lack of teachers which results in children lacking behind on all fronts especially in getting quality education. It is very common to see a class 9 child for example unable to multiply a two digit number. Technology can be a very effective enabler and can substitute a teacher to a large extend. IIFL Foundation installed six smart boards in some of the most remote schools in rural Rajasthan to address this problem.

4) **Financial Literacy and Financial Inclusion:** Financial Literacy is not only a moral obligation for IIFL, a company operating in the financial space but it is also one of the most needed activity in a rapidly developing country like ours. In 2016 – 17 IIFL made forays into West Bengal and worked with over 10,000 women from different districts on not only spreading financial literacy but importantly ensuring that these women open a bank account and use it regularly as well as avail the different Govt. schemes.

5) **Preventive Health:** Each year IIFL group conducts free eye camp at Barsana in Uttar Pradesh where over 100,000 people take the advantage of getting eye checkup done and getting spectacles made. Over 20,000 chronic cases of these undergo an eye operation completely free of cost. The under privileged people come from all over North India for this eye camp and each year it is keenly awaited.

5. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

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

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

R. Venkataraman
Managing Director
Din: 00011919

Date: May 04, 2017
Place: Mumbai

ANNEXURE – II TO DIRECTORS' REPORT

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2017
[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:	L74999MH1995PLC093797
ii) Registration Date	18/10/1995
iii) Name of the Company	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.: 022-42499000 Fax No.: 022- 26847077
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C101,247Park, L.B.S.Marg,Vikhroli(West), Mumbai - 400083. Tel: +91 22 49186000 Fax: +91 22 2594 6969 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Financial Services activities - Merchant Banking, Investment Advisory and others	6619-66190	100%

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

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

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
1	India Infoline Finance Limited	12A-10, 13th Floor, Parinee Crescenzo, G Block, C-38&39, Bandra Kurla Complex, Bandra- East, Mumbai- 400051	U67120MH2004PLC147365	Subsidiary	99.99	2(87)
2	India Infoline Housing Finance Limited	12A-10, 13th Floor, Parinee Crescenzo, G Block, C-38&39, Bandra Kurla Complex, Bandra- East, Mumbai- 400051	U65993MH2006PLC166475	Step-down subsidiary	99.99	2(87)
3	India Infoline Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U99999MH1996PLC132983	Subsidiary	99.99	2(87)

Directors' Report (contd.)

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
4	IIFL Wealth Management Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74140MH2008PLC177884	Subsidiary	57.72	2(87)
5	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	57.72	2(87)
6	India Infoline Commodities Limited	143 MGR Road, Perungudi, Chennai, Tamil Nadu, 600096.	U51100TN2004PLC077573	Subsidiary	100.00	2(87)
7	India Infoline Foundation	IIFL Centre, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U80901MH2015NPL253380	Subsidiary [Section 8 Company]	100.00	2(87)
8	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)
9	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.	U74140MH2000PLC129816	Subsidiary	100.00	2(87)
10	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)
11	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	57.72	2(87)
12	IIFL Alternate Asset Advisors Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74120MH2011PLC219930	Step-down subsidiary	57.72	2(87)
13	IIFL Asset Reconstruction Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74120MH2015PLC260200	Associate	50.00	2(6)
14	5paisa Capital Limited (Formerly IIFL Capital Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U67190MH2007PLC289249	Subsidiary	100.00	2(87)
15	IIFL Distribution Services Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U45201MH1995PLC228043	Step-down subsidiary	57.72	2(87)
16	IIFL Investment Adviser and Trustee Services Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74990MH2010PLC211334	Step-down subsidiary	57.72	2(87)

Sr. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
17	IIFL Properties Private Limited (formerly Ultra Sign and Display Private Limited)	IIFL Centre, 8TH Floor, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U28999MH1997PTC110615	Step-down subsidiary	100.00	2(87)
18	IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited , Formerly IIFL Realty 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)
19	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)	6th Floor, IIFL Centre, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U65990MH1994PLC080646	Step-down subsidiary	57.72	2(87)
20	IIFL Private Wealth Hong Kong Limited	Suite 2105, Level 21, The Center, 99 Queen's Road Central, Hong Kong	Not Applicable	Step-down subsidiary	57.72	2(87)
21	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	57.72	2(87)
22	IIFL Inc	Hippodrome, 1120 Avenue of The Americas Suite 1502, New York, NY - 10036	Not Applicable	Step-down subsidiary	57.72	2(87)
23	IIFL Wealth (UK) Limited	45 King William Street, London, EC4R 9AN, UK	Not Applicable	Subsidiary	100.00	2(87)
24	IIFL Private Wealth (Suisse) SA	3 rue de la Croix d'Or 1204 Geneva	Not Applicable	Step-down subsidiary	57.72	2(87)
25	IIFL Capital Inc.	1114 Avenue of the Americas, 34th Floor, New York, NY - 100036	Not Applicable	Subsidiary	100.00	2(87)
26	IIFL Asset Management (Mauritius) Limited	5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Republic of Mauritius	Not Applicable	Step-down subsidiary	57.72	2(87)
27	IIFL (Asia) Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	57.72	2(87)
28	IIFL Capital Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	57.72	2(87)
29	IIFL Securities Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	57.72	2(87)
30	Meenakshi Towers LLP	5C, EGA Trade Centre, 809, P.H.Road Kilapuk, Chennai- 600010	Not Applicable	Associate	50.00	2(6)
31	Samasta Microfinance Limited	418, 1/2A, 4th Cross, 6th Main, Wilson Garden, Bangalore, Karnataka-560027.	U65191KA1995PLC057884	Step-down subsidiary	95.22	2(87)
32	Ayusha Dairy Private Limited	418, 1/2A, 6th Main, 4th Cross, Wilson Garden, Bangalore, Karnataka-560027.	U15490KA2011PTC058468	Step-down subsidiary	95.22	2(87)

***** Representing aggregate percentage of equity shares 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	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% 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	88,361,432	0	88,361,432	27.92	88,361,432	0	88,361,432	27.79	(0.13)
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corp.	4,000,000	0	4,000,000	1.26	4,000,000	0	4,000,000	1.26	(0.00)
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	92,361,432	0	92,361,432	29.18	92,361,432	0	92,361,432	29.05	(0.13)
[2]	Foreign									
(a)	NRI – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(A)	**Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)**	**92,361,432**	**0**	**92,361,432**	**29.18**	**92,361,432**	**0**	**92,361,432**	**29.05**	**(0.13)**
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	1,666,640	0	1,666,640	0.53	6,180,982	0	6,180,982	1.94	1.41
(b)	Financial Institutions / Banks	6,169	0	6,169	0.01	63,945	0	63,945	0.02	0.01
(c)	Central Govt	0	0	0	0.00	0	0	0	0	0.00
(d)	State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(g)	Foreign Institutional Investors	70,376,169	0	70,376,169	22.23	68,336,591	0	68,336,591	21.50	0.73
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
(i)	Any Other (Specify)	0	0	0	0.00	0	0	0	0	0.00
	Sub-total (B)(1)	**72,048,978**	**0**	**72,048,978**	**22.76**	**74,581,518**	**0**	**74,581,518**	**23.46**	**0.07**
2	Non-Institutions									
a	Bodies Corp.									
i)	Indian	3,736,482	0	3,736,482	1.18	2,337,132	0	2,337,132	0.73	(0.45)
ii)	Overseas	0	0	0	0	0		0		0
b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	9,241,291	103,050	9,344,341	2.95	9,411,686	10,3050	9,514,736	2.99	0.04
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	31,920,275	0	31,920,275	10.08	29,324,566	0	29,324,566	9.22	(0.86)

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C	**Any Others**									
	Employee Trusts	75,000	0	75,000	0.02	79,900	0	79,900	0.02	0.00
	Hindu Undivided Family	0	0	0	0	337,891	0	337,891	0.11	0.11
	NRI (Repatriable)	16,410,714	225,000	16,635,714	5.26	16,725,618	225,000	16,950,618	5.33	0.07
	NRI(Non Repatriable)	6,529,932	0	6,529,932	2.06	6,062,914	0	6,062,914	1.91	(0.15)
	Foreign Nationals	751,975	0	751,975	0.24	375,000	0	375,000	0.12	(0.12)
	Clearing Member	87,857	0	87,857	0.03	1,322,291	0	1,322,291	0.42	0.39
	Foreign Companies	68,788,445	0	68,788,445	21.73	84,641,445	0	84,641,445	26.62	4.89
	Foreign Portfolio Investor (Corporate)	14,256,422	0	14,256,422	4.50	0	0	0	0	(4.50)
	Foreign Portfolio Investor (Individual)	0	0	0	0	18750	0	18750	0.01	0.01
	Sub Total (B)(2)	**151,798,393**	**328,050**	**152,126,443**	**48.06**	**150,637,193**	**328,050**	**150,965,243**	**47.48**	**(0.58)**
	Total Public Shareholding(B)=(B)(1)+(B)(2)	**223,847,371**	**328,050**	**224,175,421**	**70.82**	**225,218,711**	**328,050**	**225,546,761**	**70.95**	**0.12**
(C)	Shares held by the Custodian for GDRs & ADRs									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total (A)+(B)+(C)	**316,208,803**	**328,050**	**316,536,853**	**100**	**317,580,143**	**328,050**	**317,908,193**	**100**	**0.00**

ii) Shareholding of Promoters

Shareholder's Name	% change in share holding during the year (As on April 01, 2016)			Share holding at the end of the year (As on March 31, 2017)			% change in share holding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Nirmal Jain	51,252,000	16.19	NA	51,252,000	16.12	NA	(0.07)
Venkataraman Rajamani	19,909,432	6.29	NA	19,909,432	6.26	NA	(0.03)
Madhu N Jain	17,000,000	5.37	NA	17,000,000	5.35	NA	(0.02)
Ardent Impex Pvt Ltd	2,700,000	0.85	NA	2,700,000	0.85	NA	0
Orpheus Trading Pvt Ltd.	1,300,000	0.42	NA	1,300,000	0.41	NA	(0.01)
Aditi Athavankar	200,000	0.06	NA	200,000	0.06	NA	0
Total	**92,361,432**	**29.18**	**NA**	**92,361,432**	**29.05**	**NA**	**(0.13)**

iii) Change in Promoters Shareholding

Particulars	Shareholding at the beginning of the year (As on April 01, 2016)		Cumulative Shareholding during the year (As on March 31, 2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (April 01, 2016)	92,361,432	29.18	92,361,432	29.05*
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
At the end of the year (March 31, 2017)	92,361,432	29.18 *	92,361,432	29.05*

Note:- *There is no change in total shareholdings of promoters between 01-04-2016 to 31-03-2017. The decrease in % of total shares of the Company from 29.18% to 29.05% is due to allotment of shares under ESOS Scheme to the employees/Directors at various dates during the year.

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

Sr. No.	Name of shareholders	Shareholdings at the beginning of the year (As on April 01, 2016)		Change in Shareholdings(No. of shares)		Shareholdings at the end of the year (As on March 31, 2017)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company*
1	FIH Mauritius Investments Ltd	68,788,445	21.73	15,853,000	0	84,641,445	26.62
2	HWIC Asia Fund Class A Shares	27,910,000	8.82	0	0	27,910,000	8.78
3	Bank Muscat India Fund	12,598,222	3.98	0	0	12,598,222	3.96
4	Bharat H Parajia	15,486,778	4.89	0	100,000	15,386,778	4.84
5	WF Asian Reconnaissance Fund Limited	3,892,892	1.23	27,13,438	0	6,606,330	2.08
6	Sat Pal Khattar	6,171,528	1.95	0	0	6,171,528	1.94
7	Ashish Dhawan	3,552,828	1.12	0	0	3,552,828	1.12
8	Dimensional Emerging Markets Value Fund	2,950,324	0.93	0	32,964	2,917,360	0.92
9	Nomura India Investment Fund Mother Fund	0	0	2,550,273	0	2,550,273	0.80
10	Mansukh Jain	3,072,524	0.97	0	397,400	2,675,124	0.84

Note: *The changes in the % of the shareholdings of the above shareholders was due to allotment of shares under ESOS scheme to the employees/Directors and purchases/sales made by the shareholders during the year.

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, 2016)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (As on March 31, 2017)	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Mr. Nirmal Jain	51,252,000	16.19	0	0	51,252,000	16.12*
2.	Mr. R. Venkataraman	19,909,432	6.29	0	0	19,909,432	6.26*
3.	Mr. Nilesh Vikamsey	140,000	0.04	25,000	0	165,000	0.05*
4	Mr. Kranti R Sinha	102,500	0.03	12,500	0	1,15,000	0.04*
5.	Mr. Arun Kumar Purwar	75,000	0.02	25,000	0	100,000	0.03*
6.	Mr. Prabodh Agrawal	2,368,084	0.75	200,000	497,065	2,071,019	0.65*

*The decrease in % of total shares is due to allotment of shares under ESOS Scheme to employees/Directors and purchase /sales made by them during the year.

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of year as on April 01, 2016				
(i) Principal amount	500,000,000	Nil	Nil	500,000,000
(ii) Int. due but not paid	Nil	Nil	Nil	Nil
(iii) Int. accrued but not due	63,789,159	Nil	Nil	63,789,159
Total (i+ii+iii)	**563,789,159**	**Nil**	**Nil**	**563,789,159**
Changes in Indebtedness during the year				
Addition	Nil	3,877,500,000	Nil	3,877,500,000
Reduction	Nil	(3,877,500,000)	Nil	(3,877,500,000)
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year (March 31, 2017)				
(I) Principal amount	500,000,000	Nil	Nil	500,000,000
(ii) Int. due but not paid	Nil	Nil	Nil	Nil
(iii) Int. accrued but not due	126,546,719	Nil	Nil	126,546,719
Total (i+ii+iii)	**626,546,719**	**Nil**	**Nil**	**626,546,719**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELS

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

(Amount in ₹)

Particulars of Remuneration	Name of MD/WTD/ Manager		Total
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	4,34,62,500	3,05,00,000	73,962,500
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(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			
- as % of profit	0	0	0
-others, specify	0	0	
Others [Company's contribution towards PF, pension fund and NPS]	21,600	321,600	343,200
Total (A)	**43,484,100**	**30,821,600**	**74,305,700**
Ceiling as per the Act	₹ 17,30,86,167/- being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.		

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

\# Entire Remuneration paid to Mr. R. Venkataraman is by the subsidiaries of the Company i.e India Infoline Finance Limited and India Infoline Limited.

B. Remuneration to other directors:-

(Amount in ₹)

Particulars of Remuneration	Name of Directors						Total
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	195,000	255,000	345,000	180,000	315,000	N.A.	1,290,000
- Commission	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	N.A.	5,000,000
- Other	NIL	NIL	NIL	NIL	NIL	N.A.	NIL
Total (1)	**1,195,000**	**1,255,000**	**1,345,000**	**1,180,000**	**1,315,000**	**N.A.**	**6,290,000**
Other Non-Executive Directors							
- Fees for attending board/ committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	NIL
- Commission							
- Other							
Total (2)	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**NIL**	**NIL**
Total (B)=(1+2)	**1,195,000**	**1,255,000**	**1,345,000**	**1,180,000**	**1,315,000**	**N.A.**	**6,290,000**
	Total Managerial Remuneration						**80,595,700***
Overall Ceiling as per the Act	₹ 190,944,784/- being 11% of the net profit of the Company calculated as per Section 198 of the Companies, 2013.						

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

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)	Total
Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	19,865,004	3,631,615	23,496,619
b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
^Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit	-	-	-
Others, please specify [Company's contribution towards PF and pension fund]	-	204,288	204,288
Total	**19,865,004**	**3,835,903**	**23,700,907**

^ There were no options granted to KMP 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			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Date: May 04, 2017
Place: Mumbai

ANNEXURE – III TO DIRECTORS' REPORT

FORM NO. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2017

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, 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 31st March, 2017 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 (Issue and Listing of Debt Securities) Regulations, 2008;
    (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable);
    (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
(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;
    (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 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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 events / actions having major bearing on the Company's affairs.

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

For **Nilesh Shah & Associates**

Nilesh Shah
Company Secretaries
FCS : 4554
C.P. : 2631

Date:- May 04, 2017
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.

For **Nilesh Shah & Associates**

Nilesh Shah
Company Secretaries
FCS : 4554
C.P. : 2631

Date:- May 04, 2017
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;
- Light Emitting Diode (LED) lights;
- Automatic power shutdown of idle monitors;
- Creating environmental awareness by way of distributing the information in electronic form;
- Minimising air-conditioning usage;
- Shutting off all the lights when not in use and
- Education and awareness programs for employees.

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

TECHNOLOGY ABSORPTION AND INNOVATION:

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

Your Company remains committed to investing in technology to provide 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:

- Company rolled out tablets in branches enabling faster loan disbursements; delivering operational efficiencies and superior customer experience.
- Oracle Financials implementation across the group helped redefining few business processes, strengthening controls in areas of finance and procurement, better checks and balances and improving access controls.
- IIFL Markets App has now over 1 million downloads on Android, iOS, iPAD, etc.
- In line with growing digital ecosystem in India, company completed multiple integrations for eKYC, biometrics and online payments including UPI.
- Company consolidated multiple digital assets under iifl.com umbrella. Further all email ids reflected this new domain reinforcing the IIFL brand instead of just indiainfoline.
- Company rolled out more customer facing and feet-on-street mobile apps and web based apps as a part of digital initiatives to reduce cycle time and increased right first time. This also resulted in more transparent customer interactions with increased focus on self-service.
- Company worked to economise operations by rationalising the partner/vendor ecosystem, in-house development and shifting towards open source platforms.
- The Company also made considerable progress in the area of business analytics during the year. It implemented a solution for analysis of lead data and customer segmentation analytics for better targeting.
- Company successfully completed the ISO 27001:2013 annual re-certification in January 2017.

As company 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.

Your Company committed significant investments in terms of technology, systems and manpower in the aforesaid initiative and continuously developing the same.

FOREIGN EXCHANGE EARNINGS/OUTGO OF THE STANDALONE COMPANY

a) The foreign exchange earnings: ₹ 8,885,839/-
b) The foreign exchange expenditure: ₹ 2,199,618/-

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. Being in financial services, we provide financial and equity research to the customers, which is not in the nature of research and development.

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2017	March 31, 2016
Capital	Nil	Nil
Revenue	Nil	Nil

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Date: May 04, 2017
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	22.20x
		*Managing Director	15.59x
		Non Executive Director	
		Mr. Nilesh Vikamsey	0.51x
		Dr. S Narayan	0.51x
		Ms. Geeta Mathur	0.51x
		Mr. Kranti Sinha	0.51x
		Mr. A. K. Purwar	0.51x
		Mr. Chandran Ratnaswami	NIL
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Executive Chairman	25%
		Managing Director	25%
		CFO	0%
		CS	12%
		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
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 0.94%. 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 42 employees on the rolls as on March 31, 2017	
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 are being paid by the subsidiaries of the Company viz. India Infoline Finance Limited and India Infoline Limited.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Date: May 04, 2017
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

During the year, global growth in major economies remained subdued with looming uncertainties over protectionist policies in the US and Brexit in the UK. According to an IMF report in April 2017, global economy grew at 3.1% in 2016 (Figure 1). Economic activity in both advanced economies, and emerging markets and developing economies (EMDE) is predicted to accelerate in 2017, with global growth projected at 3.5%. The primary factor underlying the strengthening global outlook in 2017 is the projected pickup of growth in the EMDEs. EMDE growth is currently estimated at 4.1%, and is expected to reach 4.5% for 2017.

FIGURE 1:
Global Growth

(%)

Region	2015	2016	2017
WORLD	3.4	3.1	3.5
By Region			
Advanced Economies	2.1	1.7	2.0
Euro Area	2.0	1.7	1.7
Major Advanced Economies (G7)	2.0	1.5	1.9
Emerging Market and Developing Economies	4.2	4.1	4.5
Emerging and Developing Asia	6.7	6.4	6.4
Emerging and Developing Europe	4.7	3.0	3.0
ASEAN-5	4.8	4.9	5.0
Latin America and the Caribbean	0.1	-1.0	1.1
Middle East and North Africa	2.6	3.8	2.3
Sub-Saharan Africa	3.4	1.4	2.6

Region	2015	2016	2017
WORLD	3.4	3.1	3.5
By Country			
United States	2.6	1.6	2.3
China	6.9	6.7	6.6
Japan	1.2	1.0	1.2
Germany	1.5	1.8	1.6
United Kingdom	2.2	1.8	2.0
India	7.9	6.8	7.2
France	1.3	1.2	1.4
Italy	0.8	0.9	0.8
Canada	0.9	1.4	1.9
Russia	-2.8	-0.2	1.4

Source: World Economic Outlook (IMF, April 2017)

The US economy grew at 1.6% in 2016, indicating a sluggish growth, which is yet to return to pre-crisis levels. With the new US regime focused on reforms to reduce taxation, build infrastructure and ease regulations, there is optimism in the US economy for a rebound soon. Besides, the US Federal Reserve intends to gradually hike interest rates, while shrinking its balance sheet size indicating an end to its expansionary monetary policy.

The European economy grew at 1.7% in 2016 for the first time since the 2008 financial crisis. Increase in inflation, reduction in unemployment and buoyancy in oil prices aided the recovery. The political stance of the major Euro zone economies, especially France and Germany, along with the implications of Brexit will shape continental Europe's economy for 2017.

China recorded a growth rate of 6.7% in 2016, which is its slowest since the financial crisis. Along with slowing growth, concerns on high debt, sluggish private investment and fall in exports will influence the Chinese economic policy.

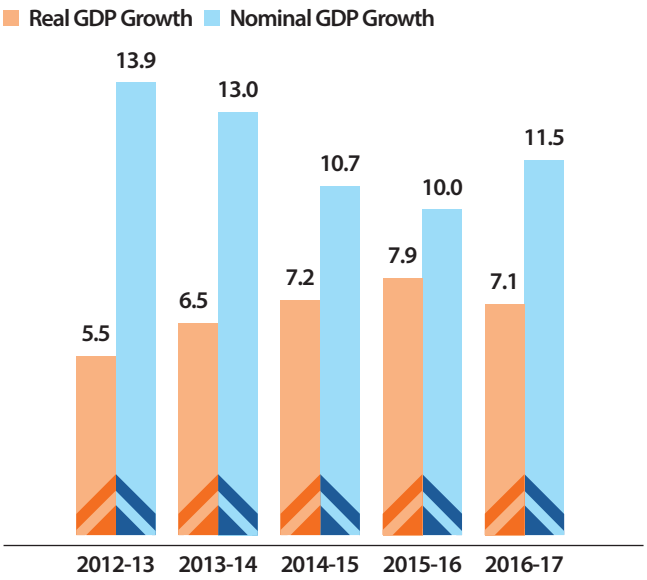
Protectionist policies that restrict free trade and movement of labour may gain ground across the world. While this could have a negative impact on emerging market capital flows, India is relatively better placed to withstand the impact with strong growth outlook, low current account deficit and low inflation.

INDIAN ECONOMY OVERVIEW

India remains one of the fastest growing large economies in the world. India's GDP grew at 7.1% y-o-y in FY17, slowdown in the

second half of the year. H1FY17 grew at 7.7%, while the latter half grew at a substantially lower rate of 6.5%. Q4FY17 growth was only 6.1%, the slowest growth in last 16 quarters, due to contraction in construction and slowdown in financial services (Central Statistics Office (CSO), 2017).

FIGURE 2:
Growth in Real and Nominal GDP (%)



Source: (CSO)

Consumer inflation moderated to 4.5% in FY17 vis-à-vis 4.9% in FY16; and is likely to remain below 5% in FY18. Due to moderation in inflation and normal monsoons, RBI had reduced the repo rate by 50 bps during FY17. Further reduction in the repo rate may happen in FY18, depending upon the inflation trajectory.

Low commodity prices have helped push current account deficit to less than 1% of GDP. Besides, the Central Government remains on the path of fiscal consolidation and aims to reduce fiscal deficit to 3.2% of GDP in FY18 from 3.5% in FY17. However, state finances have been worsening, and maintaining the prescribed limits of fiscal deficit as per the Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) would be challenging.

Against the backdrop of robust macro-economic stability, FY17 was marked by two significant domestic policy reforms: a) the transformational Goods and Services Tax (GST), and b) the demonetisation exercise. Although the black swan event of demonetisation resulted in some short-term inconvenience, especially for the informal and cash intensive sectors, it resulted in giving India's economy a facelift and restraining corruption, counterfeiting, terrorist activities and accumulation of black money. In the long run, it is expected to introduce larger benefits like greater digitalisation of the economy and increased flow of financial savings. In addition, demonetisation resulted in the expansion of the formal financial sector, resulting in higher GDP growth and better tax compliance.

The 2017 Economic Survey (Ministry of Finance, 2017) describes the GST as 'a bold new experiment in the governance of India's cooperative federalism'. The implementation of GST envisages a common market for all that would improve tax governance and bolster investment and growth. It is expected to push India's GDP growth to between 8% and 10% going forward.

FINANCIAL SERVICES INDUSTRY

India's diversified financial sector is rapidly expanding. The sector comprises commercial banks, insurance companies, non-banking financial companies (NBFCs), co-operatives, pension funds, mutual funds and other smaller financial entities. India's financial sector is dominated by the banking sector with commercial banks accounting for more than 64% of the total assets held in the system. However, it is expected that the trend would change in the next few years with the emergence and rapid growth of non-banking players, which provide customized offerings, superior operating models and high rural penetration; the total asset holding of commercial banks is likely to reduce in the coming years.

India's demand for modern financial services is swelling, along with the market size. This has led to significant developments in the country's financial infrastructure, regulatory framework and technology. Additionally, it has enabled us to leapfrog many advanced economies in terms of customer experience quality. Over the past few years, RBI has been steadily nurturing a spirit of embracing technology to deepen and broaden financial services in India. Innovative steps like introduction of small finance banks and specialized payment banks have been implemented. India is well poised to enjoy world-class financial infrastructure with an online identity system (powered by Aadhaar), credit information bureau coverage and interbank payment systems.

The increasing digitisation of the economy has been generating huge volumes of meaningful, online electronic information on consumer spends and commercial entities. These rapidly growing databases will get a further boost with the implementation of GST, potentially helping digitise invoices across commercial value chains. The rise in importance of data has led the financial services companies to use advanced analytics, big data and technology for better credit assessment and risk management.

GROWTH DRIVERS FOR FINANCIAL SERVICES INDUSTRY

Strong economic growth and demographic advantage

India's economy is expected to grow at 8% in FY16-20 vis-à-vis 7% in FY12-15, mainly driven by expansion in the financial services

Management Discussion and Analysis (contd.)

sector. According to CRISIL, India is set to become the largest contributor to the global workforce. Its working age population (15-64 years) is likely to expand from 860 million in FY15 to 1.1 billion in FY50. A large productively employed young population will spur consumption demand and investment, helping deepen the financial services sector in India.

Increase in disposable income

Total disposable income was recorded at ₹ 155 trillion in FY16, showing a CAGR of 16% over the period FY03-16. The rise in disposable income results in higher standard of living, enhancing consumption and spurring demand for financial products. In spite of demonetisation, personal loan credit grew by 13.5% y-o-y in December 2016; while the industrial sector contracted by 4.3% during the same period indicating increasingly growing consumption demand. With lack of corporate credit growth, 'retail credit' offers an attractive opportunity for expansion of the credit market in India.

Under-penetrated housing finance

India's housing finance sector has remained relatively underpenetrated compared to its peers as evident by its low mortgage-to-GDP ratio (10% in FY16) as compared to its regional peers (20% for Thailand, 17% for China, 38% for Malaysia) and developed economies (68% for US, 75% for UK, 114% for Denmark). This provides sufficient opportunity for housing financiers to step up their housing credit. With increasing disposable income, better standard of living and urbanisation coupled with government focus on housing, the home finance segment is expected to witness high growth.

Reducing urban-rural inequality

There is a huge gap in per capita income for urban and rural areas, mainly due to inadequate physical, societal and financial infrastructure in rural India. According to 2011-12 data, the per capita income in urban areas was ₹ 101,313 compared to ₹ 40,772 for rural areas. The government has initiated several reforms and activities to bridge this gap. It is focusing on increasing agricultural yield and thereby incomes to provide more purchasing power to rural India. While rural India has not been completely devoid of financial services, lack of congenial ecosystem made operations of financial companies inefficient. With increase in income and government impetus, the rural market provides tremendous opportunities for financial services companies to innovate and provide a differentiated product mix.

KEY INITIATIVES

Apart from major initiatives like demonetisation and GST, the government has announced several key reforms and initiatives to boost the financial services sector. These are intended to make financial services more accessible and affordable to the public. Some of them include:

Jan-Dhan Yojana – Government of India's 'Jan Dhan' initiative for financial inclusion is increasingly gaining momentum. Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), 282 million accounts had been opened with total balance of ₹ 629 billion and 220 million RuPay cards had been issued as on March 29, 2017 (PMJDY, Ministry of Finance, 2017). RBI's monthly data for March 2017 also reported the number of ATMs and point-of-sale machines in the country to be 208,354 and 2,528,758 respectively. Besides, bringing millions of people within the purview of the formal financial ecosystem, the scheme aims to provide pension, insurance and credit facilities to the account holders.

Pradhan Mantri Awas Yojana – To address India's housing needs, the government has to construct two crore houses between FY16 and FY22 as part of Pradhan Mantri Awas Yojana. To incentivise the same, the government announced an interest subsidy of 4% on housing loans upto ₹ 0.9 million and 3% on housing loans upto ₹ 1.2 million. Given the huge potential and increasing customer interest, many banks and housing finance companies (HFCs) are focusing on the sector to drive growth.

Infrastructure status to Affordable Housing sector – In 2017-18 Union Budget, the Government has accorded infrastructure status to affordable housing. Consequently, home buyers will benefit due to greater capital inflow into affordable housing projects, quicker completion of delayed housing projects and lowering of funding costs.

Pradhan Mantri Mudra Yojana – Most non-corporate small businesses are deprived of formal credit, mainly on account of inadequate documentation and difficulty in credit risk assessment. The Pradhan Mantri Mudra Yojana aims at providing credit to enterprises engaged in manufacturing, trading and offering services upto ₹ 1 million. The scheme provides a dual advantage by reducing exploitation of businesses from local lenders and encouraging digital transactions. While the financial lenders (banks and NBFCs) disbursed ₹ 1.8 trillion in FY17, the government aims at a credit of ₹ 2.4 trillion in FY18.

Digitisation – With an aim to improve financial reach and encourage digital transactions, the Central Government undertook a lot of initiatives in FY17. During the year, the National Payments Corporation of India (NPCI) successfully launched the Unified Payments Interface (UPI) platform, which would facilitate inter-operability in the banking system. Leveraging the UPI platform, the government launched a mobile payment application - BHIM (Bharat Interface for Money). It is an inter-

bank fund transfer system that uses phone numbers linked to banks to drive transactions, thereby reducing the hassles and inconvenience in traditional internet banking. Moreover, an Aadhaar based payment authorisation has commenced, which is a paradigm change from the past in terms of speed, safety and accessibility for the masses. With e-KYC and growing reach of credit bureaus, the process of customer verification will become more seamless and real-time benefiting financial companies.

Small Finance Banks and Payment Banks – With an aim to bring the unbanked and under-banked sections of the society under the ambit of the banking system, the government pushed the agenda of financial inclusion. RBI granted licenses to 10 entities, primarily micro-finance institutions, to set up small finance banks to reach the unbanked and under-banked masses. These banks provide secured loans to micro and small medium enterprises (MSMEs), small and marginal farmers and other organised sector entities at affordable cost. Moreover, payment banks were introduced to meet remittance needs of small businesses, unorganised sector, low income households, farmers and migrant work force.

OPPORTUNITY

Huge potential at the bottom of pyramid

Two-thirds of India's population lives in rural areas where financial services have made few inroads so far. As per the Fifth Annual Employment-Unemployment Survey, around 93% households in rural areas had a savings bank account in FY16. However, access to other financial services is very difficult mainly due to low customer awareness and reluctance of service providers in providing access. Although there are several self-help groups (SHGs), non-governmental organisations (NGOs) and micro-finance institutions (MFIs), credit penetration remains abysmal. NBFCs together with small finance banks (SFBs) and commercial banks are reaching the rural population through developments in technology and favourable regulations such as business correspondents. Cross-utilisation of these channels, coupled with use of technology, can facilitate faster penetration of financial services in rural India.

Growing HNI segment

India has one of the fastest growing wealth management markets in the world. The High Net-Worth Individual (HNWI) population in India is young and therefore, more receptive towards sophisticated financial products. India has over 286,000 households with net worth of more than USD 1 million with assets close to USD 584 billion (Financial Services, February, 2017). Total wealth holding by HNWI in India is estimated to be USD 2 trillion and is expected to reach USD 3 trillion by FY20.

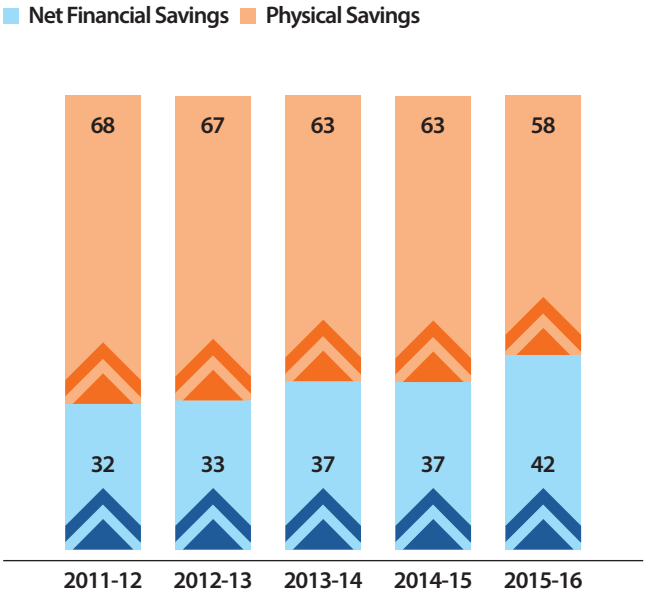
Growing trend towards financial savings

Digitisation, demonetisation, GST and tighter cash usage laws, coupled with unattractive return outlook of physical assets like real estate and gold, are spurring growth in financial savings. This is expected to create huge opportunities for the financial services industry, especially for the capital market and wealth management sector. This is evident from the number of demat accounts, which has grown almost four times to around 28 million over the FY05-17 period. There has been an increasing trend of financial savings as a percentage of total household savings, as shown in Figure 3. Total household savings has grown at a CAGR of 12% over the FY05-16 period to ₹ 25,660 billion (~19% of GDP).

FIGURE 3:

Trend of Financial Savings as a % of Household Savings

(%)



Source: (CMIE, RBI, IIFL Research)

Growing mutual fund assets under management (AuM) and insurance premiums

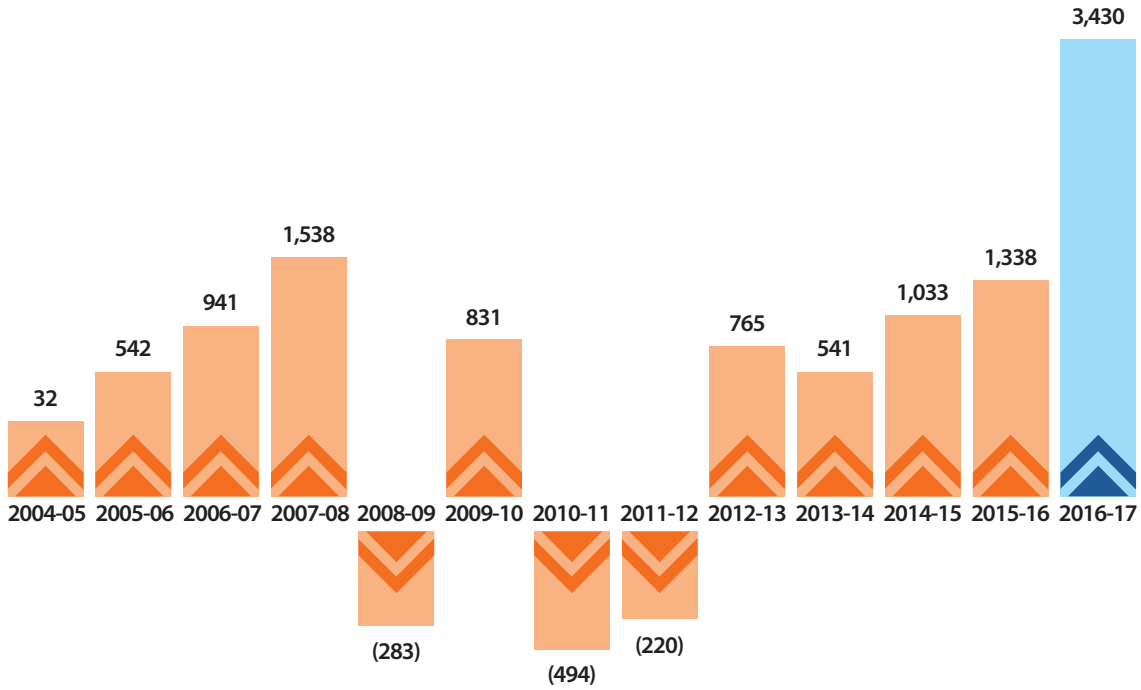
India is considered as one of the preferred investment destinations globally, which is reflected through robust inflows of Foreign Portfolio Investors (FPIs). The growing attractiveness of financial savings has resulted in strong inflows into domestic mutual funds. Net mutual fund inflows reached an all-time high of ₹ 3,430 billion in FY17 (Figure 4). The mutual fund industry AuM has recorded a CAGR of 23% over FY05-17. Further, mutual fund assets, as a percentage of bank deposits, have grown to an all-time high of 17% in FY17 from only 10% in FY12.

Management Discussion and Analysis (contd.)

FIGURE 4:

Net Mutual Fund Inflows

(₹ billion)



Source: (AMFI, IIFL Research)

India's insurance industry is also set on a growth trajectory with liberalisation of Foreign Direct Investment (FDI) norms. During FY17, the life insurance industry recorded new premium income of ₹ 1.8 trillion at a growth rate of 26% y-o-y (IRDA, 2017). The non-life insurance industry recorded 32% growth in Gross Direct Premium underwritten in FY17 at ₹ 1.3 trillion (IRDA, 2017). However, insurance penetration (insurance premium as percent of GDP) has remained low in India at 3.44% (2.72% for life insurance and 0.72% for non-life insurance) in FY16, as compared to global penetration levels. The low insurance penetration is slated to improve with government initiatives on financial inclusion coupled with favourable regulations.

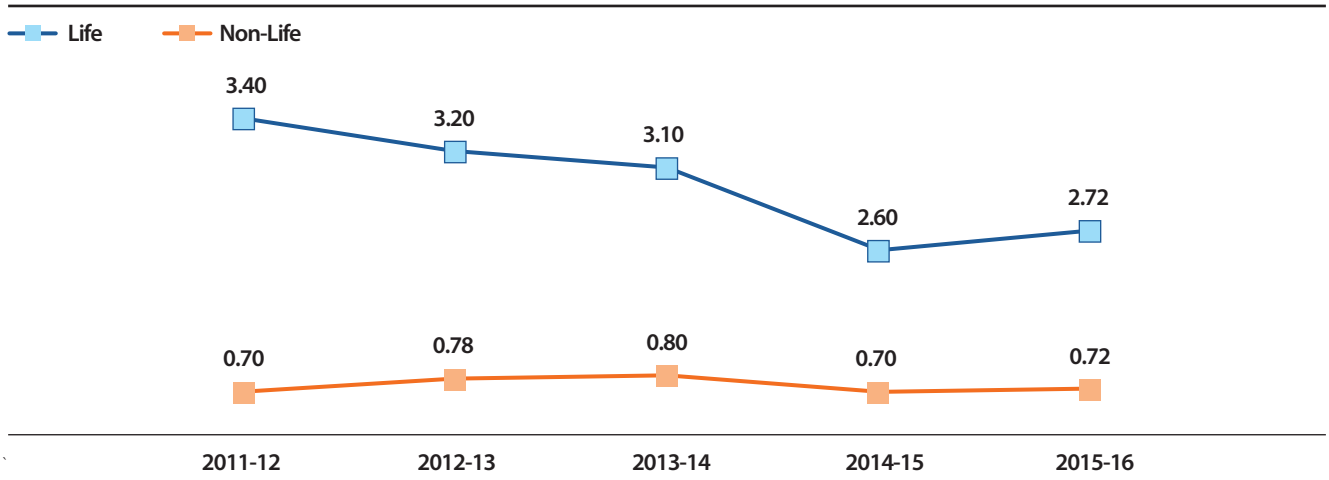
26% y-o-y

During FY17, the life insurance industry recorded new premium income of ₹ 1.8 trillion at a growth rate of 26% y-o-y (IRDA, 2017).

FIGURE 5:

Insurance penetration in India (premiums as a percentage of GDP)

(%)



Source: (Ernst and Young Publication (EY), 2015)

Changing Customer Behaviour

With the evolution of block chains, artificial intelligence, cloud analytics and web services, technology infrastructure has become an important platform of the economy. According to the report 'The Future of Internet in India' by NASSCOM and Akamai Technologies, internet user base in India (second largest after China) will remain the fastest growing market. The market will be fuelled by the doubling of internet users from 345 million in FY15 to 730 million by FY20. Moreover, 75% of new internet users are predicted to join the league from rural India. Technology has slowly evolved from an enabler to a key product differentiator. Various financial and non-financial companies, leveraging technology, have gained access to customer wallet, reduced customer acquisition costs and provided superior customer experience. Going forward, using technological infrastructure to enable customers to take financial decisions (do-it-yourself services, robo-advisory, etc.) is going to determine the success of participants in the sector.

THREATS

- **Volatile markets -** Uncertainty in global markets, owing to slow growth in 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.

- **Policy changes -** Notable risks to global economy include a possible shift towards inward-looking policy platforms 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 a more severe slowdown in China.

- **Data safety -** In the financial services industry, security and sanctity of client data is of utmost importance. A regular and continuous threat for firms is data theft through malicious malware and email. Technology has not only increased players, vendors and customers, but has added multiple threats to the businesses. Cyber-attacks are getting larger in scale and size, even to the extent of coordinated attacks from different geographies.

- **Regulatory and policy changes -** Any adverse change in the regulatory and policy environment in which IIFL operates could affect the business and financial condition.

SEGMENT OVERVIEW

NBFCs growing in prominence

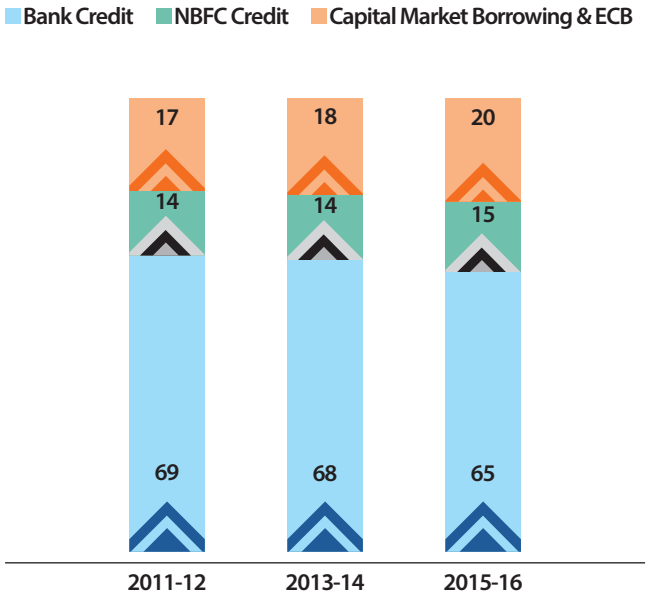
The NBFC sector in India has undergone a significant transformation over the past few years. It has come to be recognised as an important component of the financial system. NBFCs play a critical role in the core development of infrastructure, employment generation, wealth creation opportunities and financial support for economically weaker sections. According to CRISIL, NBFCs will account for 17% of India's total credit by FY19 as compared to 15% in FY16. The increase in share is expected to be at the cost of public sector banks, whose share is estimated to fall to an all-time low of 59% by FY19 as against 65% in FY15.

Management Discussion and Analysis (contd.)

FIGURE 6:

NBFCs share in systemic credit is growing steadily

(%)



Source: (RBI), (CRISIL Research, 2016)

NBFCs, on a whole, remain well capitalised and have maintained sound asset quality levels to capture rising credit demand. While the stress in corporate lending has pulled down bank profits, continued focus on retail lending and prudent risk management have driven growth for NBFCs.

With their strategic presence in lending segments as well as geographies, NBFCs have carved out a niche for themselves to effectively compete with banks. A few years back, NBFCs were predominantly focused on automobile, gold and construction equipment finance; but now they are increasingly gaining market share in housing, loan against property (LAP), construction finance, micro-finance and in emerging segments such as small and medium enterprise (SME) finance and digital finance.

Some key growth drivers across various segments of NBFC industry can be summarised below:

- **Favourable government initiatives to improve low-cost housing finance segment**

  There is a huge unmet demand in the rural housing segment owing to the lack of housing finance options for low-income households. The supply of low-cost housing finance is constrained primarily because of banks' inability to accurately assess the creditworthiness of the low-income borrowers. Moreover, higher operating cost, inadequate information on land titles, and uncertainty of repossession lead to lower penetration by commercial banks. With an established operating model and boost by government initiatives, NBFCs would help in driving loans for low cost housing market.

- **Economic growth to support NBFCs for impressive growth in MSME credit**

  NBFCs have continued to strengthen their presence in semi-urban and rural areas. It gives them wide and extensive regional reach, understanding of the local markets, and helps customise products to suit customer requirements. This extensive network in untapped areas helps them reach out to unorganised sectors. Over the past four years, NBFC's loans to MSME sector grew at a CAGR of 40%. Share of NBFCs in overall MSME credit has increased from 2% in FY12 to 5% in FY16. (CRISIL, 2016)

- **Improving penetration levels to drive growth of microfinance industry**

  The microfinance institutions (MFI) in India have grown at a CAGR of 49% over FY12-16 to ₹ 543 billion (CRISIL NBFC Report, 2016). With a client base of around 40 million, MFIs have been strong enablers in bringing the financially 'underserved and un-served' under the ambit of the formal financial ecosystem. The key role played by this sector is apparent from the awarding of universal banking and small finance bank licenses to the top MFIs in India. MFIs have consistently added value to customers' livelihood through partnerships with various stakeholders like investors, banks, other financial institutions, credit bureaus, NGOs and other emerging agencies. According to CRISIL estimates, MFIs are likely to register around 40% loan growth in FY18, driven by robust demand and greater diversification in their geographical presence.

- **NBFCs reducing dependence on bank funding**

  Traditionally, the banking system has been the main source of funding for NBFCs, contributing to almost a third of the borrowings. The recent introduction of the marginal cost of funds based lending rate (MCLR) by banks along with the systemic softening of interest rates has helped lower the cost of funding for NBFCs. However, over the years, NBFCs have reduced their reliance on bank funding by tapping on other sources of funding like bonds, thereby diversifying their borrowing mix.

- **Narrowing regulatory arbitrage vis-a-vis banks**

  On the regulatory front, NBFCs are currently passing through a very crucial phase with the implementation of the revised regulatory framework, which aims to harmonise NBFCs with Banks and Financial Institutions and address regulatory gaps and arbitrage in them. From FY16, the non-performing asset

(NPA) recognition norms for NBFCs have moved from 180 days to 120 days; and will be moving to 90 days by the end of FY18. The minimum Tier-I capital adequacy ratio (CAR) requirement has moved up from 8.5% in FY16 to 10.0% in FY18. Also, the minimum Net Owned Fund (NOF) level required to be maintained by NBFCs was increased from ₹10 million in FY16 to ₹ 20 million in FY17. All NBFCs are required to obtain prior approval of RBI for a change in management control. Asset financing NBFCs, with minimum assets of ₹ 5,000 million will be covered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI). This will significantly improve their ability to force collateral to recover dues from defaulting borrowers. The tightening regulatory guidelines on NBFCs with regard to provisioning norms, capital requirements and enhanced disclosure requirements will further benefit the sector in the long-term.

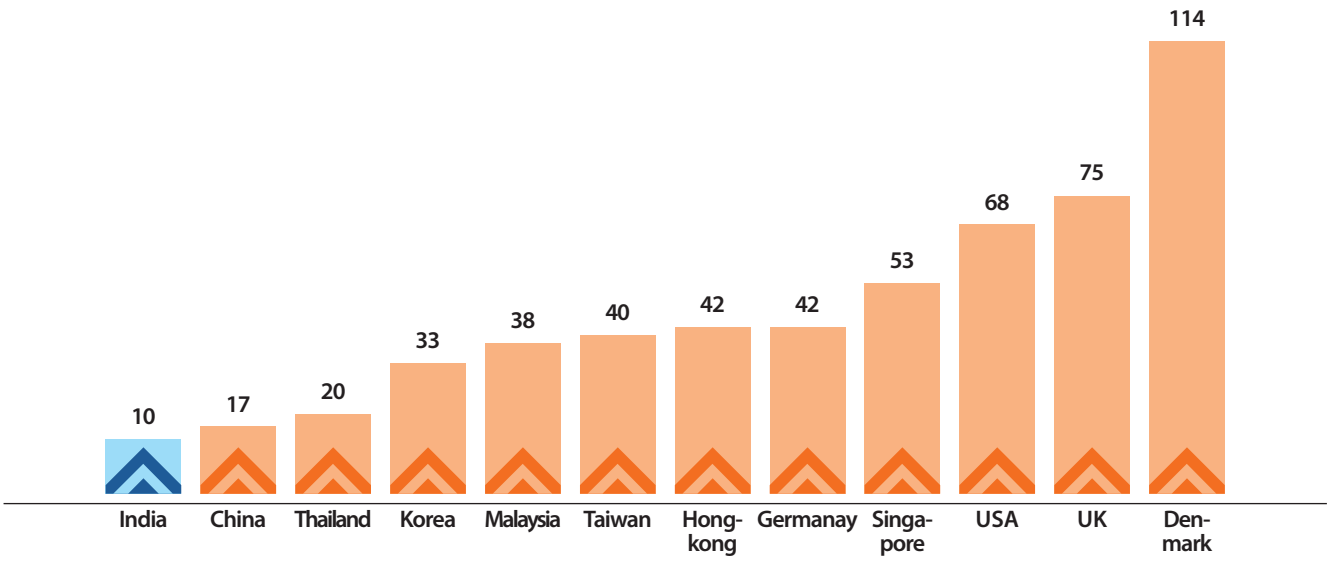
Home Finance - the catalyst for growth

India's housing finance sector has remained relatively underpenetrated compared to its peers as evident by the low mortgage-to-GDP ratio of 10% at the end FY16. While it has gradually improved over the years, the housing finance sector continues to hold potential for healthy long term growth.

FIGURE 7:

Mortgage Debt-to-GDP Ratio

(%)



Source: (European Mortgage Federation, HOFINET, CRISIL Research) (For India, data is for end FY16, CY14 for others)

While there is a huge shortage of housing in India, it is more pronounced in Economically Weaker Sections (EWS) and Lower Income Groups (LIGs). The 'Housing for All' mission is a significant step to transform the housing segment in India. The RBI's decision to increase the loan-to-value (LTV) ratio will also further facilitate housing finance companies to lend more to lower and middle income segment. To further incentivise the low-cost housing demand in the country, the government has announced an interest subsidy of 3% and 4% on housing loans up to ₹ 1.2 million and ₹ 0.9 million, respectively. Additionally, loans up to ₹ 0.2 million for new housing or extension of housing in rural areas will receive an interest subvention of 3%. On the lending side, the benefits of infrastructure status extended to the affordable housing sector in Union Budget 2017-18 would further help spur credit growth in the segment.

The government and the RBI have announced several measures to ensure adequate funding to the sector. Initiatives like raising the investment limit of debt mutual funds in HFCs by 10% and opening up the External Commercial Borrowing (ECB) route will reduce funding costs. Setting up an Urban Housing Fund for refinancing of affordable-housing projects would further cut down lending rates.

As per CRISIL Research estimates, HFCs are expected to grow at 19%-20% over the next two years majorly driven by factors such as growing population, increasing disposable income, tax benefits, increasing urbanisation and government initiatives in affordable housing segment. The sector outlook remains positive, with several supply side initiatives underway through the Pradhan Mantri Awas Yojana and the Real Estate (Regulation and

Management Discussion and Analysis (contd.)

19%-20%

As per CRISIL Research estimates, HFCs are expected to grow at 19%-20% over the next two years majorly driven by factors such as growing population, increasing disposable incomes, tax benefits, increasing urbanisation and government initiatives.

Development) Act 2016, to enhance transparency and improve confidence of home buyers.

Wealth Management – huge potential for growth

The wealth management industry globally has been witnessing a plethora of changes. These are mainly due to weak advanced economies, strong growth in EMDEs like China and India, and uncertainties in the Eurozone. Moreover, enhanced regulatory provision and increasing competition from rising FinTech companies and their structured innovative solutions to HNWIs are influencing the wealth management market. India is one of the fastest growing wealth management markets in the world. With a rapidly expanding economy, the investable wealth of HNWI segment is rising, creating an increasing demand for wealth products. India has over 286,000 households with net worth of more than USD 1 million with assets close to USD 584 billion (IBEF, February, 2017). The HNWI population in India is expected to expand rapidly and is estimated to double by 2020 (Figure 8). In Asia-Pacific, India is among the top five countries in terms of HNWIs.

FIGURE 8:
HNWI Estimates

High Net-worth households in India (estimates)

Networth	2009	2010	2011	2015	2020
USD 1-5 million	157,000	183,333	210,000	315,000	508,127
USD 5-30 million	36,000	43,000	50,000	84,000	13,280
Above USD 30 million	17,000	21,000	26,000	40,000	56,000
Total wealth holdings of millionaires (USD billion)	**362**	**503**	**585**	**1,559**	**2,950**

Source: (IBEF, Deloitte)

Around 70% of India's HNWI population is in the age group of 30-55 and has long-term investment plans. Hence, it is more receptive towards sophisticated and structured wealth management products. Advisory asset management and tax planning have been among the highly demanded wealth management services among HNWIs, followed by financial planning.

Capital Markets

There has been a significant increase in activity in the capital market segment owing to the Government's pro-reform initiatives. The Government/SEBI have enabled new asset class segments i.e. InvITs and REITs for public investments and instructed for a simplification of the IPO process, allowing qualified foreign investors (QFIs) to access the Indian bond markets. This sector has seen strong growth during the year with a mammoth string of IPOs hitting the market, which has seen substantial participation from domestic and institutional investors.

Primary Markets

Buoyed by strong macro-economic outlook, Indian companies raised ₹ 725 billion through primary issuances in FY17. Good quality issuances (like ICICI Prudential, PNB Housing, Avenue Supermarts) coupled with reasonable valuation and attractive liquidity were primary reasons for the sustained momentum in fund raising. The good run is expected to continue in FY18 amidst the backdrop of abundant market liquidity, stable government policy and acceleration in administrative reforms. Various companies like National Stock Exchange, SBI Life Insurance, ICICI Lombard General Insurance, Central Depository Services Ltd, are expected to hit markets in FY18.

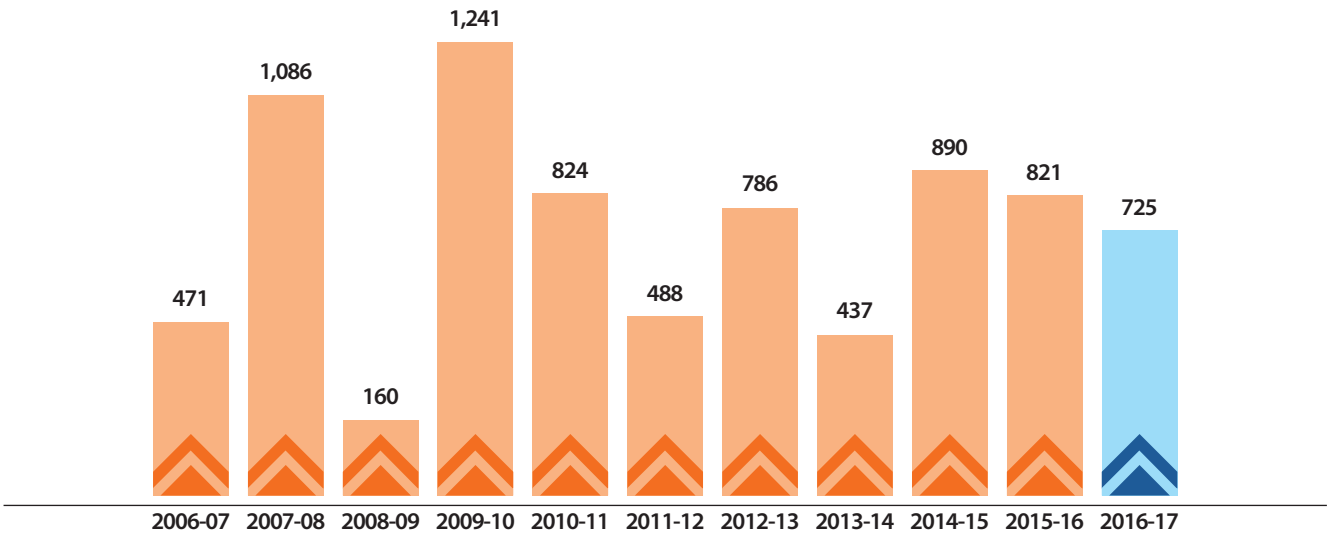
Secondary Markets

Secondary markets continued to witness strong growth in FY17. Turnover of exchanges increased 21% y-o-y to ₹ 244 billion mainly on account of strong macroeconomic outlook, domestic fund investments and preferred investment destination for global fund managers. Moreover, events like Brexit, surgical strikes and demonetisation contributed to volatility, resulting in high turnover in secondary markets during the year. However, turnover velocity of the cash market i.e. turnover as a percentage of the market capitalisation is still low, which points towards greater scope for further increase in secondary market volumes in the future.

FIGURE 9:

Primary Fund Raising

(₹ billion)

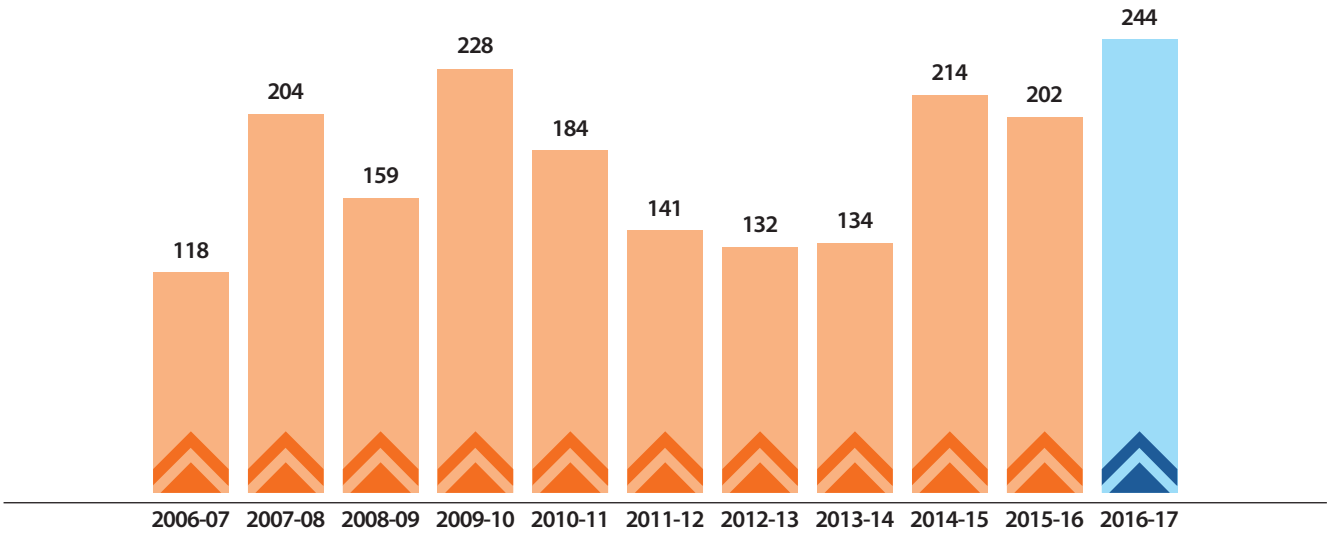


Source: (Bloomberg, IIFL Research)

FIGURE 10A:

Cash Market Trade

(₹ billion)

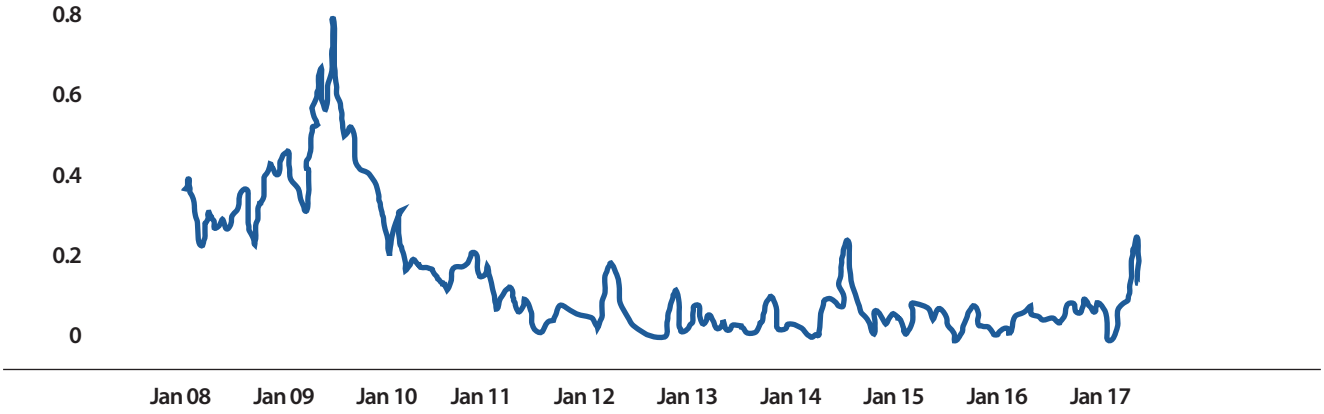


Management Discussion and Analysis (contd.)

FIGURE 10B:

Cash Market Turnover as a percentage of Market Capitalisation

(20 dma)



Source: (Bloomberg, IIFL Research)

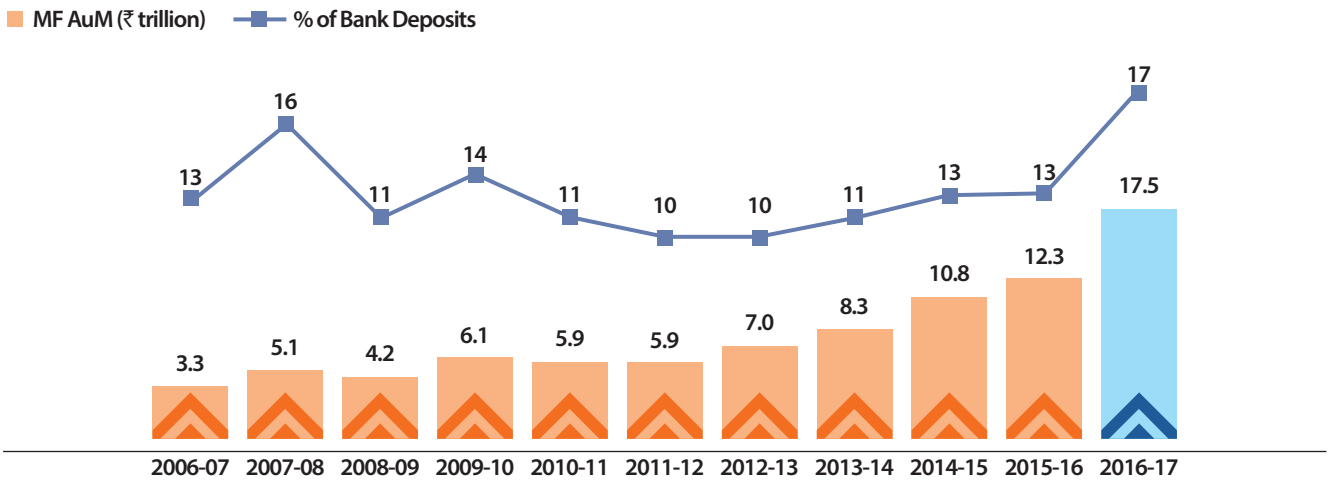
Going forward, with the government encouraging financial inclusion and relatively subdued performance of other asset classes (gold and real estate), domestic investments are channelling into equity markets. The buoyancy in domestic mutual fund inflows and increased allocation of EPFO and National Pension System would further contribute to liquidity in equity markets.

Mutual Fund

The asset management industry in India is among the fastest growing in the world. As of March 2017, total AuM of mutual fund industry was at ₹ 17.5 trillion, having recorded 18% CAGR over the past decade. Moreover, Mutual Fund AuM has risen to 17% of bank deposits in end FY17, compared to only 10% five years back.

FIGURE 11:

Mutual Fund AuM and as % of bank deposits



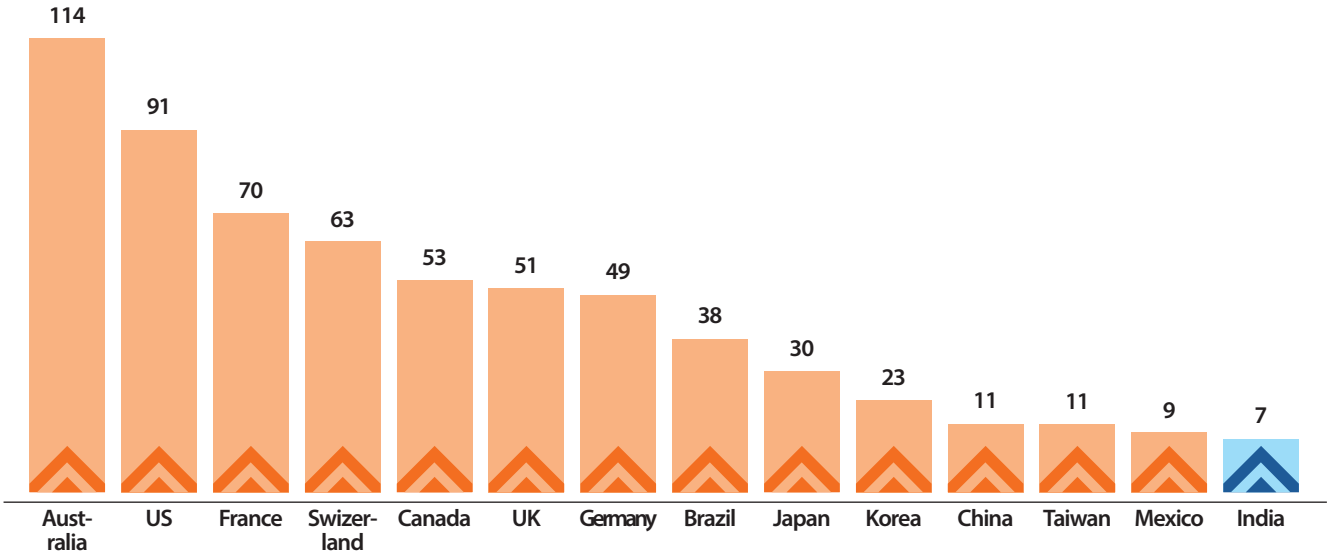
Source: (AMFI, IIFL Research)

Mutual fund penetration in India and developing economies is quite low as compared to the developed economies (shown in Figure 12). The global asset management industry is witnessing a gradual shift in flows from traditional mutual funds to alternative products. Passive investing and liquid alternative mutual funds are getting more popular in the western markets. As per a report by consultancy EY, the mutual fund AuM-to-GDP ratio in India is low at 7%; and mutual fund investments accounted for only 3.4% of total investments in financial assets by individual investors in FY15. This underlines the significant untapped potential for growth in the Indian mutual fund industry.

FIGURE 12:

Penetration of Mutual Fund AuM across economies

(AuM as a % of GDP)



Source: (EFAMA, Oxford Economics, EY Report)

Securities and Exchange Board of India (SEBI) announced various measures aimed at increasing the penetration and strengthening the distribution network of mutual funds in beyond the top 15 cities. Corporate investors account for around 47% of total AuM in India, while HNWIs and retail investors account for 29% and 22%, respectively. The robust performance of the industry comes on the back of growing investor awareness and increased investments in systematic investment plans (SIPs). According to the Association of Mutual Funds of India (AMFI), there are 13.5 million mutual fund SIP accounts as on April 2017; and a total amount of ₹ 439 billion was collected through SIP during FY17. There were approximately 28 million demat accounts in end FY17, having grown at 10% CAGR over the past decade.

COMPANY OVERVIEW

IIFL Holdings Ltd (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: 532636) is a leading player in the Indian financial services space. IIFL Group offers financing, asset and wealth management, equity, commodity and currency broking, financial product distribution, investment banking, institutional equities; apart from project financing and advisory services through its various subsidiaries.

Promoted by first generation entrepreneurs, Mr. Nirmal Jain and Mr. R. Venkataraman, IIFL Group is backed by esteemed institutional investors including Fairfax Group, General Atlantic and CDC Group Plc. The Group's subsidiaries are led by highly qualified and experienced management team; and they promote a culture of growth, entrepreneurship and innovation among the huge talent pool of about 11,000 people. IIFL Group has a strong geographic footprint in India with nearly 2,300 business locations, besides an extensive global presence with offices in London, New York, Geneva, Singapore, Hong Kong, Dubai and Mauritius.

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 nearly 4 million customers across various business segments. The Group has de-risked itself from the volatility of capital markets with multiple revenue streams and a good mix of fee and funding-based income. IIFL has a strong presence across various customer segments (retail, affluent, institutional). Its wide network encompasses branches, franchisees, sub-brokers, online and mobile platforms and help in catering to the financial needs of aspiring and growing India.

BUSINESS OVERVIEW

Financing

NBFC

IIFL Finance, the Group's NBFC business, continued to strengthen its position with a diverse suite of products - home loan, loan against property, commercial vehicle loan, gold loan, SME loan, healthcare finance and capital market finance. During the year, loan AuM grew 14% y-o-y to ₹ 223 billion. Volume growth, which had moderated in Q3FY17 post demonetisation, picked up in the last quarter, especially for home loans, commercial vehicle and SME segments.

Management Discussion and Analysis (contd.)

FIGURE 13:
Loan AuM
(₹ billion)

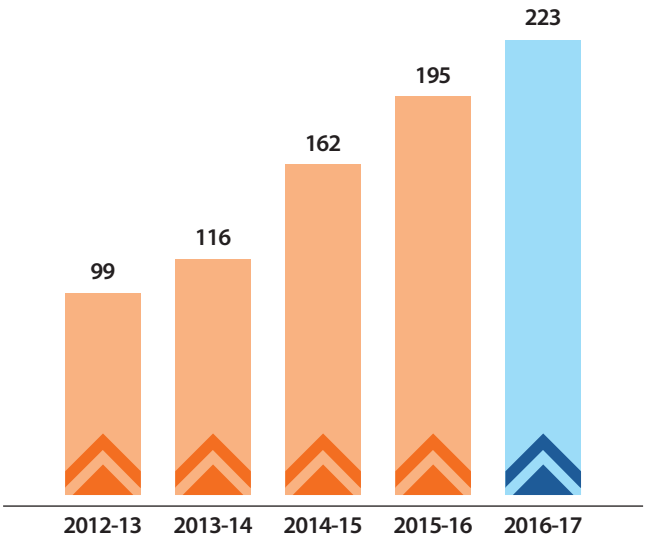
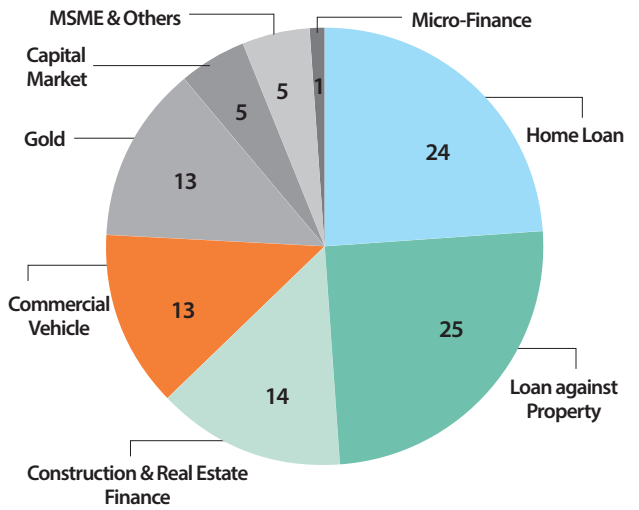


FIGURE 14:
AuM Breakup as on March 31, 2017 (%)



Moreover, we continued to make progress towards our objective of having a balanced and superior loan mix. This means we aimed to reduce the share of relatively risky loans like large ticket real-estate loans. Additionally, the share of retail mortgages and within that the proportion of small ticket home loans continued to rise meaningfully. Within construction and real-estate finance, the mix has significantly changed towards construction finance for small ticket housing projects. Loan against Property (LAP) segment, where the industry had susceptible concerns, has been

14% y-o-y

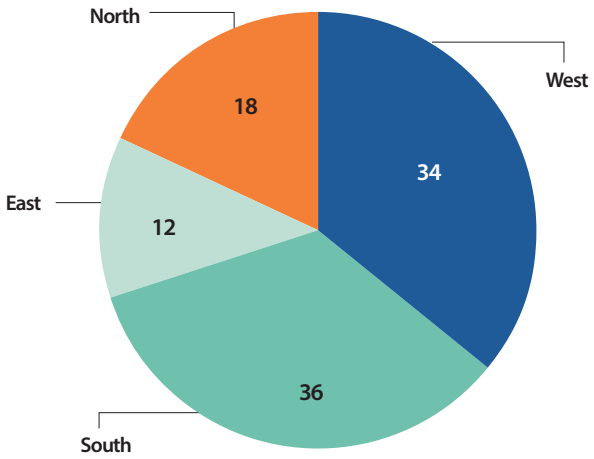
During the year, loan AuM grew 14% y-o-y to ₹ 223 billion.

in good shape. The LAP book in the Company's housing finance portfolio has a moderate loan-to-value (LTV) of less than 50% and is well diversified in terms of industries.

Our loan portfolio is getting more granular, consisting of small ticket loans directed primarily towards lower middle class borrowers. This is reflected in small average ticket sizes for most of our products including home loans, gold, capital market, commercial vehicle, SMEs and micro-finance loans. Retail loans currently constitute about 80% of our total loans.

Further, over a quarter of our loans comply with priority sector lending (PSL) norms of the Reserve Bank of India. A large portion of our loans in home loans, loan against property, commercial vehicle (CV) and micro-finance fall under this category. We can and do sell-down these loans to commercial banks, which remain very keen to buy these loans off us to meet their PSL targets. Selling down such loans positively impacts our profitability and CAR. The share of securitised book increased from under 9% of AuM in end FY16 to 13.5% in end FY17.

FIGURE 15:
Regional distribution of branches (%)

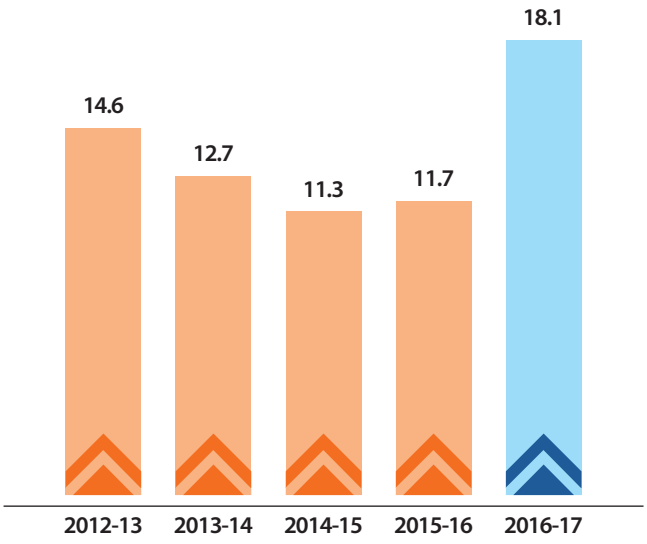


With a pan India network of 1,112 branches, IIFL Finance is well placed to cater to the retail loan demand across India.

During the year, CDC (UK) invested about ₹ 10 billion through compulsorily convertible preference shares (CCPS) to acquire 15.4% in IIFL Finance. The NBFC is now well capitalised for the next 3 years to capture the growth opportunities in an under penetrated credit market.

FIGURE 16:
CAR – Tier I

(%)



During the year, rating agency CRISIL upgraded the credit rating of NBFC and HFC companies from AA- to AA with a stable outlook. Other rating agencies, ICRA and CARE, already rated NBFC and HFC as AA.

The cost of borrowings continued to fall due to a combination of factors such as ample liquidity in the system, ratings upgrade by CRISIL and a stable asset quality. In addition, strong capitalisation and healthy profits too influenced the cost of borrowings. Average cost of borrowing declined 80 bps from 10.2% in FY16 to 9.4% in FY17.

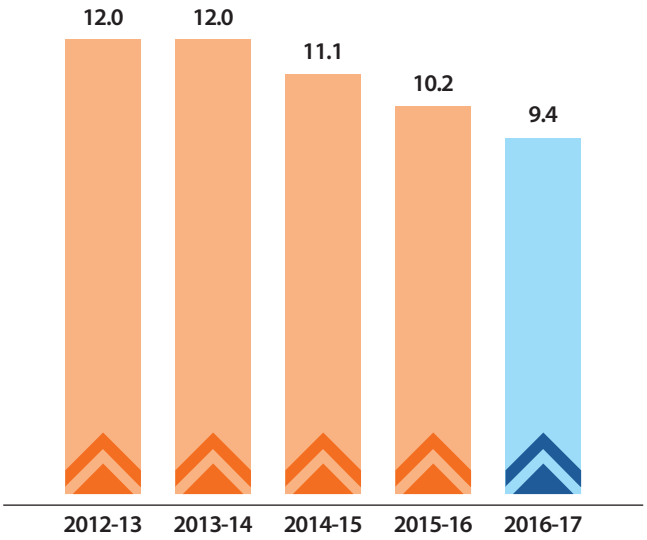
Net interest margin (NIM) expanded by 20 bps y-o-y to 6.4% in FY17. The NIM expansion was driven by lower funding cost, partially offset by re-balancing of AuM mix towards low yielding retail home loans and decline in the share of high yielding gold and real-estate loans.

Cost-to-income ratio declined from 44.0% in FY16 to 40.1% in FY17. Operating leverage coupled with digitisation benefits, led to this efficiency gain.

Implementing end-to-end digitised products and processes were the focus areas in FY17. The NBFC and HFC were able to enhance their processes and improve services across all products based on the digital initiatives. There has been digitisation of end-to-end operations including on-boarding processes, credit appraisal, due diligence, loan sanctions and disbursements, servicing and collections as shown below. Tablet based sourcing models have been implemented during the year. Nearly 100% of gold loan disbursals are currently through tablets. IIFL is one of the first movers to offer eKYC and eSign facilities to customers for end-to-end paperless transactions in all gold loan branches. Several other digital initiatives include biometric authorisation in gold loan branches and implementing entire collections through tablets in Commercial Vehicle loans. Besides, IIFL is the first Gold loan company to launch Gold Loan Audit app on tablets giving real-time audit and update access to auditors.

FIGURE 17:
Cost of funds

(%)



6.4% in FY17

Net interest margin (NIM) expanded by 20 bps y-o-y to 6.4% in FY17.

Management Discussion and Analysis (contd.)

FIGURE 18:
Borrowing Mix
(%)

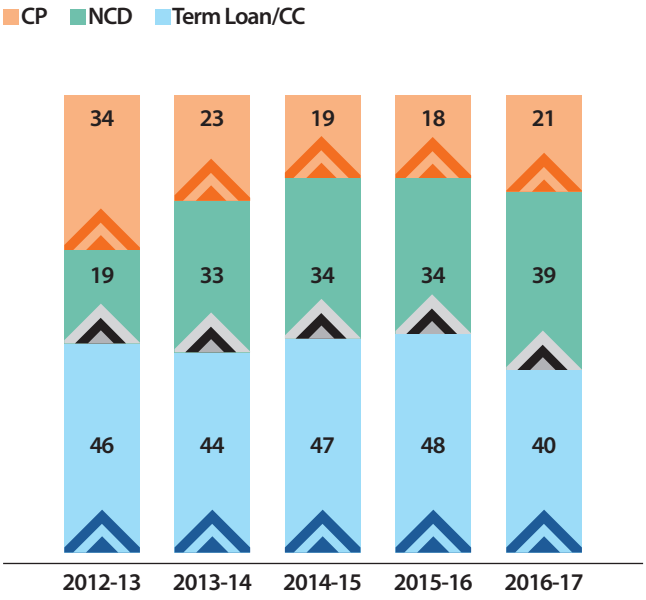


FIGURE 19:
NIM
(%)

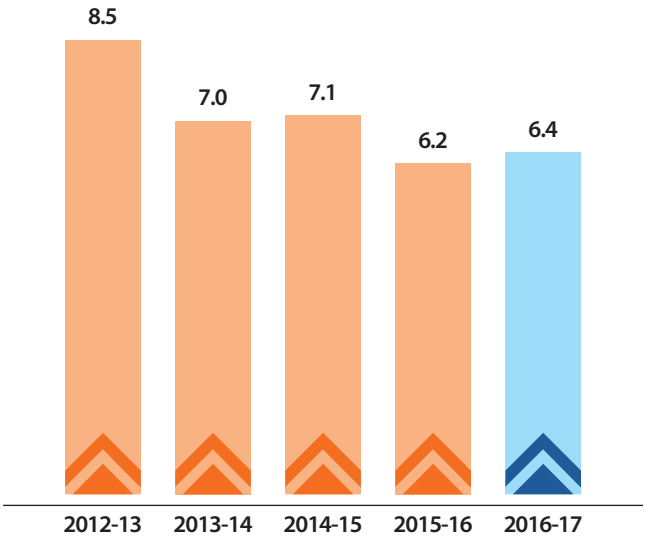
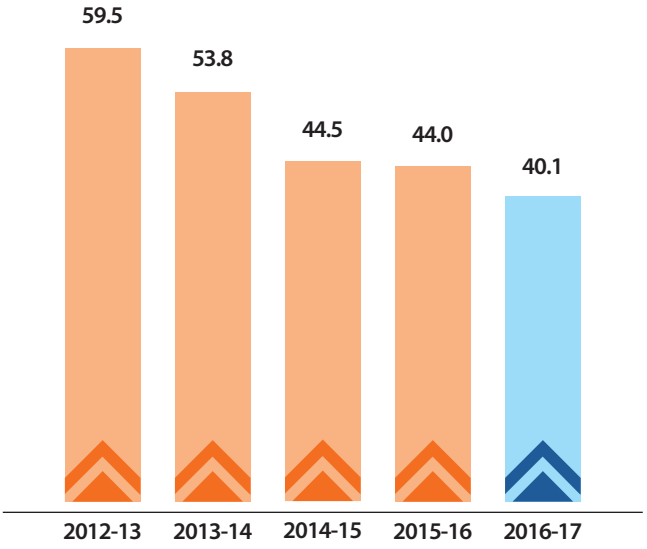
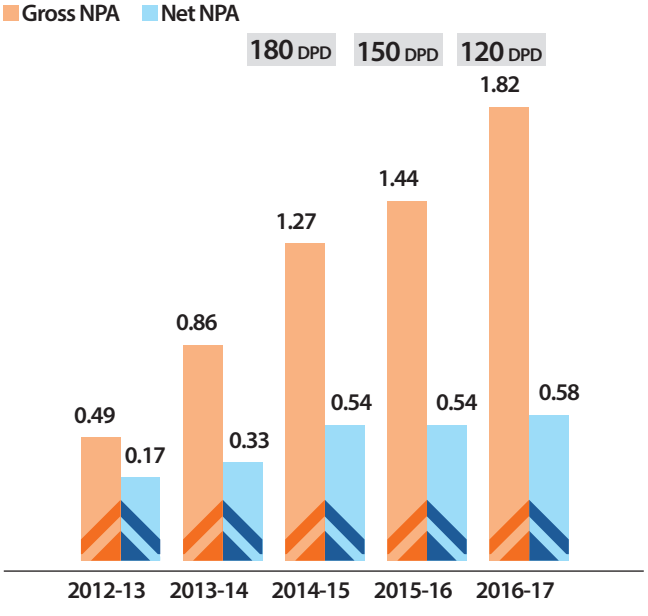


FIGURE 20:
Cost-to-Income Ratio
(%)



Asset quality remained sound with Gross NPA of 1.82% and Net NPA of 0.58%. Provision coverage ratio improved from 62% in FY16 to 68% in FY17. The slight increase in GNPA compared to previous year's 1.44%, is primarily due to change in days past due (DPD). The migration from 150+ DPD to 120+ DPD NPA recognition norms and reduced collections on account of demonetisation led to slightly increased GNPA.

FIGURE 21:
Asset Quality
(%)

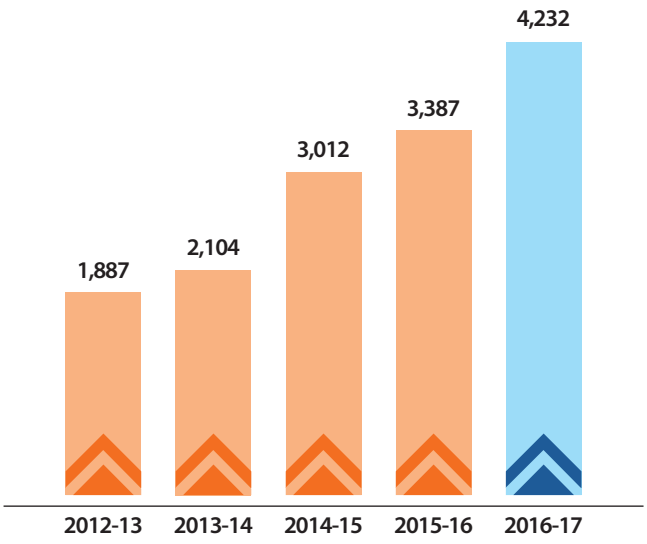


Profit after tax grew 25% y-o-y to ₹ 4,232 million. NBFC's net worth stood at ₹ 35,367 million. The company continues to earn a healthy Return on Equity (ROE) of 15.2% and Return on Assets (ROA) of 2.0%.

FIGURE 22:

Profit After Tax - NBFC

(₹ million)



Micro Finance initiative

In January 2017, the NBFC ventured into micro-finance segment by acquiring 95% stake in Samasta Microfinance Limited, a Bengaluru based NBFC-MFI registered with RBI. Samasta had loan AuM of ₹ 2.4 billion as on March 31, 2017, or about 1% of the NBFC's total AuM.

Housing Finance business

IIFL believes in the government's 'Housing for All' mission and expects this initiative to be instrumental in reaching out to the masses. India Infoline Housing Finance Ltd (IIHFL), a wholly owned subsidiary of India Infoline Finance Ltd, has increased its focus on retail home loan segment. Its added emphasis is on affordable housing, offering loans under Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY-CLSS) to the society's targeted sections.

During the year, IIHFL's AuM grew 76% y-o-y to ₹ 98 billion and comprised nearly 44% of overall NBFC AuM as on March 31, 2017. The Company continued to target salaried and self-employed professionals, earning ₹ 30,000 - ₹ 40,000 per month, engaged in small businesses, and who are below the age of 40 years. The Company has a strong workforce of 1,499 employees and 59 branches, supported by the widespread IIFL Group network of close to 2,300 business locations. IIHFL is using its vast network to further deepen its distribution network and reach potential customers in Tier-I, Tier-II and Tier-III locations across the country.

The Company believes in the power of digitisation to achieve process excellence and facilitate scalability of the business. IIHFL has pioneered digital initiatives across sourcing, processing, decision making, operations, collections and customer service to provide a seamless customer experience. A one of its kind initiative, Jhatpat Loans, was recently launched pan India, as an express customer on-boarding solution for home loans. It has received encouraging response.

Wealth Management

IIFL Wealth is one of the fastest growing wealth management companies in India offering a wide spectrum of services including advisory, wealth structuring solutions, asset management, credit solutions and distribution services. The Company offers a comprehensive suite of products and services to over 10,000 high net-worth families in India. An in-house asset management business allows the Company to launch innovative products. IIFL Wealth is the first and largest manufacturer and distributor of Alternative Investment Funds (AIFs) in India. IIFL Wealth has positioned itself to participate in a larger share of wallet of HNWIs by offering a complete suite of products.

General Atlantic Singapore Fund Pte. Ltd (GA), a leading global growth equity firm, holds a stake of 23.2% in the equity of IIFL Wealth.

During the year, IIFL Wealth Management Ltd (IIFLW) made considerable progress in all its business segments - domestic and offshore services, asset management, distribution of financial products and trustee services. Total assets under management, distribution and advice witnessed 51% y-o-y growth to reach ₹ 1,201 billion as on March 31, 2017.

25% y-o-y

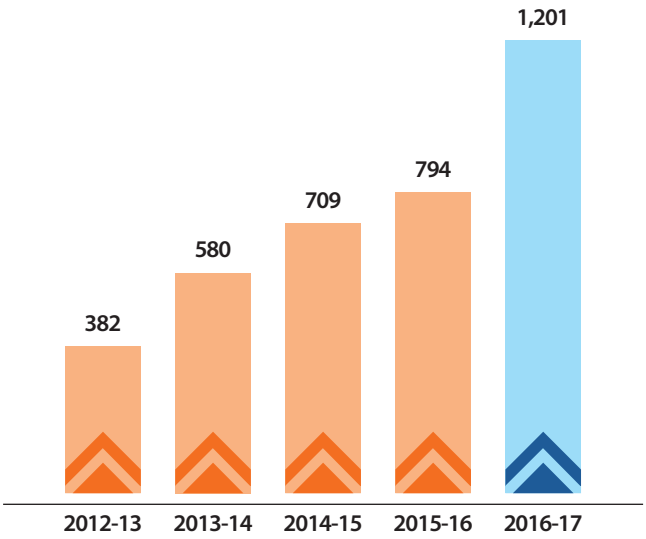
Profit after tax grew 25% y-o-y to ₹ 4,232 million.

Management Discussion and Analysis (contd.)

FIGURE 23:

Total Wealth Assets

(₹ billion)

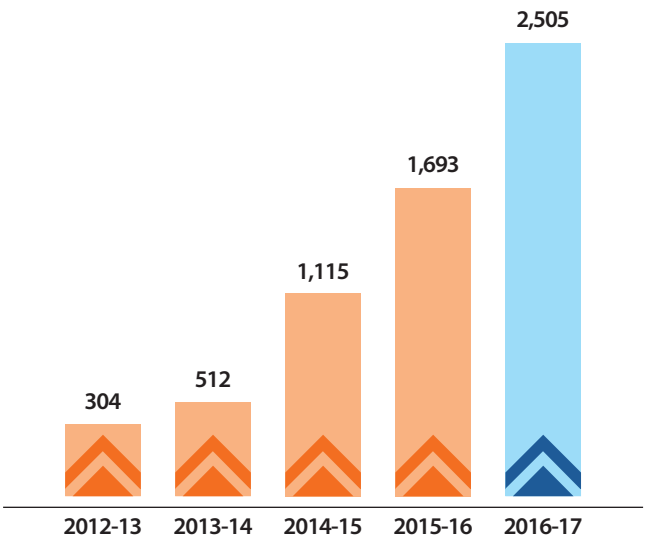


Total income from operations was up 46% y-o-y to ₹ 8,340 million and PAT at ₹ 2,505 million, up 48% y-o-y in FY17.

FIGURE 24:

Profit after tax - Wealth Management

(₹ million)



During the year, IIFL Wealth has made considerable progress in all its key Business Areas as given hereunder:.

WEALTH MANAGEMENT

The group operates from 22 locations spread across the world including 8 offshore locations, catering to high net-worth clients seeking holistic wealth management solutions. The offerings include brokerage, distribution of third party products, family office, advisory and customized key portfolio mandates. Total AuM of the wealth products distributed witnessed 56% y-o-y growth to reach ₹ 940 billion as on March 31, 2017 which includes ₹ 703 billion of Distribution Assets, ₹ 104 billion of domestic Advisory Assets and ₹ 133 billion in offshore FPI advisory Assets. It has also commenced broking and depositary activities under its own newly acquired license during the year in both the cash & F&O segments.

Segment wise break-up as on March 31, 2017	₹ billion	% to Total Assets
Distribution	703	75%
Advisory	237	25%
Total	**940**	**100%**

Asset Management

Asset Management business is an India-focused global asset platform with the objective of providing differentiated and niche investment strategies to Institutions and HNI Clients in India and across the Globe. It offers capabilities in onshore and offshore asset management through the subsidiaries based in Singapore, India and Mauritius. Their differentiated suite of funds, alternative investment funds (venture capital funds spanning public and private equities, fixed income securities, real estate and Portfolio Management Schemes) manage over ₹ 76 billion of on-shore AIF assets making it one of the largest AIF platforms in the country.

The total AuM of the Asset Management Business comprising Mutual Funds, AIFs, and offshore funds has witnessed 16% y-o-y growth to ₹ 200 billion as on March 31, 2017 from ₹ 173 billion as on March 31, 2016.

During FY17, the revenues of IIFL AMC grew by 30% to ₹ 862 million and Profit After Tax growth was 148%.

The total assets managed by IIFL AMC under Mutual Fund, AIF and Portfolio Management Services have increased to ₹ 86,980 million as on March 31, 2017 vis-s-vis ₹ 55,230 million as on March 31, 2016. Under IIFL Mutual Fund Platform, the assets under management have increased from ₹ 4,925 million to ₹ 6,252 million. AIF assets saw a growth of 93% on a y-o-y basis to more than ₹ 73,000 million as on March 31,2017. Significant ramp-up was seen during the year on the back of the following new diverse product launches:

1) Category II Alternative Investment Funds:

   a. IIFL Special Opportunities Fund

   b. IIFL Real Estate Fund Domestic Series 4

c. IIFL Select Equity Fund

d. IIFL Income Opportunities Fund - Series Debt Advantage

e. IIFL Income Opportunities Fund - Series Regular Income

2) Category III Alternative Investment Funds:

a. IIFL Yield Enhancer Fund

b. IIFL Phoenix Cash Opportunities Fund

c. IIFL Focused Equity Strategies Fund

d. IIFL Regular Income Fund

e. IIFL Cash Opportunities Fund II

f. IIFL Fixed Income Plus Fund

g. IIFL Debt Advantage Fund

h. IIFL Re Organise India Equity Fund

i. IIFL Perpetual Bond Fund – Series 1

j. IIFL India Opportunities Fund – Series 1, 2 & 3

During the year, the Company took initiatives to diversify and strengthen its distribution. IIFL AMC got empanelled with several large banks and wealth management firms enabling IIFL AMC to significantly enhance its reach and distribute its products widely. The Company has also significantly strengthened its sales team and mid-office team in order to service investors better.

CREDIT SOLUTIONS

The credit solutions business serves as a platform to support the needs of the wealth management clients and provides funding, primarily against clients investment portfolios at competitive market-linked rates. The offerings include securities-based lending, secured loans against property and other structured lending solutions based on specific client requirements.

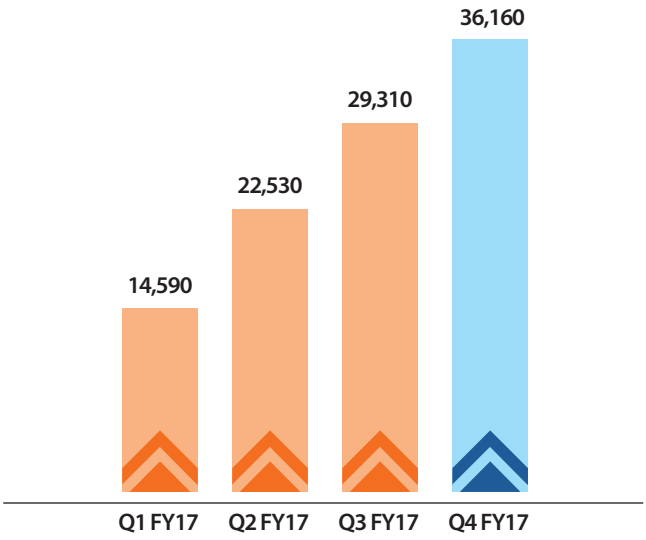
In its first full year of operations the total loan assets as on March 31, 2017 stood at ₹ 36 billion. During the year it funded 17 Initial Public Offerings with cumulative funding of over ₹ 210 billion. Capital adequacy of IIFL Wealth Finance Ltd as on March 31, 2017 is 30.5% comprising of Tier 1 24.0% and Tier II 6.5%.

IIFLW Limited expects to further grow and build a robust loan book from its existing clientele through its 100% subsidiary.

FIGURE 25:

Wealth NBFC assets

(₹ million)



ESTATE PLANNING

The estate planning business facilitates generational planning and asset transfer for clients by advising on strategic trust formation and investment management of the assets to ensure longevity of the solutions. The total number of family trusts under our corporate trusteeship is now 204 with AuM of ₹ 25 billion.

Enhancement of the product platform is an ongoing process and product innovation has been a strong driving force at IIFL Wealth. This is well reflected in the comprehensive product platform, with expertise across asset classes and products.

Capital Markets

IIFL is a key player in both retail and institutional segments of the capital market. It has about 1,200 service locations comprising a wide branch and sub-broker network and providing unparalleled research coverage on 500+ companies. Despite high volatility

30.5%

Capital adequacy of IIFL Wealth Finance Ltd as on March 31,2017 is 30.5% comprising of Tier 1 24.0% and Tier II 6.5%.

Management Discussion and Analysis (contd.)

in the market, the average daily equity market volumes for the capital market business surged 44% y-o-y to ₹ 103 billion, mainly aided by strong domestic inflows. Moreover, the financial year ended on an optimistic note as the total market volumes recorded in the last quarter of FY17 were the highest amongst all quarters. The average daily cash market volumes too registered a strong growth of 22% y-o-y with IIFL Holdings having 4.3% share of NSE cash market.

Our mobile trading app 'IIFL Markets' continues to be the highest rated app on Android and iOS platforms amongst peers with 1 million downloads. Since its launch in February 2015, there has been a steady rise in brokerage earned and number of retail clients trading on mobile. Do-It-Yourself (DIY) based mobile trading contributes to around 15%-25% of our brokerage income and 30% in clientele base. The app has reached out to retail customers giving them access to market research, IIFL view and advanced training tools.

Besides broking platform, IIFL offers a varied product suite to its customers, including mutual funds, insurance, portfolio management services and structured products. The present trend of clients investing through mutual fund route has been steadily increasing retail participation in capital market. Supported by upbeat retail interest in financial products, the income through sale of third party distribution products has quadrupled during the year.

Our continuous focus and persistent efforts towards digitisation, enhanced service offering and manpower productivity, has improved profitability for the retail broking business.

Institutional Equities

This segment gained from strong participation by domestic and foreign institutional investors. The institutional cash segment volumes were up 27% y-o-y and the derivatives market volume grew by about 13% y-o-y in FY17. Yields across client segments, however, continued to remain under pressure. The Institutional equity research continues to be recognised for its in-depth high quality financial modelling, width of stock coverage, and large block placement capabilities.

Investment Banking

The year under review, saw a fairly active primary market with a number of equity offerings. During the year, the Investment Banking team completed 21 transactions (including 5 IPOs), the largest number of investment banking transactions completed by IIFL in its history in a single financial year. The team was involved in capital raising and advisory transactions of ~₹ 377 billion. IIFL was ranked second in terms of amount raised through QIPs in FY17. The major achievements of the investment banking team during the year are summarised below:

- Completed ₹ 19,934 million Qualified Institutional Placement (QIP) of Motherson Sumi Systems Limited (the largest QIP of CY16).
- Acted Book Running Lead Manager in ₹ 60,568 million IPO of ICICI Prudential Life Insurance Company Limited, the first IPO in the insurance sector and the largest IPO in 6 years.
- Lead Manager in the ₹ 100 billion public issue of NCDs of Dewan Housing Finance Corporation Limited, the largest public issue of NCDs by a private sector company till date.

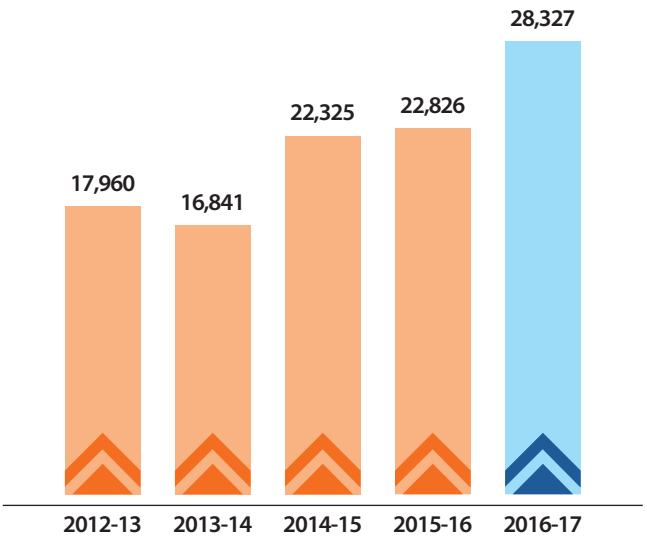
The consistent deal closures of our investment banking franchise over the last two years makes us confident and positive for this business in the medium to long-term. The pipeline is robust with multiple deals in various stages of execution.

FINANCIAL REVIEW

As a significant part of the Company's business is conducted through its subsidiaries, the consolidated accounts provide a more accurate representation of the Company's performance compared with the standalone. Therefore, the 'Management Discussion and Analysis' pertains to consolidated results.

Net profit for FY17 has grown 48% y-o-y to ₹ 8.22 billion and net profit after minority interest has grown 34% y-o-y to ₹ 6.86 billion. All the three segments of the Company - NBFC, Wealth and Capital markets contributed to this strong growth.

FIGURE 26:
Income
(₹ million)

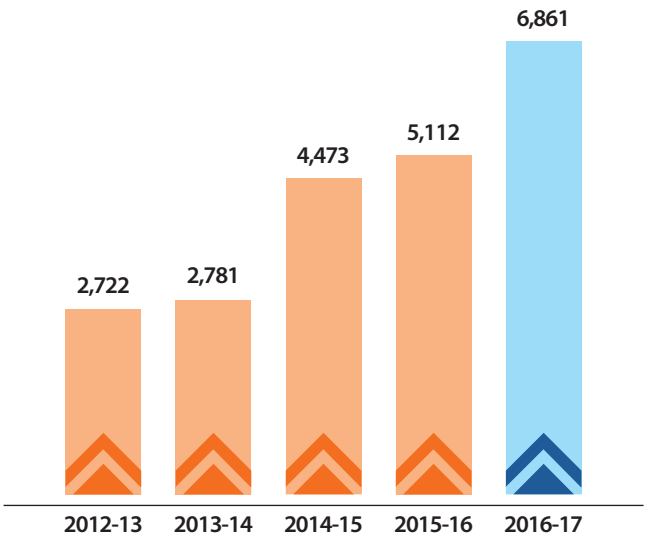


Note: Income is net of interest expense

FIGURE 27:

Net profit after minority interest

(₹ million)

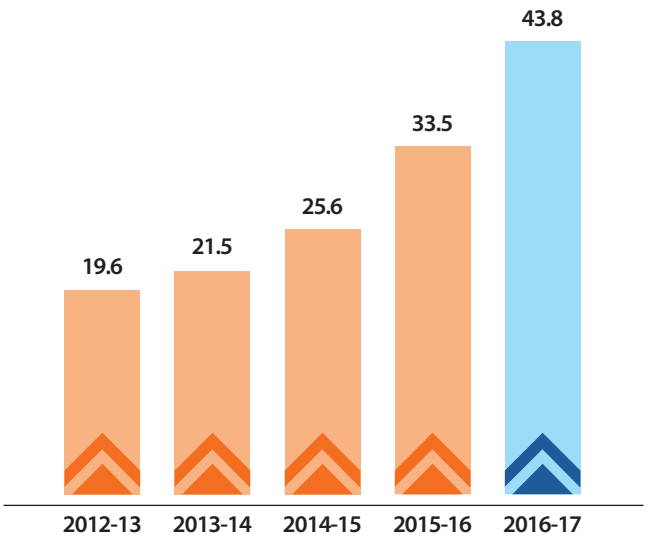


Net worth has reached ₹ 43.8 billion, having doubled over the last three years. This was due to a combination of equity capital infusion from General Atlantic and CDC, and strong growth in retained profits.

FIGURE 28:

Net worth

(₹ billion)

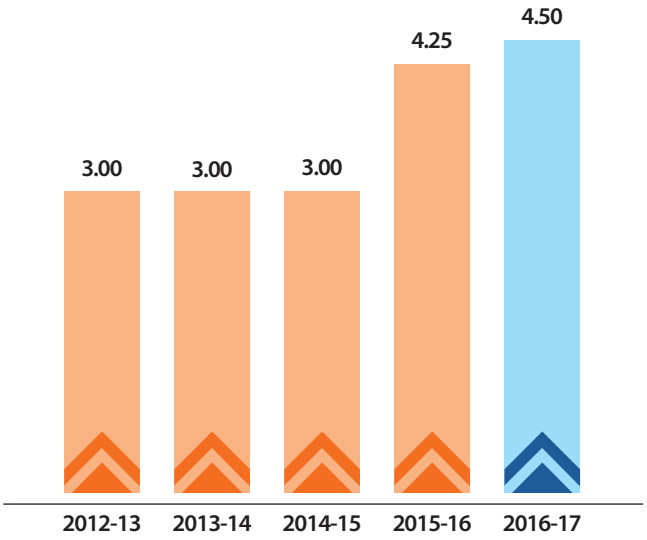


Return on Equity (ROE) improved 40 bps y-o-y from 17.3% in FY16 to 17.7% in FY17. Despite a sharp jump in net profit, ROE expansion was moderate due to large equity infusions. The ROE is expected to improve, going forward, as the capital is put to use and the balance-sheet is leveraged. Return on Assets (ROA) was stable at 2.4%.

FIGURE 29:

Dividend Per Share

(₹)



The company had declared and paid an interim dividend of ₹ 4.50 per share (225% of face value) in Q3 FY17, which was also the final dividend.

COSTS

The following section provides details of the expenditure incurred by the Company under various heads during the year.

Employee Costs

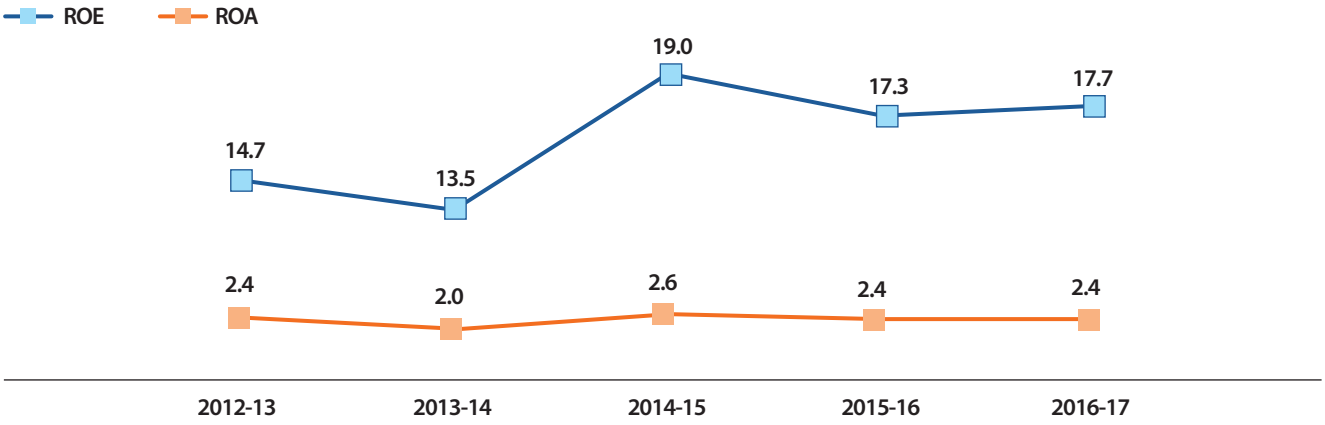
Employee costs increased by 11% y-o-y from ₹ 7,041 million in FY16 to ₹ 7,840 million in FY17, largely due to increment in salary and bonus payouts. The NBFC and wealth businesses majorly contributed to the increase in employee costs, as the two businesses position themselves to take advantage of the large opportunities in their respective segments.

Management Discussion and Analysis (contd.)

FIGURE 30:

Return on Equity and Return on Assets

(%)



Finance Costs

Finance costs increased by 25% y-o-y from ₹ 16,799 million in FY16 to ₹ 20,922 million in FY17. The increase was majorly driven by increase in borrowings to fund the growth in loan book. The average cost of borrowings declined 80 bps y-o-y to 9.4% for the NBFC business.

Other Operating Expenses

Other operating expenses has increased by 3% y-o-y to ₹ 6,326 million in FY17 from ₹ 6,147 million in FY16. Depreciation expense reduced from ₹ 661 million in FY16 to ₹ 540 million in FY17. The Company depreciates assets on straight line method based on the useful life of fixed assets as estimated by the management.

Provisions and Write-offs

The Company makes provisions and write-offs as per management estimates, subject to minimum provision requirement in accordance with the asset classification and provisioning norms of the Reserve Bank of India and National Housing Bank. The provisions and write-offs increased from ₹ 1,208 million to ₹ 1,896 million, due to increase in overall loan book size.

SOURCES OF FUNDS

Share Capital

The Company's share capital has increased from ₹ 633 million in FY16 to ₹ 636 million in FY17. This was because of allotment of 1,371,340 equity shares of ₹ 2 each to employees upon exercise of ESOPs under the Company's employee stock options schemes.

Particulars	As on March 31, 2016		As on March 31, 2017	
	Equity Shares (No.)	₹ million	Equity Shares (No.)	₹ million
Share Capital at the beginning of the year (paid up ₹ 2 per share)	310,233,948	620.47	316,536,853	633.07
ESOPs exercised	6,302,905	12.60	1,371,340	2.75
Share Capital at the end of the year	316,536,853	633.07	317,908,193	635.82

Reserves and Surplus

The Company's net worth (excluding minority interest) was up from ₹ 33,521 million in FY16 to ₹ 43,814 million in FY17. This was primarily due to capital infusion from CDC and retained earnings. Book value per share increased from ₹ 105.89 in the previous fiscal year to ₹ 137.82 (excluding minority interest). A summary of the reserves and surplus is provided in the table below:

(₹ million)

Particulars	Balance as on March 31, 2016	Additions	Deductions/ Adjustments	Balance as on March 31, 2017
Securities Premium Account	17,935.71	10,704.99	(3,348.04)	**25,292.66**
General Reserve	1,552.63	459.19	(78.41)	**1,933.41**
Special Reserve I	2,475.98	888.40	(413.41)	**2,950.97**
Special Reserve II	373.70	194.00	(62.78)	**504.92**
Foreign Exchange Fluctuation Reserve	332.56	(35.58)	(2.24)	**294.74**
Capital Reserve	433.70	-	-	**433.70**
Capital Redemption Reserve	51.11	1,500.00	(231.81)	**1,319.30**
Debenture Redemption Reserve	4,153.45	830.15	(1,076.59)	**3,907.01**
Surplus / (Deficit) in Statement of Profit and Loss	5,579.16	8,222.76	(7,260.26)	**6,541.66**
Total	**32,888.00**	**22,763.91**	**(12,473.54)**	**43,178.37**

Resource Mobilisation

Secured loans outstanding as on March 31, 2017 was ₹ 135.2 billion, compared to ₹ 111.1 billion as at the end of the previous year. These loans are primarily secured against the Company's receivables. The Company has diversified its sources of funds and augmented long-term sources of funds, further strengthening its asset liability duration matching profile.

The dependence on short-term borrowing resources reduced during the year. Out of the total, 21% of the funding was through commercial paper, 40% through cash credit and term loan, and 39% was through NCDs. The Company's unsecured loans as on March 31, 2017 stood at ₹ 16.0 billion vis-à-vis ₹ 12.4 billion as at the end of the previous year.

Asset Liability Management

The NBFC and HFC subsidiaries have in place a supervisory Asset Liability Management Committee consisting of directors. There is an ALCO operating committee comprising the Company's senior officials i.e., CEO, CFO, heads of departments and Executive Directors. The ALCO operating committee meets once a month and the Board level ALCO meets once a quarter to review the position.

APPLICATION OF FUNDS

Fixed Assets

The Company has invested in state-of-the-art technology to support, inter alia, its branch operations, back-office, customer service, and call centre operations. The Company has its own offices at major business locations such as Mumbai (Lower Parel and Andheri), Thane, Delhi, and Chennai. A statement of movement in fixed assets is given below:

(₹ million)

Particulars	As on March 31, 2016	As on March 31, 2017	Growth (%)
Computers	688.69	**824.69**	20%
Electrical Equipment	689.74	**660.25**	-4%
Furniture & Fixtures	1,800.33	**1,730.90**	-4%
Office Equipment	713.34	**701.28**	-2%
Buildings (including land)	2,807.97	**3,616.67**	29%
Land/Leasehold Land	1,826.85	**1,832.07**	0%
Vehicles	52.18	**49.61**	-5%
Gross Block	**8,579.10**	**9,415.47**	**10%**
Less: Accumulated Depreciation	3,884.46	4,065.97	5%
Net Block	**4,694.64**	**5,349.50**	**14%**
Add: Capital in progress	56.04	**1,532.88**	2635%
Add: Intangible assets	51.63	**66.94**	30%
Add: Goodwill	580.59	**636.50**	10%
Net Fixed Assets	**5,382.90**	**7,585.82**	**41%**

Management Discussion and Analysis (contd.)

Investments

Treasury investments are generally made for liquidity management purposes. The Company primarily invests in G-secs, bank deposits, and liquid schemes of mutual funds to meet these requirements. The Company's investment portfolio stood at ₹ 41.5 billion in end FY17, compared with ₹ 18.7 billion in end FY16. Of the total, 46% was deployed in bonds and government securities, 17% in NCDs, 17% in other funds (AIFs/PEs/VCF), 14% in Mutual Funds, 1% in equity of various companies and 6% in other investments.

Cash & Cash Equivalents

A detailed breakdown of cash and cash equivalents is given below:

(₹ million)

Particulars	As on March 31, 2016	As on March 31, 2017
Cash and Cash Equivalent		
Cash on hand	127.60	141.03
Balance with Banks		
In current accounts		
- In Client Account	-	-
- Others	9,852.46	19,394.75
In Deposit Accounts (Less than three months)	-	-
Other Bank Balances		
In Earmarked Accounts		
Unpaid Dividend Accounts	4.25	6.79
In Deposit Account (Maturity more than 3 months to 12 months)	6,303.98	18,895.34
In Deposit Account (Maturity more than 12 months)	-	23.25
Total	**16,288.29**	**38,461.16**

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities have been computed as per the provisions of the Income Tax Act, 1961. Deferred tax assets (Net) were ₹ 1,579 million as on March 31, 2017, vis-à-vis ₹ 1,307 million as on March 31, 2016.

HUMAN RESOURCES

IIFL's human resource department has been consistently striving to align with businesses, and build a strong culture of transparency and service orientation within the organisation. The Group continued to live up to the expectations of building people-friendly policies and practices in FY17 and closely align them to its business requirements.

Strong Management Team

We continued to attract senior professionals from banking and financial services industry. 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.

Technology Enablement

Our employees use 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. We have this year implemented our recruitment solution – Hirecraft and integrated the same with Adrenalin. Now an employee can do all activities from on-boarding to exit through one system.

Training and Development

A dedicated training team is being set-up to cater to functional, technical and leadership learning requirements of NBFC and HFC business. With a blend of both classroom and online learning initiatives, the team shall bring live engaging and interactive sessions through leverage of technology platforms. Focus shall be on building functional and technical capability of front line employees; while the middle and senior level employees shall be taken through a leadership journey based on core competence identified at an organisational level.

Mandatory courses on Anti-Money laundering, Information Security, Prevention of Sexual Harassment, Anti-Corruption and Bribery are also being assigned to employees through our Learning Management System. A mobile application is being developed to cater to learning requirements of remote employees who are part of the organisation.

Encouraging Performance

IIFL, as an organisation, considers 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. The task of defining an individual's role comes first. Thereby, an effective feedback mechanism from time to time helps the employees to improve their skills. This helps in alignment of the organisational objectives with their own personal goals. An effective Performance Management system (PMS) helped the Group in recognising and rewarding people's performance.

Employee Engagement

IIFL believes in engaging its workforce and grooming them to become leaders of tomorrow. We have been taking employee feedback through our annual Pulse Survey, which enables us to continue doing the things going well and improve on the areas where we need to improve. These engagement scores are tracked to monitor improvement.

A Special fast track programme was formulated for recognised high potential employees. These include programmes towards honing their skills and competencies, and special learning and development initiatives, which will enable them to meet their career aspirations within the organisation.

Fun engaging events like sports, cultural and festive celebrations and contests, among others are regularly conducted. These enable employees to de-stress, improve team bonding and bring about a new spurt of exuberance.

In view of wider geographies and multiple locations, we use Workplace by Facebook as an important communication medium. It provides a platform for frequent engagement between the senior management and employees.

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 prudent financial management; along with 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 entities and at all functions. 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 Group are in line with the business strategy, the risk appetite approved by the Board and regulatory requirements.

IIFL adopts the 'three lines-of-defence' (3 LOD) 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. All three lines play a distinct role within IIFL's wider governance framework.

The Group operates primarily in the financial services space. Each of its businesses is organised as a separate unit/entity and is regulated by the respective regulator. IIFL is registered and regulated by the Securities Exchange Board of India (SEBI) for merchant banking (MB), stock broking, depository participant (DP), commodity broking, portfolio management (PMS), advisory, asset management, mutual fund (MF), and alternate investment fund (AIF) businesses. India Infoline Finance Ltd. and Samasta MF Ltd., a micro finance institution, are NBFCs registered with the Reserve Bank of India (RBI). The housing finance subsidiary namely India Infoline Housing Finance Ltd. is registered with National Housing Bank (NHB). The insurance broking subsidiary is registered with the Insurance Regulatory Authority of India (IRDA). Besides, the foreign subsidiaries are registered with respective overseas regulatory authorities. Each of these entities is measured independently with a separate set of employees, systems, processes and infrastructure.

The compliance function forms a critical part of the Group'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. The risk management discipline is centrally initiated but implemented across business entity level. Each of the main businesses - NBFC, HFC, Wealth Management and Asset Management (AMC), and Capital Markets, - has a dedicated risk management team in place along with a dedicated Risk Management department led by a Chief Risk Officer. This ensures that each operating subsidiary is fully responsible for the initiation, management, measurement, and mitigation of all risks within the business unit. Moreover, they are responsible for meticulous compliances to all regulatory guidelines and internal policies pertaining to their specific business.

IIFL has adopted digital initiatives in all its key businesses, starting with broking and distribution followed by loans and credit as well as customer service, internal operations and HR. Digitisation helps in growing business faster and to achieve critical mass. Further, the Do-It-Yourself (DIY) model enhances growth in a seamless manner with cutting-edge technology with minimum physical infrastructure and manpower. Digitisation ensures less human intervention and superior customer service. Moreover, technology vastly eliminates the scope for any fraud, omission and commission of errors.

Management Discussion and Analysis (contd.)

The diversified financial services at IIFL are exposed to various risks that are either inherent to the business or exposed to the arbitrary changes in external environment. In order to maintain financial soundness of the Company, it seeks to promote a strong risk culture throughout the organisation. All major risk classes like Business Risk, Credit Risk, Market Risk, Operational Risk, Compliance 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 each of the entities: India Infoline Finance Ltd, IIFL Wealth Finance Ltd and India Infoline Housing Finance Ltd., to consider medium to large credit proposals. However, smaller proposals are decided at appropriate levels as per the approval matrix. • The Group has in place a Risk Management Committee and an Asset Liability Management Committee (ALCO), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and trends of the financing business. The Risk Management Committee reviews the risk management processes-covering credit and underwriting controls, operations, technology and compliance risks. • Enterprise Risk Management framework, put in place at the Group level, provides oversight on the risk-taking activities and guidance. The ALCO committee reviews the strategic management of interest rate and liquidity risk, product pricing for various loans and advances, desired maturity profile and mix of the incremental assets and liabilities. It also reviews the Company's funding policies in the light of interest rate movements and desired fund mixes, particularly fixed / floating rate funds, wholesale / retail funds and money market funds, among others. • To ensure frequent reviews and actions, an internal ALCO Operating Committee has also been put in place. The Committee consists of business, finance, and treasury heads, which meets on a monthly basis, analyses and initiates appropriate actions keeping in view the emerging conditions. The supervisory ALCO of the Board ensures that the business and risk management strategy operates within the limits/parameters set by the Board and reviews the functioning of the internal ALCO. It also reviews the Company's funding strategy and implementation of ALCO's decisions.
Technology Risk	• Management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, among others.. • Company has put in process, 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. • This year, the Company implemented tools for mitigating various security risks - privileged identity management, advanced malware detection and protection, end-point encryption, mobile device management and secured internet access. • The Company successfully completed the ISO 27001:2013 annual re-certification in January 2017. During the year, many processes are automated to reduce the risk of manual error and frauds.
Compliance Risk	• IIFL has a full-fledged compliance department at the group and entity level 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 Group. • The Company has put in place adequate systems and controls to ensure compliance with anti-money laundering standards. Besides, the Group entities are also registered with United States' Internal Revenue Service (US-IRS) under the Foreign Account Tax Compliance Act (FATCA), wherever applicable, in compliance with regulatory requirements and ensuring compliance and reporting. • The Company has instituted special purpose audits for multiple important functions such as credit audit, broking and DP audit, verification audit, broking systems audit, portfolio management audit and mutual funds and AIF audits, among others. • The Company has implemented business-specific Compliance Manuals, limit monitoring systems and Anti-Money Laundering (AML) and Know Your Customer (KYC) policies.

Risk	Risk Response Strategies
Compliance Risk (contd.)	• During the year, compliance with various corporate acts, including Companies Act, SEBI Act, Foreign Exchange Management Act (FEMA), Securities Contracts (Regulation) Act and Rules, RBI-NBFC regulations, NHB-HFC regulations, Insurance Act, 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 across businesses/entities, 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. • In the broking business, IIFL has put in place robust surveillance and risk management systems and has implemented Graded Surveillance Measures prescribed by Exchanges. Further, it has also initiated implementation of enhanced Risk Based Supervision as stipulated by SEBI during the year.
Human Resource Risk	• The Group has taken several actions to ensure that the talent pipeline for the Company is strong especially when it comes to key management positions. We have been able to attract top notch talent from multi-national companies and Indian corporates wherever required to supplement our existing management capability. • The Group also has a strong focus on ensuring that employees are adequately trained in their job functions and for all compliance requirements. • Besides, the HR function ensures all statutory compliances with labour laws and other relevant statutes and ensures that strong background screening standards are in place to minimise any risk of fraud from incoming employees. • Training and certification requirements have been laid down as mandated by various regulators such as NSE's Certification in Financial Markets (NCFM) and National Institute of Securities Markets (NISM) certifications for broking, DP, PMS, MB, AMC personnel, Insurance brokers, among others; and ensuring successful completion of certifications by the respective employees.
Reputation Risk	• Over the years, the Company has fostered a culture that enables operating managers to say 'No' to poor quality business and eschewing from adopting short cuts and stopgap alternatives. In addition, it has in place stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company's policy and processes ensure close monitoring and strict disciplinary actions against those deviating from the same. • The organisation pays special attention to issues that may create a reputational risk. Events that can negatively impact the organisation position are handled cautiously ensuring utmost compliance with relevant laws.
Risk Culture	• Risk management is integral to the Company's strategy. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organisation. • The Company has, over the years, invested in people, processes and technology to mitigate the risks posed by the external environment and by its borrowers. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and addressed in a timely manner to ensure minimal impact on the Company's growth and performance. The Company 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.

Management Discussion and Analysis (contd.)

Risk	Risk Response Strategies
Fraud & Operational Risk	• The Company has constituted an independent Fraud Control Unit (FCU), and Operational Risk (OR) and Internal Audit (IA) functions; which, on an ongoing basis, evaluate fraud and operational risks within various businesses and processes. • FCU does a screening of all KYC documents and key income documents of all borrowers by external specialised Fraud Control agencies. • Fraud Risk Assessment of critical processes has been conducted to address any vulnerabilities. • IA 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. • Standard Operating Procedures (SOPs), Business Continuity Plans and Internal Audits are performed by independent firms of Chartered Accountants, who directly present their reports to the respective boards. • The Company periodically reviews the processes and controls and also updates its systems to meet the business requirements. • In addition to this, employees are provided with continuous trainings and there is effective segregation of duties to reduce risk of fraud.
Market Risk	• The Company aims to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams, Investment Committees, requirement of investment justifications and regular monitoring of performance. • The Company has diversified its revenue streams across multiple product lines and businesses, involving fund and non-fund based advisory and distribution businesses. Under the fund-based business, the Company has a diversified portfolio of mortgage/home loan, gold loan, loan against securities, medical equipment finance, commercial vehicle finance, and SME business loan. Similarly, in non-fund based business, it has a diversified offering of equity, currency, commodity broking, wealth management and depository services, asset management, alternate investment funds, domestic and offshore services, distribution of financial products, investment banking, and institutional equities.

INTERNAL CONTROLS

The Company Internal control 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 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 Group-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 Mahajan & Aibara for the capital markets businesses and agency businesses, KPMG for NBFC and HFC businesses, M.P. Chitale & Company for asset management business.

The Company also retains specialised audit firms to carry out specific / concurrent audit of some critical functions, such as half-yearly internal audit of broking business mandated by SEBI/ Exchanges, DP processes, Know Your Customer (KYC) verifications, demat transfers, pay-outs verifications, systems audit, branches and sub brokers audits, PMS, mutual fund and alternative investment funds operations audit, credit audit, loan documentation audits, pre / post disbursement audit, end use verification audits and verification of related party transactions, among others. The Company also has an internal team of audit professionals at its head office in Mumbai, supported by regional teams at zonal offices. The Group has in place separate internal audit teams dedicated for major business verticals i.e., NBFC, HFC, distribution and asset management business. 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 / 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

Indian economy is currently the most promising major economy in the world, with growth projected to accelerate further. The implementation of fiscal reforms - particularly the Goods and Service Tax (GST), demonetization and digitisation, financial inclusion, deepening of market liquidity and adoption of technology would be the key drivers for accelerating growth. While there are concerns on the rise of protectionist policies in various parts of the world, stable macro-economic outlook and strong human and economic capital would continue to favour a resource rich country like India. The various policies and schemes aimed at increasing financial and physical infrastructure would have a multiplier impact on the economy. Due to increasing usage of technology, the competition in financial services space is expected to increase further as disruptors would compete with traditional players. The diversity in customer base and product offerings would necessitate continuous evolution of operating models for major participants.

Our company in past few years has made substantial investments in people, processes and technology. The company is committed to its Strategy 2020, and while we continue to focus on customers and delivering steady performance, we are cognizant of the changes in the financial services sector and are well-equipped to ride this wave.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place: Mumbai
Date: May 04, 2017

BUSINESS RESPONSIBILITY REPORT

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	:	L74999MH1995PLC093797
2.	**Name of the Company - IIFL Holdings Limited**	:	IIFL Holdings Limited
3.	**Registered Address**	:	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate,Thane, Maharashtra - 400604
4.	**Website**	:	www.iifl.com
5.	**E-mail id**	:	shareholders@iifl.com
6.	**Financial Year Reported**	:	April 01, 2016- March 31, 2017
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	:	National Industrial Classification 2008 Code: 6619-66190 - IIFL Holdings Limited is engaged in Financial Services Activities i.e. Merchant Banking, Investment Advisory and others
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	:	IIFL Holdings Limited is a diversified financial services Company offering investment banking, institutional equities, advisory services, financing, asset & wealth management, financial advisory, broking and financial product distribution, by itself and through its various subsidiaries.
9.	**Total number of locations where business activity is undertaken by the Company**		
	(a) Number of International Locations (Provide details of major 5)	:	IIFL Holdings Limited has subsidiaries/step down subsidiaries in 7 international locations. The major are in Mauritius, Singapore, Hong Kong, United States and UAE.
	(b) Number of National Locations	:	IIFL Holdings Limited has 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 Group serves its customers in national and international locations.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	**Paid up Capital (INR)**	:	₹ 635.82 million.
2.	**Total Turnover (INR)**	:	₹ 49,248.83 million (Consolidated). ₹ 1,923.37 million (Standalone).
3.	**Total profit after taxes (INR)**	:	₹ 8,222.76 million (Consolidated). ₹ 1,567.78 million (Standalone).
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 – IIFL Holdings Limited has 32 subsidiaries including step down subsidiaries.

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)**
   All the subsidiaries of IIFL Holdings Limited participated in the BR initiatives of the Company. Also, 9 (nine) Subsidiaries participated in the CSR initiatives of the Company through India Infoline Foundation.

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 : R. Venkataraman
3. Designation: : Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00011919
2	Name	R. Venkataraman
3	Designation	Managing Director
4	Telephone number	+91 22 42499000
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 marginalized

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

The principle wise responses are as follow:

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? Is 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
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 IIFL Group 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. However, 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 can be viewed on the website of the Company i.e. www.iifl.com.The initiatives undertaken by India Infoline Foundation can be viewed on the link https://www.iifl.com/about-us/iifl-foundation.

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 web link https://www.iifl.com/about-us/iifl-foundation.



Sr. No. 3 : IIFL has in place IIFL group code of conduct which focuses on best employment practices. The Code of Conduct is in adherence to the regulatory requirement. Sr. No 6 : The IIFL group code of conduct is made available on intranet of the Company.



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 & policies and to obtain necessary government approvals. The policy is accessible to the concerned employees of the Company



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



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 web link https://www.iifl.com/about-us/iifl-foundation.



Sr. No. 3 : IIFL has Grievance Redressal Policy for its customers which conforms 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 No. 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 is the first Business Responsibility Report of the Company and is a part of the Annual Report for the Financial Year 2016-17. 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 Holdings Limited conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and it is ingrained into its practices across the organisation.

The Company is committed to acting professionally, fairly and with integrity in all its dealings. The Company, through the IIFL Group 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. 2016-17 was 17 and all the complaints have been resolved.

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 Holdings Limited (IIFL) is a SEBI registered merchant banker and advisor providing investment banking services including advising for IPOs, QIPs, NCD placements, open offers, private equity advisory and pre IPO placements to its clients.

IIFL through its subsidiaries provides various loan products to cater to different classes of customers through an expansive network of branches and direct selling agents. Some of our customized products include commercial vehicle finance, gold loans, home loans, small and medium enterprise loans to meet expansion and working capital needs.

Its subsidiaries also provide broking, wealth management, advisory and distribution of insurance and financial products services to various classes of customers.

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 weblink: https://www.iifl.com/sites/default/files/pdf/IIFL_CSR_policy.pdf. The initiatives of India Infoline Foundation for Inclusive Growth can be viewed on the link https://www.iifl.com/about-us/iifl-foundation.

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 utilization 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 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. 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 11,432 employees (including contractual employees) as on March 31, 2017.

2. **PLEASE INDICATE THE TOTAL NUMBER OF EMPLOYEES HIRED ON TEMPORARY/CONTRACTUAL/CASUAL BASIS.**
The Company and its subsidiaries had 331 employees as on March 31, 2017 on contractual basis.

3. **PLEASE INDICATE THE NUMBER OF PERMANENT WOMEN EMPLOYEES.**
The Company and its subsidiaries had 2,299 women employees as on March 31, 2017.

4. **PLEASE INDICATE THE NUMBER OF PERMANENT EMPLOYEES WITH DISABILITIES**
IIFL Group 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 RECOGNIZED BY MANAGEMENT.**
No

6. **WHAT PERCENTAGE OF YOUR PERMANENT EMPLOYEES IS MEMBERS OF THIS RECOGNIZED EMPLOYEE ASSOCIATION?**
NA

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.**
Nine cases of sexual harassment were reported in IIFL group during the financial year 2016-17 and all were disposed off after due verification/investigation and appropriate actions initiated, if any. No complaints 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 organization.

3. Prevention against Sexual Harassment @ Work place
   Apart from the presence of a Prevention of Sexual

Harassment Committee, e-learning courses are also deployed to every employee in the organization, under the set of mandatory courses for completion.

4. Health and Insurance Safety
   a. Regular blood donation and other health camps are organized through HR and CSR teams to spread the word of living a healthy life.

   b. Often health checkups camps and yoga sessions are conducted to ensure mental and physical wellbeing 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 sensitizing employees on 'Gifts Policy' through an online medium, organization 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 organizational policies on bribery and corruption, clearly demarcating the do's and don'ts of business.

7. Women Empowerment Sessions
   a. Through 'Women Orientation' programs, we have addressed personal grievances of women specific employees at specific regions in the country.

   b. 'Take Charge' was an initiative taken specifically for women employees to help them understand the nuances of managing work and home, and ensure being successful at both.

Apart from the above areas, skill development is looked at from various angles, which include orientation of any new employee, providing the required technical and functional skill exposure, team management and leadership skills etc. through On The Job training sessions, video based modules, e-learning's, classroom sessions etc. For identified High Potential employees, we have established tie-up with management institutes like IIMs to provide a unique learning experience. Confirmation and evaluation panels are also setup to ensure that employees are adequately skilled before they are being considered for their job roles or job elevations.

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 & MARGINALIZED STAKEHOLDERS?
Yes

3. ARE THERE ANY SPECIAL INITIATIVES TAKEN BY THE COMPANY TO ENGAGE WITH THE DISADVANTAGED, VULNERABLE AND MARGINALIZED 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 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. 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:

The Company is a member of trade bodies/Associations such as ASSOCHAM, CII, FICCI, ANMI, BSE Brokers Forum, AMFI and Association of Investment Bankers of India 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 growth and development of financial services sector. The Company, through India Infoline Foundation has been working on several initiatives for promotion of Girl Child Illiteracy eradication program, Supporting Library for under privileged 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.

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 and schooling the unschooled is the key program under which we work by starting community schools in remote locations to facilitate education opportunities for the 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.

2. ARE THE PROGRAMMES/PROJECTS UNDERTAKEN THROUGH IN-HOUSE TEAM/OWN FOUNDATION/ EXTERNAL NGO/GOVERNMENT STRUCTURES/ANY OTHER ORGANIZATION?

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 program is 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 work towards achieving the goals and objectives alongside us.

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 Holdings Limited as on March 31, 2017. As regards subsidiaries, in their normal course of business they resolve/ reply to the customer grievances within the given timelines. As on March 31, 2017, the number 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 clients may have grievance/disputes against the Company/its subsidiaries. The Company and its subsidiaries always endeavor to maintain cordial relationship with its clients and attach utmost importance to verify/investigate the matters and arrive at 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 Company's services to customers, the customer service teams do ascertain the satisfaction of the customers as per its systems and methodologies. However, no such formal consumer survey/consumer satisfaction trend has been carried out by the Company.

For IIFL Holdings Limited

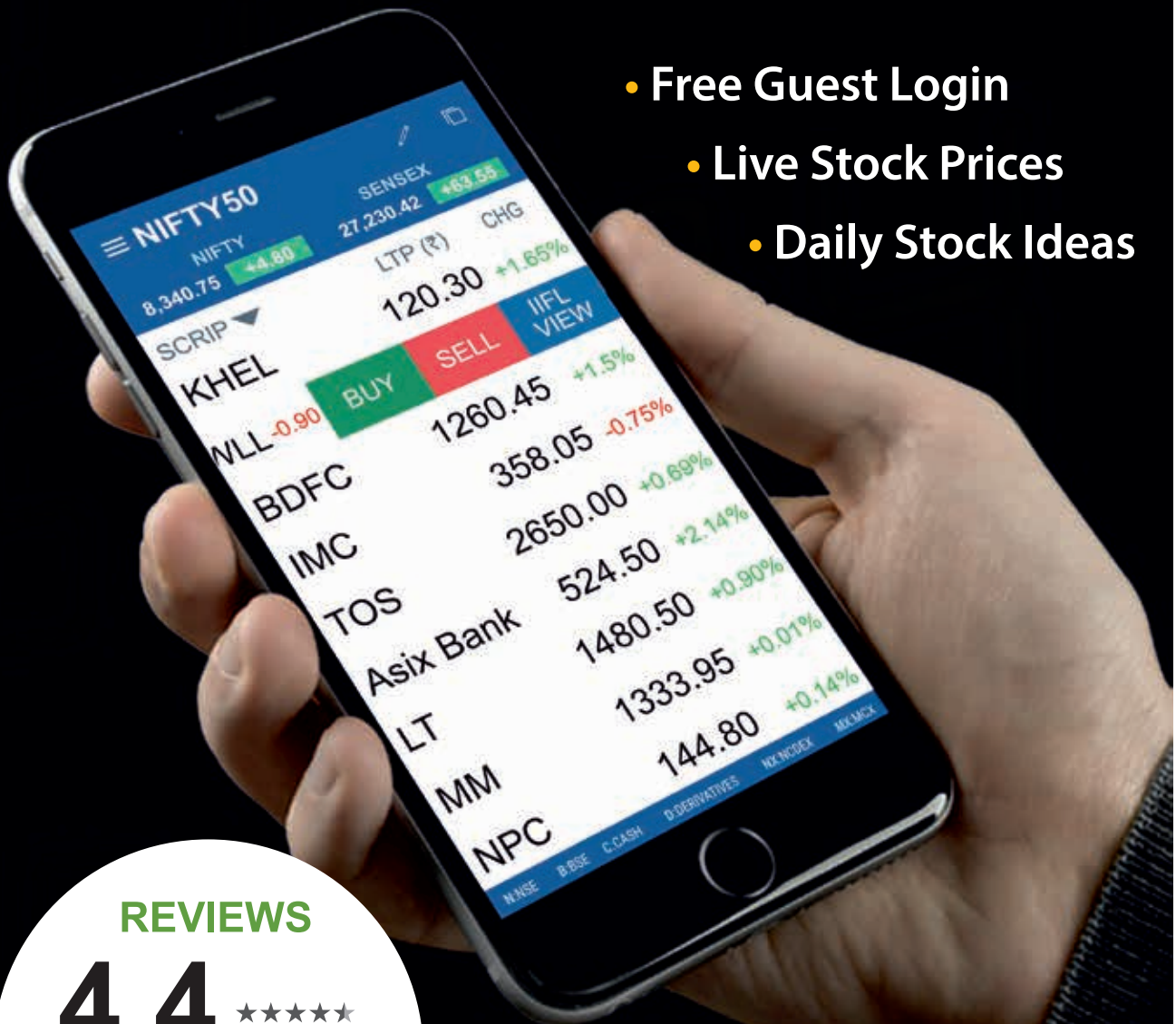
Nirmal Jain
Chairman
DIN: 00010535

Date: May 04, 2017
Place: Mumbai

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CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2017 has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

1. OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IIFL Holdings Limited ('the Company') follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected 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. We have an advisory board comprising stalwarts with long and immaculate careers in banks, public service and legal profession.

2. BOARD OF DIRECTORS

a) Composition of the Board of Directors as on March 31, 2017:

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

The Chairman of the Board is an Executive Director and majority of the Board comprises of 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. Kranti Sinha
	Mr. Nilesh Vikamsey
	Mr. Arun Kumar Purwar
	Dr. S Narayan
	Ms. Geeta Mathur
Non Executive Directors other than Independent Directors	Mr. Chandran Ratnaswami

b) Brief profiles of the Directors are as follows:

- **MR. NIRMAL JAIN** (Chairman)

Mr. Nirmal Jain is the founder and Chairman of the Company , is a PGDM (Post Graduate Diploma in Management) from IIM (Indian Institute of Management), Ahmedabad, 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 Pvt. Ltd. (later renamed 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 22 years.

- **MR. R. VENKATARAMAN** (Managing Director)

Mr. R. Venkataraman, Co-Promoter and Managing Director of the Company , is a B.Tech (Electronics and Electrical Communications Engineering, IIT Kharagpur) and an MBA (IIM, Bangalore). He joined the Company's Board in July 1999. He has been contributing immensely in the establishment of various businesses and sphearheading key initiatives of the group over the past 18 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 26 years in the financial services sector.

- **MR. KRANTI SINHA** (Independent Director)

Mr. Kranti Sinha — Board member since January 2005 — completed his masters from Agra University and started his career as a Class I Officer with Life Insurance Corporation of India (LIC). He served as Director and Chief Executive Officer of LIC Housing Finance Limited from August 1998 to December 2002 and concurrently as the Managing Director of LICHFL Care Homes Limited (a wholly-owned subsidiary of LIC Housing Finance Limited). He retired from the permanent cadre of the Executive Director of LIC. He also served as the Deputy President of the Governing Council of Insurance Institute of India and as a member of the Governing Council of National Insurance Academy, Pune apart from various other such bodies.

- **MR. NILESH VIKAMSEY** (Independent Director)

Mr. Nilesh Vikamsey is a Senior Partner at M/s Khimji Kunverji & Co., Chartered Accountants, a member firm of HLB International. Mr. Vikamsey is presently the President of the Institute of Chartered Accountant of India (ICAI). Mr.

Vikamsey is ex-Chairman of Federal Bank Limited and is also on the Board of several companies like SBI Life Insurance Company Limited, Thomas Cook (India) Limited, PNB Housing Finance Limited, Navneet Education Limited, NSEIT Limited, SOTC Travel Services Private Limited and Extensible Business Reporting Language (XBRL) India among others. Mr. Vikamsey is Chairman of SEBI's Qualified Audit Report Committee (QARC) & member of Associated Chambers of Commerce and Industry of India (ASSOCHAM) National Council on Asset Reconstruction. He was member of Committee on Disclosures and Accounting Standards (SCODA) of SEBI, LLP Committee of Ministry of Corporate Affairs (MCA), Chairman of Education & CPD Committee of South Asian Federation of Accountants (SAFA), IRDA's Committee on Road Map for Risk Based Solvency Approach in Insurance, Chairman of ICAI's Board of Studies, Research Committee, Financial Reporting Review Board & Expert Advisory Committee & Vice Chairman of ICAI's Committee on Information Technology & Corporate Laws & Corporate Governance Committees etc.

- **MR. A. K. PURWAR** (Independent Director)

Mr. Purwar is currently Chairman of ILFS Renewable Energy, one of the largest renewable energy Companies in the country. He also works as an independent director in leading Companies across diverse sectors like Power, Solar Energy, Telecom, Steel, Engineering Consultancy, Pharmaceuticals, Entertainment and Financial Services. 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 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.

- **MR. CHANDRAN RATNASWAMI** (Non Executive Director)

Mr. Chandran Ratnaswami, Board Member since May 2012, 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 ICICI Lombard General Insurance, Thomas Cook (India) Ltd., Fairbridge Capital in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, First Capital Insurance Limited, Singapore, 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.

- **DR. S. NARAYAN** (Independent Director)

Dr. S Narayan – Board Member since August - 2012 is a retired IAS Officer. He was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets. Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies. He is a Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore, at Singapore since 2005.

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

Ms. Geeta Mathur – Board Member since September – 2014 is a Chartered Accountant, specializes 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 as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is currently on the board of several large companies across manufacturing and services including Motherson Sumi Limited, NIIT Limited Tata Communication Transformation Services ltd and RSWM. She is the Co chair for the India Chapter of Women Corporate Directors Foundation, a global organization working towards increasing the participation of women on corporate boards and board leadership position. She is a graduate in Commerce from Shriram College of Commerce, Delhi University.

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

Six (6) Board Meetings were held during the year 2016-2017 on the following dates: May 05, 2016, July 20, 2016, July 29, 2016, September 30, 2016, October 26, 2016 and January 25, 2017.

As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is Member of more than ten (10)

Corporate Governance Report (contd.)

specified Committees and none is a Chairman of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies. The table below gives the details of the names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on 31 March 2017. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies:

Name of the Director (DIN)	Date of appointment	Category	Number of board meeting attended during the year	Attendance at last AGM	Directorships in Indian Public Limited companies (Including IIFL Holdings Limited)	Membership of Committees (including of IIFL Holdings Limited)1	
						Member	Chairman[2]
Mr. Nirmal Jain (DIN:00010535)	18/10/1995	Executive Chairman	6	Yes	04	02	00
Mr. R. Venkataraman (DIN: 00011919)	05/07/1999	Managing Director	6	Yes	08	05	01
Mr. Kranti Sinha (DIN: 00001643)	22/01/2005	Independent Director	6	Yes	05	06	04
Mr. Nilesh Vikamsey (DIN: 00031213)	11/02/2005	Independent Director	5	Yes	09	08	01
Mr. A. K. Purwar (DIN: 00026383)	10/03/2008	Independent Director	6	Yes	09	05	03
Mr. Chandran Ratnaswami (DIN: 00109215)	15/05/2012	Non-Executive Director	6	No	07	01	00
Dr. S. Narayan (DIN: 00094081)	01/08/2012	Independent Director	6	Yes	09	06	02
Ms. Geeta Mathur (DIN: 02139552)	18/09/2014	Independent Director	6	Yes	10	05	03

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.

d) Board Level Performance Evaluation:

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

The criteria for performance evaluation are as under:

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

For 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, capitalize 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/ Committee as a whole:
The criteria for evaluation of the Board/Committee thereof, ***inter alia,*** includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

e) Separate 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 17, 2017, *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. 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.

f) Familiarization programme for Independent Directors:
The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarization programmes of the Company may be accessed on the Company's website at the link 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 confirmed in the next Board Meeting.
- Board Meeting Location: The location of the Board/ Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board/Committee Meetings.
- Notice and Agenda 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,

Corporate Governance Report (contd.)

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 operating plans of the businesses and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company;
- 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 or substantial non-payment;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment 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;
- Compliance status 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).

3. AUDIT COMMITTEE

The Audit Committee of your Company comprises of three Independent Directors (Mr. Nilesh Vikamsey, Mr. Kranti Sinha & Ms. Geeta Mathur) and one Executive Director (Mr. R. Venkataraman). Mr. Kranti Sinha, 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) Qualifications 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

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;

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 of internal control systems of 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 following information:
   1) Management discussion and analysis of financial condition and results of operations;
   2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   3) Management letters/letters of internal control weaknesses issued by the statutory auditors;

Corporate Governance Report (contd.)

4) Internal audit reports relating to internal control weaknesses; and
5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee of the Company met Six (6) times during the last financial year on May 05, 2016, July 20, 2016, 29 July 2016, September 30, 2016, October 26, 2016 and January 25, 2017. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than four (4) months.

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, 2017 given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Kranti Sinha	Chairman	Independent Director	06	06
Mr. Nilesh Vikamsey	Member	Independent Director	06	04
Mr. R Venkataraman	Member	Executive Director	06	06
Ms. Geeta Mathur*	Member	Independent Director	06	05

*Note: Ms. Geeta Mathur was inducted as a member of the Committee w.e.f May 06, 2016.

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 29, 2016.

4. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provision of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee comprises of three Independent Directors with Mr. Kranti Sinha 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 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.

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.

The constitution of the Nomination and Remuneration Committee and details of attendance of each member of the committee at the Meeting of Committee held on 05th May, 2016 is given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Kranti Sinha	Chairman	Independent Director	1	1
Mr. Nilesh Vikamsey	Member	Independent Director	1	1
Mr. A K Purwar	Member	Independent Director	1	1

During Financial Year 2016-2017, the Committee also approved matters relating to allotment and grant 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 29, 2016.

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:

(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:

A. Directors:
   a. Executive Directors (Managing Director, Manager or Whole Time Director):
      (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
      (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
      (iii) The remuneration of the Manager/ CEO/Managing Director/Whole Time Director is broadly divided into fixed and incentive pay reflecting short-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 benchmarks and the current trends;
      - The Company's performance vis-à-vis the annual budget achievement and individual performance.

Corporate Governance Report (contd.)

b. Non-Executive Director:

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

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

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

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

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

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

B. 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 of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company ;

d. Remuneration shall 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 2016-17 and details of number of shares and convertible instruments held by Directors as on March 31, 2017 is as under:

Name of the Director	Designation	Salary and perquisite	Commission	Sitting Fees	Contribution to PF and other funds	Stock options	No. of equity shares held
Mr. Nirmal Jain*	Executive Chairman	4,34,62,500	-	-	21,600	-	51,252,000
Mr. R. Venkataraman#	Managing Director	3,05,00,000	-	-	3,21,600	-	19,909,432
Mr. Kranti Sinha	Independent Director	-	10,00,000	3,45,000	-	-	1,15,000
Mr. Nilesh Vikamsey	Independent Director	-	10,00,000	2,55,000	-	-	1,65,000
Mr. A. K. Purwar	Independent Director	-	10,00,000	1,95,000	-	-	1,00,000
Dr. S. Narayan	Independent Director	-	10,00,000	1,80,000	-	-	-
Ms. Geeta Mathur	Independent Director	-	10,00,000	3,15,000	-	-	-
Mr. Chandran Ratnaswami	Non-Executive Director	-	-	-	-	-	-

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

Entire Remuneration paid to Mr. R. Venkataraman by the subsidiaries of the Company i.e India Infoline Finance Limited and India Infoline Limited.

The term of office of the Managing Director and Executive 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. 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.

(c) Remuneration to Non-Executive/Independent Directors

During the financial year 2016-17, 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 ESOP under the Company's ESOP Schemes prior to the notification of Companies Act, 2013 and SEBI (Share based employee benefits) Regulations, 2014. 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.

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 of Ms. Geeta Mathur, Independent Director as the Chairperson and Mr. Nirmal Jain and Mr. R. Venkataraman, Executive Directors as the Members. 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 dematerialization of shares/ debentures/other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors/ stakeholders grievances;
7. All other matters incidental or related to shares, debentures and other securities of the Company.

During the year 2016-2017, the Company received 17 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	Nil
2	Investor complaints received during the year	17
3	Investor complaints disposed of during the year	17
4	Investor complaints remaining unresolved at the end of the year	Nil

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on July 29, 2016.

No pledge has been created over the Equity Shares held by the promoters as on March 31, 2017.

The constitution of the Stake Holders and Relationship Committee and details of attendance of each member of the committee at the meeting of Committee held on January 25, 2017 is given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Ms. Geeta Mathur	Chairperson	Independent Director	1	1
Mr. Nirmal Jain	Member	Executive Director	1	1
Mr. R. Venkataraman	Member	Executive Director	1	1

Corporate Governance Report (contd.)

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:	IIFL Centre, Kamala City, Off. Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Contacts:	Tel: +91 22 4249 9000 Fax: +91 22 2684 7077 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 25th January, 2017 is given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Nirmal Jain	Chairman	Executive Director	1	1
Mr. Nilesh Vikamsey	Member	Independent Director	1	1
Mr. R. Venkataraman	Member	Independent 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 at the link https://www.iifl.com/investor-relations/corporate-governance.
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 08th May, 2017 is given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. A. K. Purwar	Chairman	Independent Director	1	1
Mr. Nilesh Vikamsey	Member	Independent Director	1	1
Mr. Nirmal Jain	Member	Executive Director	1	1

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

i. To monitor and review the risk management plan of the Company ;
ii. To oversee risk management process, systems and measures implemented to mitigate the same; and
iii. Any other matter as may be mandated/referred by the Authority/Board.

The Committee reviewed the policy, systems and processes and suggested suitable additional measures as appropriate.

8. FINANCE COMMITTEE

The Finance Committee comprises of 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 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 29, 2016	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 pm	Yes. 3 Special Resolutions were passed.
July 29, 2015	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 pm	Yes. 5 Special Resolution was passed.
July 30, 2014	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4.00 pm	Yes. 1 Special Resolutions were passed.

The following special resolution has been passed through Postal Ballot (including electronic voting) during the last financial year ended 2016-17 i.e. on August 08, 2016:

1. Increase in the limits for Loan/Investments/ Corporate Guarantees by the Company :

Votes in favour of resolution	21,89,76,002
Votes against the resolution	59,65,942
Percentage of Votes in favour of resolution	97.35%

The Board appointed Mr. Mahesh Darji, a Practicing Company Secretary, as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

Procedure of Postal Ballot:
The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated May 5, 2016 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on July 04, 2016 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from July 08, 2016 (9.00 a.m. IST) to August 06, 2016 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mr. Mahesh Darji submitted his report to the Company and the results of the postal ballot were announced by the Company on August 08, 2016. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.iifl.com and on the website of National Securities Depository Limited i.e. www.evoting.nsdl.com.

11. DISCLOSURES

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

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. 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.

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.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties, which could be considered material in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Company's website at the link https://www.iifl.com/investor-relations/corporate-governance. You may refer to Note no. 34 to the financial statement which contains related party disclosures.

(ii) Details of non-compliance:

No major strictures/penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2016-17.

Corporate Governance Report (contd.)

(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 victimization of Whistle Blower who avails of such mechanism and provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers has been denied access to the Audit Committee.

(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 and market intermediary has formulated and adopted a new code for prevention of Insider Trading incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required.

All the Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

(v) Compliance with Mandatory and Non-Mandatory Provision:

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

The 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 shares of the Company:

The Company has 9780 Equity Shares in the "India Infoline-Unclaimed Securities Suspense Account" in the name of 21 shareholders at the beginning of the FY 2016-17. The Company has been transferring the shares lying unclaimed under the IPO to the eligible shareholders as and when the request for the same has been received after proper verification. However, during the year ended March 31, 2017, the Company has not received any request for the claiming these shares. As on March 31, 2017, there were 9780 Equity Shares remaining unclaimed in the Unclaimed Suspense Account in the name of 21 Shareholders.

Particulars	Number of Shareholders	Shares
Opening Balance as on April 1 , 2016	21	9,780
Additions, if any, during FY 2016-17	0	0
Less: Claims received and shares transferred	0	0
Closing Balance as on March 31, 2017	21	9,780

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 Company had, accordingly, transferred ₹ 6,02,134/- and ₹ 11,76,922/- being the unpaid and unclaimed dividend amount pertaining to Interim Dividend 1 and Interim Dividend 2 declared in financial year 2009-2010 respectively to the Investor Education and Protection Fund of the Central Government. The Members, who have not encashed the dividend warrants up to the said period, are requested to claim the amount from the Ministry of Corporate Affairs, Mumbai.

Further as per the provisions of section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules, 2016) notified by Ministry of Corporate Affairs with effect from September 07, 2016 and as amended on February 28, 2017, the equity shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to demat account of IEPF. Accordingly, the Company has sent individual notice(s) to shareholders at their registered address whose shares are liable to be transferred to IEPF advising to claim before May 31, 2017.

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 Company's website. Quarterly/annual

financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange. 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 Company's website under the heading "Investors".

The quarterly and annual results of your Company are published in widely circulated newspapers. Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/ Institutional Investors meets are also informed to the public through the Stock Exchanges.

13. GENERAL SHAREHOLDERS' INFORMATION

1.	Annual General Meeting	Saturday, July 22, 2017 at 4.30 PM. Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.
2.	Financial calendar (2017-18)	April 1, 2017 to March 31, 2018
		Results for the quarter ended June 30, 2017 – within 45 days from the end of the quarter
		Results for the quarter ended September 30, 2017 – within 45 days from the end of the quarter
		Results for the quarter ended December 31, 2017 – within 45 days from the end of the quarter
		Results for the quarter and year ended March 31, 2018 – within 60 days from the end of the quarter
3.	Book closure date	July 16, 2017 to July 22, 2017.
4.	Interim dividend	During 2016-17, your Company has on January 25, 2017 declared and paid interim dividend of ₹ 4.50/- per equity share.
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 for the FY 2017-18 have been 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 Holdings Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2017.	

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2016	222.50	202.10	66,578	224.00	201.40	7,70,453
May, 2016	219.25	196.15	83,221	220.00	197.00	8,47,274
June, 2016	242.05	200.00	31,10,778	238.00	200.05	50,32,157
July, 2016	275.00	216.10	8,96,283	273.40	217.00	52,41,502
August, 2016	312.20	264.65	13,67,654	311.80	265.10	55,67,876
September, 2016	302.00	244.00	12,98,941	301.95	240.05	63,74,716
October, 2016	399.50	265.00	4,75,545	342.40	262.85	39,39,141
November, 2016	325.00	229.00	14,45,162	328.55	237.80	48,03,693
December, 2016	275.25	245.00	12,04,111	274.95	250.00	30,45,909
January, 2017	315.50	255.00	9,97,494	315.85	252.60	28,23,780
February, 2017	394.00	290.05	1,69,26,272	394.00	290.15	68,61,553
March, 2017	412.55	355.00	13,65,602	412.40	359.25	69,79,649

Corporate Governance Report (contd.)

8.	Demat ISIN numbers in NSDL and CDSL for equity shares	ISIN - INE530B01024
9.	Registrar & Transfer Agent	Link Intime Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, 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 dematerialized form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt. 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.	Dematerialization of shares	As on March 31, 2017, 99.90% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
12.	Debenture Trustee	Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (East), Mumbai - 400051 Contact Person: Mr. Jagdish Kondur Phone: +91 22 6716 7000
13.	Correspondence for dematerialization, transfer of shares, non–receipt of dividend on shares and any other query relating to the shares of the Company	Link Intime Private Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Contact Person: Ms. Sharmila Amin Tel: 022-49186000
14.	Any query on Annual Report contact at corporate office	Mr. Gajendra Thakur Company Secretary and Compliance Officer IIFL Centre, Kamala City, Off Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Email: shareholders@iifl.com
15.	Outstanding GDRs/ADRs/ Warrants/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 2548860 stock options as on March 31, 2017 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.

14. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on March 31, 2017:

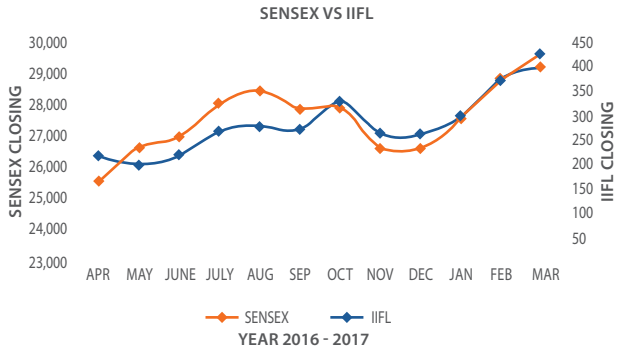
Category	Number of equity shares held	Percentage of holding
Promoters & Promoters Group	92,361,432	29.05
Indian Public & others	39,177,193	12.32
Mutual Fund	6,180,982	1.94
Corporate Bodies	3,739,323	1.18
Banks, Financial Institutions	63,945	0.02
Foreign Institutional Investors	8,854,29	0.29
NRI's/OCBs/Foreign Nationals/FC/QFI	175,499,889	55.20
Grand Total	**317,908,193**	**100.00**

15. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

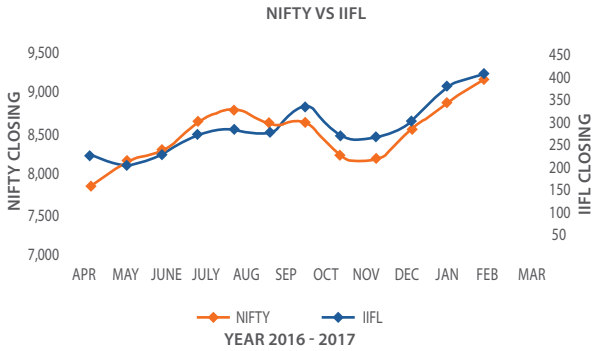
The distribution of shareholders as on March 31, 2017 is as follows:

No. of equity shares held (range)	No. of shareholders	% of shareholders	No. of shares	% of share Holdings
1 – 500	18,358	84.20	2,149,724	0.68
501 – 1000	1602	7.35	1,233,510	0.39
1001 – 2000	711	3.26	1,053,247	0.33
2001 – 3000	263	1.21	666,655	0.21
3001 – 4000	127	0.58	455,197	0.14
4001 – 5000	122	0.56	577,880	0.18
50001 – 10000	231	1.06	1,734,442	0.55
10001 and more	389	1.78	310,037,538	97.52
Total	**21,803**	**100.00**	**317,908,193**	**100.00**

IIFL Holdings Limited share price versus the BSE Sensex



IIFL Holdings Limited share price versus the NSE S&P CNX Nifty



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 during the FY 2016-17.

17. SUBSIDIARY COMPANIES

For the financial year 2016-2017, your Company had three material India Subsidiary i.e. India Infoline Finance Limited, IIFL Wealth Management Limited and IIFL Wealth Finance Limited. 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 & IIFL Wealth Management Limited. Further, Mr. S. Narayan, Independent Director on the Board of the holding Company is also an Independent Director on the Board of IIFL Wealth Finance Limited. As for the financial year 2017-18, your Company has four material Indian subsidiaries i.e. India Infoline Finance Limited, IIFL Wealth Management Limited, India Infoline Housing Finance Limited and IIFL Wealth Finance Limited.

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

Corporate Governance Report (contd.)

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 Company's website at the link 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. 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 www.iifl.com.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place: Mumbai
Date: May 04, 2017

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 Holdings Limited

We Certify that;

(a) We have reviewed the financial statements and the cash flow statement of IIFL Holdings Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Nirmal Jain
Chairman
DIN: 00010535

R. Venkataraman
Managing Director
DIN: 00011919

Prabodh Agrawal
Chief Financial Officer

Place: Mumbai
Date: May 04, 2017

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, 2017, 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 the purpose of this declaration, the term 'senior management' means the direct reportees to the Chairman and the Managing Director.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place: Mumbai
Date: May 04, 2017

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
IIFL Holdings Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by, IIFL Holdings Limited (the "Company ") for the year ended on 31st March 2017, as per the regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such Compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration no.109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.(F) 037457

Place : Mumbai
Dated: May 04, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of IIFL Holdings Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of IIFL Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its financial statements, refer note no. 26 to the 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; and

iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 37 to the standalone financial statements.

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 04, 2017

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditor's report to the members of **IIFL Holdings Limited** ("the Company") for the year ended March 31, 2017. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets.

   (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.

2. The Company is not carrying on any manufacturing or trading activity. Therefore, paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has granted loan to six companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

   (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

   (b) In the case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

   (c) There are no overdue amounts in respect of the loan granted to companies listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities made.

5. The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

6. As per the information and explanations given to us, in respect of the class of industry, the Company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, Paragraph 3 (vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no material undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues of duty of customs or duty of excise. However, according to the information and explanations given to us, the following dues of service tax, sales tax, value added tax, profession tax and income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the disputed dues	Amount of Tax (₹ In Millions)	Period to which the amount relates	Forum where dispute is pending
MVAT Act, 2002	Delay in filing VAT Audit Report for the period 2007-2008	₹ 0.56	F.Y. 2007-2008	Jt. Comm. Of Sales Tax
Profession Tax	Profession Tax, Penalty & Interest	₹ 1.55	A.Y.2007-2008	Dy. Comm. Of Sales Tax – Appeals
Income Tax Act,1961	Disallowance of Expenses U/S 14 A	₹ 0.61	A.Y.2006-2007	Assessing Officer under section 254 of the Income Tax Act,1961.

Name of the Statute	Nature of the disputed dues	Amount of Tax (₹ In Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Disallowance of Depreciation, Disallowance U/S 14A and Disallowance of Expenses	₹ 7.03 out of total demand of ₹ 13.96	A.Y.2007-2008	Assessing officer under section 254 of the Income Tax Act,1961.
Income Tax Act,1961	Disallowance of Expenses u/s 14 A and ESOP Expenses	₹ 39.57 out of total demand of ₹ 59.38	A.Y.2008-2009	Assessing Officer under section 254 of the Income Tax Act,1961. The Company has also filed an appeal before High Court against the ITAT order.
Income Tax Act,1961	Disallowance of Expenses u/s 14 A and ESOP Expenses and Transfer Pricing Adjustment	₹ 25.36 out of total demand of ₹ 67.07	A.Y.2010-2011	CIT Appeals of Income Tax
Income Tax Act,1961	Disallowance of Expenses u/s 14 A and ESOP Expenses and Transfer Pricing Adjustment	₹ 35.39	A.Y. 2011-2012	CIT Appeals of Income Tax
Income Tax Act,1961	Disallowance of Expenses u/s 14 A and ESOP Expenses and Transfer Pricing Adjustment	₹ 112.84 out of total demand of ₹ 132.84	A.Y. 2012-2013	CIT Appeals of Income Tax
Income Tax Act,1961	Disallowance of Expenses u/s 14 A and Transfer Pricing Adjustment	₹ 51.78	A.Y. 2013-2014	CIT Appeals of Income Tax
Service Tax Act,1994	Service Tax on brokerage and transaction charges	₹ 1.14	For the period 1.4.2007 to 31.03.2012	Commissioner of Central Excise Appeals

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to debenture holders. The Company has not borrowed from bank, financial institution and government during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Therefore, paragraph 3 (ix) of the Order is not applicable to the Company.

10. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Therefore, paragraph 3 (xi) of the Order is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3 (xiv) of the Order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 04, 2017

ANNEXURE B TO THE AUDITORS' REPORT

Independent Auditors' report to the members of **IIFL Holdings Limited** ("the Company") on the Internal Financial Controls 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 the Company as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 unauthorized 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, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 04, 2017

STANDALONE BALANCE SHEET

As at March 31, 2017

(₹ in Millions)

Particulars	Note No.	As at March 31 , 2017	As at March 31 , 2016
I EQUITY AND LIABILTIES			
(1) Shareholder's Funds			
(a) Share Capital	3	635.82	633.07
(b) Reserve and Surplus	4	14,359.11	14,125.84
Sub Total		**14,994.93**	**14,758.91**
(2) Share application money pending allotment	5	1.46	-
Sub Total		**1.46**	**-**
(3) Non Current Liabilities			
(a) Long-term borrowings	6	-	500.00
(b) Deferred tax liabilties (Net)		-	-
(c) Other Long-term liabilities		-	-
(d) Long-term provisions	7	11.08	6.88
Sub Total		**11.08**	**506.88**
(4) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(A) Total outstanding dues of micro and small enterprises			
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(c) Other current liabilities	8		
- Current portion of long term borrowing		500.00	-
- Others		149.00	99.24
(d) Short-term provisions	7	51.57	37.94
Sub Total		**700.57**	**137.18**
Total		**15,708.04**	**15,402.97**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		7.88	8.72
(ii) Intangible assets		12.76	0.47
(iii) Capital work-in-progress		-	16.09
Sub Total		**20.64**	**25.28**
(b) Non-current investments	10	14,438.41	14,173.50
(c) Deferred tax assets (Net)	11	132.99	146.92
(d) Long-term loans & advances	12	226.92	251.52
(e) Other non-current assets		-	-
Sub Total		**14,798.32**	**14,571.94**
(2) Current assets			
(a) Current investments	13	780.00	-
(b) Inventories		-	-
(c) Trade receivables	14	10.93	52.43
(d) Cash and Bank Balances	15	85.32	33.44
(e) Short-term loans & advances	16	2.16	707.23
(f) Other current assets	17	10.67	12.65
Sub total		**889.08**	**805.75**
Total		**15,708.04**	**15,402.97**
See accompanying notes Forming Part of the Standalone Financial Statements	1-38		

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Millions)

Particulars	Note No.	2016-17	2015-16
INCOME			
Revenue from Operations	18	1,920.64	2,114.07
Other Income	19	2.73	0.03
Total Revenue (a)		**1,923.37**	**2,114.10**
EXPENDITURE			
(a) Employee cost	20	62.20	84.09
(b) Finance cost	21	67.92	63.45
(c) Depreciation	22	5.83	0.88
(d) Administration and other expenses	23	56.56	56.90
Total expenses (b)		**192.51**	**205.32**
Profit/(loss) before tax from Continuing Operation (c) = (a) - (b)		**1,730.86**	**1,908.78**
Tax expenses :			
(a) Current tax		84.91	159.63
(b) Deferred tax expenses		13.93	24.87
(c) Short / (excess) provision for income tax		40.84	-
Total Tax expenses (d)		**139.68**	**184.50**
Profit/(loss) for the year from Continuing Operation (e) = (c) - (d)		**1,591.18**	**1,724.28**
Profit/(loss) before tax from Discontinuing Operation (f)	33	(23.40)	(4.47)
Tax expenses of Discontinuing Operation (g)		-	-
Profit/(loss) after tax from Discontinuing Operation (h) = (f) - (g)	33	**(23.40)**	**(4.47)**
Profit/(loss) for the period (e) + (h)		**1,567.78**	**1,719.81**
Earnings per equity share (Face Value ₹ 2)			
(1) Basic (in ₹)	24	4.94	5.49
(2) Diluted (in ₹)	24	4.92	5.46
See accompanying notes Forming Part of the Standalone Financial Statements	1-38		

As per our attached report of even date

For **Sharp & Tannan Associates**
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Firm's Registration No. 109983W
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Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE CASH FLOW STATEMENT

For the year ended March 31, 2017

(₹ in Millions)

Particulars	2016-17	2015-16
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation, and extraordinary item (including Discontinuing Operation)	1,707.46	1,904.31
Adjustments for:		
Depreciation & Amortisation	5.83	0.88
Provisions for Gratuity	10.51	3.18
Provision for Expenses	36.36	26.39
Provisions for Leave Encashment	2.20	0.48
	54.90	30.93
Operating Profit Before Working Capital Changes	**1,762.36**	**1,935.24**
Increase / (Decrease) in Other current liabilities	49.76	(74.14)
(Increase) / Decrease in Trade Receivable	41.50	(19.65)
(Increase) / Decrease in Short term Loan & Advances	705.07	(704.25)
(Increase) / Decrease in Long term Loan & Advances	0.74	5.86
Increase / (Decrease) in Short term & Long term Provision	(34.33)	(2.74)
(Increase) / Decrease in Current Asset	(780.00)	-
(Increase) / Decrease in Other current assets	1.97	5.46
	(15.29)	(789.45)
Cash generated from operations	**1,747.07**	**1,145.79**
Tax (Paid) / Refund	(98.80)	(159.63)
Net cash from/(used in) operating activities (a)	**1,648.27**	**986.16**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) /Sale of fixed assets (includes intangible assets) (net)	(1.18)	(16.84)
(Investment) / Sale in subsidiaries(net)	(379.99)	(390.51)
(Investment) / Sale in AIF Funds	35.08	-
(Investment) / Sale of Mutual fund	80.00	1.00
Net cash from/(used in) investing activities (b)	**(266.09)**	**(406.36)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	98.06	379.27
Proceeds from share application money pending allotment	1.46	-
Dividend Paid (including dividend distribution tax)	(1,429.82)	(1,340.80)
Net cash from /(used in) financing activities (c)	**(1,330.30)**	**(961.53)**
Net increase/(decrease) in Cash and cash equivalents (a+b+c)	**51.88**	**(381.73)**
Cash and cash equivalents at beginning of the year	33.44	415.17
Cash and cash equivalents at end of the year (Refer Note no. 15)	85.32	33.44
Net increase/(decrease) in Cash and cash equivalents	**51.88**	**(381.73)**
See accompanying notes Forming Part of the Standalone Financial Statements (1 to 38)		

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

STANDALONE FINANCIAL STATEMENTS OF IIFL HOLDINGS LIMITED

Notes forming part of Standalone Financial Statement for the year ended March 31, 2017

NOTE 1. CORPORATE INFORMATION:

IIFL Holdings Limited was incorporated on October 18, 1995 and is engaged in Merchant Banking and Investment Advisory services besides holding investments in subsidiaries. The Group business consist of finance, financial services, capital market services, distribution of financial products and wealth management services which are carried out by separate subsidiaries of IIFL Holdings Limited.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of Companies Act, 2013 (Act) read with Rule 7 of the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.3 Fixed Assets and Depreciation and Amortization:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any, thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group Companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

Estimated useful life of the assets is as under:

Class of Assets	Useful life in Years
Buildings*	20
Computers*	3
Office Equipment	5
Electrical Equipment *	5
Furniture and Fixtures*	5
Vehicles*	5
Software	3

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

2.4 Translation of foreign currency items:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange difference, if any, arising out of transactions settled during the year are recognized in the statement of Profit and Loss. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. The exchange gains or losses, if any, are recognized in the statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.5 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(a) Income related to advisory activities, Investment banking, Merchant banking is accounted on accrual basis.
(b) Dividend income is recognized when the right to receive payment is established.
(c) Capital Gain/ Loss is recognized on the date of trade.
(d) Interest Income is recognized on accrual basis.

2.6 Employee Benefits:

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

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

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the

Standalone Financial Statements (contd.)

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

2.7 Deferred Employee Stock Compensation:

The stock options granted by the Company are accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014 and the guidance note on Accounting for Stock Options issued by The Institute of Chartered Accountant of India, whereby the intrinsic value of the options are recognised as deferred employee compensation. The deferred employee compensation, if any, is charged to the Statement of Profit and Loss on a straight line basis over the vesting period of the options.

2.8 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

2.9 Taxes on Income:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

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

2.10 Operating Leases:

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

2.11 Investments:

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

2.12 Inventories:

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis. The comparison of cost and market value for arbitrage portfolio is done separately for each script.

2.13 Earnings Per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit or loss after Tax by the weighted average number of equity shares outstanding during the period.

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

2.14 Borrowings:

Borrowings are bifurcated under long term and short term liabilities. Commercial papers are recognised at Face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

2.15 Debenture Issue Expenses:

Debenture issue expenses incurred on issue of non convertible debenture are amortized over the tenure of the underlying debenture.

2.16 Preliminary Expenses are written off in same financial year in which they are incurred.

NOTE 3. SHARE CAPITAL

a. The Authorized, Issued, Subscribed and fully paid up share capital comprises equity shares as follows:

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorized :		
600,000,000 (Previous Year - 600,000,000) Equity Shares of ₹2 each	1,200.00	1,200.00
Issued , Subscribed and Paid Up :		
317,908,193 (Previous Year – 316,536,853) Equity Shares of ₹2 each fully paid – up	635.82	633.07
Total	**635.82**	**633.07**

b. Reconciliation of the shares outstanding:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
At the beginning of the year	316,536,853	633.07	310,233,948	620.47
Add:- Issued during the year on exercise of ESOPs	1,371,340	2.75	6,302,905	12.60
Outstanding at the end of the year	**317,908,193**	**635.82**	**316,536,853**	**633.07**

c. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. During the year ended March 31, 2017, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 4.50 (Previous Year ₹ 4.25).

d. Detail of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	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	26.62	68,788,445	21.73
Nirmal Bhanwarlal Jain	51,252,000	16.12	51,252,000	16.19
HWIC Asia Fund Class A Shares	27,910,000	8.78	27,910,000	8.82
Venkataraman Rajamani	19,909,432	6.26	19,909,432	6.29
Madhu N Jain	17,000,000	5.35	17,000,000	5.37
Copthall Mauritius Investment Limited*	452,530	0.14	16,305,530	5.15

* Position as on March 31, 2017 is given as they were shareholders with more than 5% shareholding as on March 31, 2016.

e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2017	March 31, 2016	March 31 ,2015	March 31, 2014	March 31 ,2013
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares bought back by the company	-	-	-	-	-

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 30.

Standalone Financial Statements (contd.)

NOTE 4. RESERVE AND SURPLUS

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Opening balance	597.70	597.70
Closing balance	**597.70**	**597.70**
Capital Redemption Reserve		
Opening balance	51.11	51.11
Closing balance	**51.11**	**51.11**
Securities Premium Account		
Opening Balance	10,366.32	9,999.65
Addition : Additions on ESOP's exercised	95.32	366.67
Closing balance	**10,461.64**	**10,366.32**
Debenture Redemption Reserve		
Opening balance	42.58	0.57
Addition during the year from Statement of Profit and Loss	41.90	42.01
Closing balance	**84.48**	**42.58**
General Reserve		
Opening balance	854.00	854.00
Addition :- due to transfer during the year from surplus in the Statement of Profit and Loss	-	-
Closing balance	**854.00**	**854.00**
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	2,214.13	1,877.13
Addition: Profit for the year	1,567.78	1,719.81
Less:- Appropriations		
Interim dividend	1,429.19	1,340.80
Dividend distribution tax	0.64	-
Debenture Redemption Reserve	41.90	42.01
General Reserve	-	-
Net Surplus in the Statement of Profit and Loss	**2,310.18**	**2,214.13**
Total Reserve and Surplus	**14,359.11**	**14,125.84**

NOTE 5. SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Share Application Money pending allotment*	1.46	-
Total	**1.46**	**-**

* The Company has received ₹1.46 million (Previous year NIL) towards share application money on account of exercise of 8,070 ESOP options which has resulted into allotment of 8,070 (Previous Year ₹ NIL) equity shares, having face value of ₹ 2 each, allotted on April 13, 2017. Out of total proceeds, ₹ 1.44 million (Previous year ₹ Nil/-) were received towards securities premium.

NOTE 6. LONG-TERM BORROWINGS

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Non Convertible Debenture	-	500.00
Secured: (Zero Coupon Secured Redeemable Non convertible Debentures of Face value of ₹ 1 million each Redeemable on March 20, 2018 at Premium) Security: Immovable Property And Receivable Of The Company Both Present & Future, Current Assets, Book Debts & Such Other Assets Of The Company		
Total	**-**	**500.00**

NOTE 7. PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Current	Non Current	Current	Non Current
Provision for compensated absences	-	-	-	-
Provision For Gratuity	1.14	9.37	0.74	5.92
Provision for expenses	36.36	-	26.39	-
Provision for leave encashment	0.49	1.71	0.33	0.96
Provision for tax(Net of Advance Tax ₹ 212.27 million P.Y. ₹. 9.59 million)	13.58	-	10.48	-
Total	**51.57**	**11.08**	**37.94**	**6.88**

NOTE 8. OTHER CURRENT LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Current portion of long term borrowing		
Non-Convertible debenture(*)	500.00	-
Sub-total (A)	**500.00**	**-**
Others		
Accrued Salaries & Benefits	2.16	9.22
Book Overdraft@	0.00	-
Contractually reimbursable expenses @	-	0.00
Statutory Liabilities Payable	12.94	14.37
Unpaid Dividend	6.79	6.68
Interest accrued but not due	126.55	63.79
Other Payable	0.56	5.18
Sub-total (B)	**149.00**	**99.24**
Total (A) + (B)	**649.00**	**99.24**

@ Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable

(*) Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Company is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through a Private issue and Public issue. Accordingly, Proportionate amount of ₹ 41.90 Million (Previous year ₹ 42.01 Million) has been transferred to Debenture Redemption Reserve Account for the financial year ended March 31, 2017.

Standalone Financial Statements (contd.)

NOTE 9. FIXED ASSETS

(₹ in Millions)

Particulars	Tangible assets				Intangible assets	Grand Total
	Buildings	Computers	Office Equipment	Total	Software	
Cost or Valuation						
At April 1, 2016	14.08	-	0.97	15.05	0.50	15.55
Addition	-	0.08	-	0.08	17.21	17.29
Deductions/Adjustments during the year	-	-	-	-	-	-
As at March 31, 2017	**14.08**	**0.08**	**0.97**	**15.13**	**17.71**	**32.84**
Depreciation						
At April 1, 2016	6.16	-	0.17	6.33	0.03	6.36
Depreciation For the year	0.71	0.01	0.19	0.91	4.92	5.83
Deductions/Adjustments during the year	-	-	-	-	-	-
Up to March 31, 2017	**6.87**	**0.01**	**0.37**	**7.25**	**4.95**	**12.20**
Net Block						
At March 31, 2017	**7.21**	**0.07**	**0.60**	**7.88**	**12.76**	**20.64**
At March 31, 2016	**7.92**	**-**	**0.80**	**8.72**	**0.47**	**9.19**

Note: Capital work in progress ₹ NIL (Previous year ₹ 16.09 million) pertains to Intangible assets not capitalized.

NOTE 10. NON CURRENT INVESTMENT

Particulars	Face Value	As at March 31, 2017		As at March 31, 2016	
		Number	₹ in Millions	Number	₹ in Millions
Investments (At cost):					
I) Trade					
II) Others (Unquoted)					
Investments in Subsidiaries:					
Equity Instruments :					
India Infoline Finance Limited	₹ 10	237,154,030	10,152.99	237,154,030	10,152.99
IIFL Real Estate Limited (Formerly known IIFL Facilities Services Limited and IIFL Realty Limited)	₹ 10	9,000,000	605.18	9,000,000	605.18
India Infoline Commodities Limited	₹ 10	313,500	20.00	209,000	20.00
IIFL Wealth Management Limited	₹ 2	45,000,000	225.00	45,000,000	225.00
India Infoline Media & Research Services Limited	₹ 10	50,000	0.50	50,000	0.50
5Paisa Capital Limited (Formerly known as IIFL Capital Ltd)	₹ 10	17,716,500	1,000.49	3,050,000	120.50
India Infoline Insurance Brokers Limited	₹ 10	500,000	33.40	500,000	33.40
India Infoline Insurance Services Limited	₹ 10	280,630	10.00	280,630	10.00
India Infoline Limited	₹ 10	16,900,100	953.13	16,900,100	953.13
IIFL Wealth (UK) Limited	£1.00	150,000	11.20	150,000	11.20
IIFL Capital Inc	$0.01	100	40.29	100	40.29
Sub Total			**13,052.18**		**12,172.19**

Particulars	Face Value	As at March 31, 2017		As at March 31, 2016	
		Number	₹ in Millions	Number	₹ in Millions
Preference Shares :					
India Infoline Finance Limited (8 %Non Convertible Cumulative Redeemable)	₹ 10	-	-	50,000,000	500.00
India Infoline Finance Limited (8 %Non Convertible Non Cumulative Redeemable)	₹ 10	75,000,000	750.00	75,000,000	750.00
Sub Total			**750.00**		**1,250.00**
Investments in Associate:					
Equity Instruments :					
IIFL Asset Reconstruction Limited*	₹ 10	2,050,000	20.50	2,050,000	20.50
Sub Total			**20.50**		**20.50**
Others (Alternate Investment Fund)					
IIFL Opportunity Fund Category III - AIF		-	0.10	-	0.10
IIFL Private Equity Fund Category II - AIF		-	0.10	-	0.10
IIFL Venture Fund Category I – AIF		-	0.10	-	0.10
IIFL Income Opportunities Fund Category I I- AIF (Previous year : FV ₹. 0.89 Per unit)	₹ 0.77	5,000,000	6.60	5,000,000	7.21
IIFL Income Opportunities – Special Situation Category I I- AIF (Previous year : FV ₹. 10 Per unit)	₹ 7.77	13,597,048	108.83	13,597,048	143.30
IIFL Real Estate Fund (Domestic) – Series 2 Category I I- AIF	₹ 10	46,956,551	500.00	46,956,551	500.00
Sub Total			**615.73**		**650.81**
Total Other Unquoted (a)			**14,438.41**		**14,093.50**
III) Others (Quoted)					
Mutual Fund					
Axis Mutual Fund	₹ 10	-	-	47,672	80.00
Total Other Quoted (b)		**-**	**-**		**80.00**
Total Investments (a+b)			**14,438.41**		**14,173.50**
Aggregate Book value - Quoted			**-**		**80.00**
Aggregate Market value - Quoted			**-**		**80.06**
Aggregate book value - Unquoted			**14,438.41**		**14,093.50**

* IIFL Asset Reconstruction Limited was a wholly owned subsidiary of IIFL Holdings Limited (IIFLHL) till April 11, 2016; there after IIFLHL is holding 50% paid-up share capital of the said company, hence it has become an associate.

Standalone Financial Statements (contd.)

NOTE 11. DEFERRED TAX ASSETS

The Company recognized deferred tax assets for the year ended on March 31, 2017, since the management is reasonably / virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset.

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
On Gratuity	3.00	2.30
Long Term Capital Loss	32.22	32.44
On Fixed Assets	(2.58)	(0.77)
Short Term Capital Loss	100.35	112.95
Total	**132.99**	**146.92**

NOTE 12. LONG-TERM LOANS & ADVANCES

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advance Income Tax [(Net of Provision for income tax ₹ 3,106.16 million) (Previous year ₹ 3,186.19 million)]	216.10	239.95
MAT Credit	10.77	10.77
Prepaid Expenses	-	0.75
Deposits	0.05	0.05
Total	**226.92**	**251.52**

NOTE 13. CURRENT INVESTMENTS

Particulars	Face Value	As at March 31, 2017		As at March 31, 2016	
		Number	₹ in Millions	Number	₹ in Millions
Quoted, Non-Traded Investment					
Investment in Mutual Fund				-	-
Kotak Liquid Direct Plan Growth	₹ 1,000	236,612	780.00	-	-
Total			**780.00**		
Aggregate Book value - Quoted			**780.00**		
Aggregate Market value - Quoted			**780.22**		

NOTE 14. TRADE RECEIVABLE

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good	-	-
Trade receivable Outstanding for a period exceeding six months from date they are due for payment	-	-
Other trade receivable	10.93	52.43
Total	**10.93**	**52.43**

NOTE 15. CASH AND BANK BALANCES

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash & Cash Equivalent :		
Cash on hand	-	-
Balances with Bank:		
- In current accounts*	77.53	29.19
- Others Bank account**	6.79	4.25
Total Cash & Cash Equivalent (a)	**84.32**	**33.44**
Other Balances:		
In Deposit account (Maturity more than 3 months to 12 Months)	1.00	-
Total Other Balances (b)	**1.00**	**-**
Total (a+b)	**85.32**	**33.44**

* The above balance includes cheque in hand of ₹ 4.61 million (Previous Year ₹ 21.73 million)

** Balances with Banks in unpaid Dividend Accounts.

NOTE 16. SHORT-TERM LOANS & ADVANCES

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good :		
Loans & advances to Subsidiary (For their business purposes)	-	705.77
Advances recoverable in cash or in kind or for value to be received.	0.64	0.24
Capital Advance	0.10	-
Other Loans & Advances	1.42	1.22
Total	**2.16**	**707.23**

NOTE 17. OTHER CURRENT ASSETS

(₹ in Millions)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Current	Non Current	Current	Non Current
Prepaid expenses	3.32	-	1.38	-
Unamortised debenture issue expenses	0.37	-	-	-
Others	6.98	-	11.27	-
Total	**10.67**	**-**	**12.65**	**-**

Standalone Financial Statements (contd.)

NOTE 18. REVENUE FROM OPERATIONS

(₹ in Millions)

Particulars	2016-2017	2015-2016
Revenue from operations :		
Fund Based activities		
Dividend from subsidiaries	1,426.05	1,323.29
Interest Income :		
Interest on bank deposits	0.73	0.04
Interest Income- AIF / Real Estate Fund	74.13	40.91
Interest Income - ICD	21.98	67.01
Interest Income – Other	-	2.48
Advisory Fees / Investment Banking Income	360.87	558.15
Other Operating Income :		
Capital Gain - Mutual Fund – Current	31.36	30.29
Capital Gain - Securities – Current	5.52	0.98
Capital Gain - Securities – Non Current	-	90.92
Total	**1,920.64**	**2,114.07**

NOTE 19. OTHER INCOME

(₹ in Millions)

Particulars	2016-2017	2015-2016
Interest on Income Tax Refund	2.66	-
Miscellaneous income	0.07	0.03
Total	**2.73**	**0.03**

NOTE 20. EMPLOYEE COST

(₹ in Millions)

Particulars	2016-2017	2015-2016
Salaries and bonus	57.84	78.76
Contribution to provident and other funds#	1.03	1.57
Gratuity*	2.02	3.18
Leave Encashment	1.26	0.48
Staff Welfare Expenses	0.05	0.10
Total	**62.20**	**84.09**

*The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under.

(₹ in Millions)

Particulars	2016-2017	2015-2016
Assumptions		
Discount rate previous year	7.84%	8.04%
Salary Escalation previous year	5.00%	5.00%
Discount rate current year	6.77%	7.84%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation		
Liability at the beginning of the year	6.66	3.04
Interest Cost	0.52	0.24
Current Service Cost	0.83	0.49
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	0.67	2.45
Liability Transferred in/(out)	1.91	2.10
Liability Transferred in/(out)	(0.08)	(1.66)
Liability at the end of the year	**10.51**	**6.66**
Amount Recognized in the Balance Sheet		
Liability at the end of the year	(10.51)	(6.66)
Fair value of plan Assets at the end of the year	-	-
Differences	(10.51)	(6.66)
Amount of liability Recognized in the Balance Sheet	**(10.51)**	**(6.66)**
Expenses Recognized in the Income statement		
Current Service cost	0.83	0.49
Interest Cost	0.52	0.24
Expected return on plan assets	-	-
Actuarial Gain or Loss	0.67	2.45
Expense Recognized in P&L	**2.02**	**3.18**
Balance Sheet reconciliation		
Opening Net liability	6.66	3.04
Expense as above	2.02	3.18
Net Transfer in	1.91	2.10
Net (Liability)/Asset Transfer Out	(0.08)	(1.66)
Employers contribution	-	-
Amount Recognized in Balance Sheet	**10.51**	**6.66**

 # Defined Contribution Plans:

The Company has also recognised the following amounts as an expense.

(₹ in Millions)

Particulars	2016-2017	2015-2016
Contribution to Provident Fund & Employee Pension Scheme	1.44	1.60

Standalone Financial Statements (contd.)

NOTE 21. FINANCE COSTS

(₹ in Millions)

Particulars	2016-2017	2015-2016
Interest Expenses	67.55	63.07
Other Borrowing Cost	0.37	0.38
Total	**67.92**	**63.45**

NOTE 22. DEPRECIATION

(₹ in Millions)

Particulars	2016-2017	2015-2016
Depreciation on tangible assets	0.91	0.85
Depreciation on Intangible assets	4.92	0.03
Total	**5.83**	**0.88**

NOTE 23. ADMINISTRATION AND OTHER EXPENSE

(₹ in Millions)

Particulars	2016-2017	2015-2016
Advertisement	0.64	1.97
Books and Periodicals	0.02	0.01
Exchange and statutory Charges	0.60	0.07
Marketing and commission expenses	19.53	0.47
Commission and sitting fees to non executive directors	6.30	6.35
Bank Charges	0.02	0.02
Communication	0.67	0.55
Legal and professional charges	1.92	13.73
Electricity	0.06	0.06
Corporate Social Responsibility Expenses	5.02	2.25
Office expenses	0.45	0.90
Meeting seminar and Subscription	1.21	0.97
Postage and courier	0.08	0.10
Printing and stationery	0.55	1.32
Rent	12.65	7.30
Insurance	-	1.07
Rates and taxes	0.06	0.45
Repairs and Maintenance :		
- Computer	-	0.03
- Others @	0.00	0.05
Remuneration to Auditors :		
- As auditors - statutory audit	1.05	1.05
- Certification work and other matters	0.12	0.11
- Out of pocket expenses	0.06	0.07
Software Charges	0.24	1.19
Travelling and conveyance	4.72	12.93
Brokerage related Expenses	0.44	3.39
Donation	-	0.38
Miscellaneous expenses	0.15	0.11
Total	**56.56**	**56.90**

@ Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable

NOTE 24. EARNINGS PER SHARE (EPS)

Particulars		2016-2017	2015-2016
Face value of equity shares in ₹ fully paid up		2	2
Basic EPS :			
Profit/(Loss) after tax as per Statement of Profit and Loss (₹ in Million)	A	1,567.78	1,719.81
Weighted Average Number of Shares Subscribed (Basic)	B	317,084,627	313,063,775
Basic EPS (₹)	A/B	**4.94**	**5.49**
Diluted EPS :			
Profit/(Loss) after tax as per Statement of Profit and Loss (₹ in Million)	A	1,567.78	1,719.81
Weighted Average Number of Shares Subscribed		317,084,627	313,063,775
Add : Potential Equity Shares on account of conversion of Employee Stock Option		1,799,506	2,124,100
Weighted Average Number of Shares Outstanding	B	318,884,132	315,187,875
Diluted EPS (₹)	A/B	**4.92**	**5.46**

NOTE 25. CONTINGENT LIABILITIES

As of March 31, 2017, the Company had certain contingent liabilities not provided for, including the following:

(₹ in Millions)

Sr. No.	Name of the Statute	As at March 31, 2017	As at March 31, 2016
(i)	In respect of Income Tax Demands	366.47	353.73
(ii)	In respect of Profession Tax Demands	1.55	1.55
(iii)	In respect of Service Tax Demands	1.14	-

NOTE 26. There is no pending litigation by and on the Company as on the balance sheet date.

NOTE 27. CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE

There were outstanding commitments for others to the tune of ₹ 10.45 million (previous year for investments ₹ 0.24 million) of the total contractual obligation entered during the year.

NOTE 28. THE COMPANY HAS PROVIDED CORPORATE GUARANTEE ON BEHALF OF THE FOLLOWING SUBSIDIARIES FOR THEIR BUSINESS PURPOSES

Sr. No.	Name of the subsidiary	₹ in Millions
1	India Infoline Commodities Limited	1,250.00
		(1,250.00)
2	India Infoline Finance Limited	35,850.00
		(64,500.00)
3	India Infoline Housing Finance Limited	25,030.00
		(22,430.00)
4	IIFL Real Estate Limited (Formerly known as IIFL Facilities Limited and IIFL Realty Limited)	-
		(2000.00)
5	5Paisa Capital Limited (Formerly known as IIFL Capital Limited)	500.00
		(750.00)
6	India Infoline Limited	5,750.00
		(6500.00)

(Figure in bracket represents previous year figures)

Standalone Financial Statements (contd.)

NOTE: 29. 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 ₹ 430.00 million, Previous Year : ₹ 515.00 million)

b) ₹ NIL (Previous year ₹ NIL) due from IIFL wealth Management Limited (maximum amount outstanding during the year ₹ 330.00 million, Previous Year : ₹ NIL)

c) ₹ NIL (Previous year ₹ NIL) due from IIFL Alternate Asset Advisors Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 366.80 million)

d) ₹ NIL (Previous year ₹ 316.50 million) due from India Infoline Insurance Broker Limited (maximum amount outstanding during the year ₹ 316.50 million, Previous Year : ₹ 331.50 million)

e) ₹ NIL (Previous year ₹ 2.50 million) due from India Infoline Insurance Services Limited (maximum amount outstanding during the year ₹ 2.50 million, Previous Year : ₹ 2.50 million)

f) ₹ NIL (Previous year ₹ 23.10 millions) due from 5Paisa Capital Limited (formerly know as IIFL capital Limited) (maximum amount outstanding during the year ₹ 36.50 million, Previous Year : ₹ 165.00 million)

g) ₹ NIL (Previous year ₹ NIL) due from India Infoline Commodities Limited (maximum amount outstanding during the year ₹ NIL , Previous Year : ₹ 315.50 million)

h) ₹ NIL (Previous year ₹ NIL) due from IIFL Real Estate Limited(Formerly known as IIFL Facilities Limited and IIFL Realty Limited) (maximum amount outstanding during the year ₹ 200.00 million, Previous Year : ₹ 4.50 million)

i) ₹ NIL (Previous year ₹ NIL) due from India Infoline Housing Finance Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 420.00 million)

j) ₹ NIL (Previous year ₹ 363.80 million) due from India Infoline Media and Research Services Limited (maximum amount outstanding during the year ₹ 513.00 million, Previous Year : ₹ 400.00 million)

k) ₹ NIL (Previous year ₹ NIL) due from IIFL Asset Reconstruction Limited (maximum amount outstanding during the year ₹0.50 million, Previous Year : ₹ NIL)

l) ₹ NIL (Previous year ₹ NIL) due from India Infoline Commodities DMCC Dubai (maximum amount outstanding during the year ₹ NIL Previous Year : ₹. 2.18 million)

NOTE: 30. The Company has implemented Employee Stock Option Scheme 2007, 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 2007	ESOP 2008
No. of options as on March 31, 2017	-	2,548,860
Method of accounting	Intrinsic Value	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	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	Five years from the date of grant	Seven years from the date of grant
Grant Dates	October 17, 2008, December 18, 2008, January 1, 2009 and March 5, 2012	December 18, 2008, January 1, 2009, May 27, 2009, December 10, 2009, September 20, 2010, May 7, 2011, May 15, 2012, August 10, 2012, October 29, 2012 November 05, 2013, August 05, 2014, November 20, 2014, March 02, 2015 and March 08, 2016
Grant Price (₹ Per Share)	₹ 63.75 , ₹ 45.30, ₹ 50.90 and ₹ 70.00	₹ 45.30, ₹ 50.90, ₹ 100.00, ₹ 136.00, ₹ 105.00, ₹ 72.40, ₹ 45.90, ₹ 56.60, ₹ 68.15, ₹ 58.10, ₹ 134.75, ₹ 188.40, ₹ 181.55 and ₹ 180
Market Price on the date of Grant of Option (₹) *	₹ 63.75 , ₹ 45.30, ₹ 50.90 and ₹ 70.00	₹ 45.30, ₹ 50.90, ₹ 100.00, ₹ 136.00, ₹ 105.00, ₹ 72.40, ₹ 45.90, ₹ 56.60, ₹ 68.15, ₹ 58.10, ₹ 134.75, ₹ 188.40, ₹ 181.55 and ₹ 180

*Closing price at the stock exchange, as on the previous trading day of the date of grant, as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014.

b) Movement of options granted:

Particulars	ESOP 2008
Options outstanding at the beginning of the year	4,670,000
Granted during the year	-
Exercised during the year	1,371,340
Lapsed during the year	749,800
Options outstanding at the end of the year	2,548,860

NOTE 31. In the opinion of the management, there is only one reportable business segment as envisaged by AS 17 'Segment Reporting'. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

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

NOTE 32. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2016-17, the Company spend ₹ 5.02 millions (P.Y. ₹ 2.25 millions) out of the total amount of ₹ 5.02 millions (P.Y. ₹ 2.34 millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

Standalone Financial Statements (contd.)

NOTE 33. DISCONTINUING OPERATIONS

On September 30, 2016, the Board of Directors of the Company and 5paisa Capital Limited, a wholly owned subsidiary of the Company, have approved a draft Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited ["IIFLH"] and 5paisa Capital Limited ["5PCL"] and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5PCL. As per the proposed Scheme, the consideration for the proposed demerger is through issue and allotment of 1 (One) equity share of ₹ 10/- each fully paid up of 5PCL for every 25 (Twenty Five) equity shares of IIFLH held by the shareholders of IIFLH. The appointed date for the proposed demerger Scheme is October 01, 2016. The draft of the scheme is available on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-announcements and on NSE & BSE website. The Scheme would be effective upon receipt of all requisite regulatory approvals and filing of the certified copies of the final order of National Company Law Tribunal ("NCLT") with the Registrar of Companies. The Company has since received "No Objection" from SEBI, BSE and NSE on the draft Scheme of Arrangement and has filed the same with NCLT. As per the directions of NCLT, the Company has sent Notice to all the shareholders for NCLT Conveyed Meeting of shareholders of IIFLH and 5PCL. Pending final approval of the proposed scheme, the above financial statements of IIFL Holdings Limited is without considering the effect of the proposed demerger.

The operating activities of the Company's discontinuing operations are summarized below:

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:

(₹ in Millions)

Particulars	**Oct-16 to Mar-17	*2016-2017	*2015-16
Revenue	-	-	-
Expenses	15.85	23.40	4.47
Profit/(Loss) Before Tax	(15.85)	(23.40)	(4.47)
Tax Expenses	-	-	-
Profit/(Loss) After Tax	(15.85)	(23.40)	(4.47)

b. The Net Cash flows attributable to the discontinuing operations as follows:

(₹ in Millions)

Particulars	Oct-16 to Mar-17	2016-2017	2015-16
Operating Activities	(15.85)	(23.40)	(4.47)
Investing Activities	-	-	-
Financing Activities	-	-	-
Net Cash Outflows	(15.85)	(23.40)	(4.47)

c. The carrying amounts as at March 31, 2017 of the total assets and liabilities to be transferred are as follows:

(₹ in Millions)

	2016-17
Total Assets	1,000.88
Total Liabilities	2.00

* Till the appointed date the expenses incurred pertaining to activities of 5paisa Digital Undertaking at IIFL Holdings Limited were accounted on part of IIFL Holdings Limited income and expenditure account.

** Post the appointed date, the expenses pertaining to development/maintenance of technology application for online trading through trading terminal and mobile application, source code of mobile application, domain name (5paisa.com), software rights , brand (5paisa) establishment, protection and support, Infrastructure and facilities services etc. were directly carried out and incurred under 5paisa Capital Limited as an ongoing concern and accordingly booked for and expanded in the standalone books of the company.

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2017

A) Related parties where control exists:

Nature of relationship	Name of party
(a) Subsidiaries including step down subsidiaries	India Infoline Finance Limited
	India Infoline Housing Finance Limited
	IIFL Wealth Management Limited
	India Infoline Limited
	India Infoline Insurance Brokers Limited
	India Infoline Insurance Services Limited
	India Infoline Commodities Limited
	IIFL Real Estate Limited (Formerly IIFL Facilities Limited and IIFL Realty Limited)*
	India Infoline Media & Research Services Limited
	5Paisa Capital Limited (Formerly IIFL Capital Limited)
	IIFL Distribution Services Limited.
	IIFL Investment Advisors And Trustee Services Limited
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Alternate Asset Advisors Limited
	India Infoline Commodities DMCC (up to 17th February 2016) – ceased
	IIFL (Asia) Pte Limited
	Samasta Microfinanace Limited (w.e.f. 01st Mar 2017)
	Ayusha Dairy Private Limited- Subsidiary of Samasta (w.e.f. 01st Mar 2017)
	IIFL Securities Pte Limited
	IIFL Capital Pte. Limited
	India Alternatives Investment Advisors Private Limited (ceased to be step down subsidiary w.e.f 30th Mar 2017)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Wealth (UK) Limited
	IIFL Inc.
	IIFL Private Wealth (Suisse) SA.
	IIFL Capital Inc.
	IIFL Private Wealth Hong Kong Limited
	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)
	IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)
	India Infoline Foundation
(b) Joint Venture	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary IIFL Real Estate Limited).
(c) Associate	IIFL Asset Reconstruction Limited
(d) Key Management Personnel	Mr. Nirmal Jain
	Mr. R. Venkataraman
(e) Other related parties	Mrs. Madhu Jain (wife of Mr. Nirmal Jain)
	Mrs. Aditi Venkataraman (wife of Mr. R Venkataraman)
	Orpheus Trading Private Limited
	Ardent Impex Private Limited

* The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Amalgamation of IIFL Properties Private Limited with IIFL Real Estate Limited w.e.f. April 01, 2015. Thus, all the related party transactions with IIFL Properties Private Limited, for the current year and the previous year, have shown under IIFL Real Estate Limited.

Standalone Financial Statements (contd.)

B) Significant Transactions with Related Parties:

(₹ in Millions)

Nature of Transaction	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Investment Sold					
India Infoline Finance Limited	-	-	-	-	-
	(919.19)	(-)	(-)	(-)	(919.19)
Investment In equity share of Subsidiaries and Associate					
5Paisa capital Limited	879.99	-	-	-	879.99
	(-)	(-)	(-)	(-)	(-)
IIFL Asset Reconstruction Limited	-	-	-	-	-
	-	(20.50)	(-)	(-)	(20.50)
Disinvestments In Equity shares of Subsidiaries					
India Infoline Commodities DMCC	-	-	-	-	-
	(11.76)	(-)	(-)	(-)	(11.76)
Investments In Preference shares of Subsidiaries					
India Infoline Media & Research Services Limited	360.00	-	-	-	360.00
	(-)	(-)	(-)	(-)	(-)
Disinvestments In Preference shares of Subsidiaries					
India Infoline Media & Research Services Limited	360.00	-	-	-	360.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited.	500.00	-	-	-	500.00
	(-)	(-)	(-)	(-)	(-)
Brokerage Expense					
India Infoline Limited @	0.00	-	-	-	0.00
	(-)	(-)	(-)	(-)	(-)
Interest Income ICD/NCD					
India Infoline Finance Limited	0.30	-	-	-	0.30
	(0.14)	(-)	(-)	(-)	(0.14)
India Infoline Commodities Limited	-	-	-	-	-
	(17.19)	(-)	(-)	(-)	(17.19)
India Infoline Housing Finance Limited	-	-	-	-	-
	(4.09)	(-)	(-)	(-)	(4.09)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	(2.68)	(-)	(-)	(-)	(2.68)
5Paisa Capital Limited	1.00	-	-	-	1.00
	(3.54)	(-)	(-)	(-)	(3.54)
IIFL Real Estate Limited	2.56	-	-	-	2.56
	(0.08)	(-)	(-)	(-)	(0.08)
India Infoline Insurance Brokers Limited	10.82	-	-	-	10.82
	(14.66)	(-)	(-)	(-)	(14.66)
India Infoline Media & Research Services Limited	1.61	-	-	-	1.61
	(24.51)	(-)	(-)	(-)	(24.51)
IIFL Wealth Management Limited	5.66	-	-	-	5.66
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Services Limited	0.02	-	-	-	0.02
	(0.12)	(-)	(-)	(-)	(0.12)
IIFL Assets Reconstruction Limited@	-	0.00	-	-	0.00
	(-)	(-)	(-)	(-)	(-)
Investment Banking Income					
India Infoline Finance Limited	0.80	-	-	-	0.80
	(-)	(-)	(-)	(-)	(-)

(₹ in Millions)

Nature of Transaction	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Dividend Income					
India Infoline Finance Limited	772.12	-	-	-	772.12
	(676.57)	(-)	(-)	(-)	(676.57)
IIFL Wealth Management Limited	270.00	-	-	-	270.00
	(270.00)	(-)	(-)	(-)	(270.00)
India Infoline Insurance Services Limited	-	-	-	-	-
	(124.88)	(-)	(-)	(-)	(124.88)
India Infoline Commodities Limited	50.16	-	-	-	50.16
	(117.04)	(-)	(-)	(-)	(117.04)
India Infoline Housing Finance Limited	-	-	-	-	-
	(18.44)	(-)	(-)	(-)	(18.44)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(66.50)	(-)	(-)	(-)	(66.50)
India Infoline Limited	333.78	-	-	-	333.78
	(49.86)	(-)	(-)	(-)	(49.86)
Infrastructure/Customer Support Services					
India Infoline Media & Research Services Limited	19.30	-	-	-	19.30
	(-)	(-)	(-)	(-)	(-)
Rent Expenses					
IIFL Real Estate Limited	28.26	-	-	-	28.26
	(7.30)	(-)	(-)	(-)	(7.30)
Corporate Social Responsibility Expenses					
India Infoline Foundation	5.02	-	-	-	5.02
	(0.15)	(-)	(-)	(-)	(0.15)
Interest Expenses –ICD					
India Infoline Finance Limited@	0.00	-	-	-	0.00
	-	(-)	(-)	(-)	(-)
IIFL Real Estate Limited	1.54	-	-	-	1.54
	-	(-)	(-)	(-)	-
ICD Taken					
India Infoline Finance Limited	7.50	-	-	-	7.50
	(-)	(-)	(-)	(-)	(-)
IIFL Real Estate Limited	1,870.00	-	-	-	1,870.00
	(-)	(-)	(-)	(-)	(-)
ICD Taken Repaid					
India Infoline Finance Limited	7.50	-	-	-	7.50
	-	(-)	(-)	(-)	(-)
IIFL Real Estate Limited	1,870.00	-	-	-	1,870.00
	(-)	(-)	(-)	(-)	(-)
ICD Given					
India Infoline Finance Limited	430.00	-	-	-	430.00
	(515.00)	(-)	(-)	(-)	(515.00)
IIFL Wealth Management Limited	330.00	-	-	-	330.00
	(-)	(-)	(-)	(-)	(-)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	(366.80)	(-)	(-)	(-)	(366.80)
India Infoline Insurance Broker Limited	-	-	-	-	-
	(334.50)	(-)	(-)	(-)	(334.50)
India Infoline Insurance Services Limited	-	-	-	-	-
	(2.50)	(-)	(-)	(-)	(2.50)

Standalone Financial Statements (contd.)

(₹ in Millions)

Nature of Transaction	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
5Paisa Capital Limited	13.40	-	-	-	13.40
	(190.60)	(-)	(-)	(-)	(190.60)
India Infoline Commodities Limited	-	-	-	-	-
	(337.60)	(-)	(-)	(-)	(337.60)
IIFL Real Estate Limited	290.00	-	-	-	290.00
	(4.50)	(-)	(-)	(-)	(4.50)
India Infoline Housing Finance Limited	-	-	-	-	-
	(490.00)	(-)	(-)	(-)	(490.00)
India Infoline Media and Research Services Limited	95.50	-	-	-	95.50
	(491.60)	(-)	(-)	(-)	(491.60)
IIFL Asset Reconstruction Limited	-	0.50	-	-	0.50
	(-)	(-)	(-)	(-)	(-)
ICD Given Received Back					
India Infoline Finance Limited	430.00	-	-	-	430.00
	(515.00)	(-)	(-)	(-)	(515.00)
IIFL Wealth Management Limited	330.00	-	-	-	330.00
	(-)	(-)	(-)	(-)	(-)
5Paisa Capital Limited	36.50	-	-	-	36.50
	(167.50)	(-)	(-)	(-)	(167.50)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	(366.80)	(-)	(-)	(-)	(366.80)
India Infoline Insurance Services Limited	2.50	-	-	-	2.50
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Broker Limited	316.50	-	-	-	316.50
	(18.00)	(-)	(-)	(-)	(18.00)
India Infoline Commodities Limited	-	-	-	-	-
	(337.60)	(-)	(-)	(-)	(337.60)
IIFL Real Estate Limited	290.00	-	-	-	290.00
	(4.50)	(-)	(-)	(-)	(4.50)
India Infoline Media and Research Services Limited	459.30	-	-	-	459.30
	(127.80)	(-)	(-)	(-)	(127.80)
India Infoline Housing Finance Limited	-	-	-	-	-
	(490.00)	(-)	(-)	(-)	(490.00)
IIFL Asset Reconstruction Limited	-	0.50	-	-	0.50
	(-)	(-)	(-)	(-)	(-)
Amount Paid					
IIFL Private Wealth Management (Dubai) Limited	0.13	-	-	-	0.13
	(-)	(-)	(-)	(-)	(-)
Advance Taken (Max.)					
IIFL Real Estate Limited	1,870.00	-	-	-	1,870.00
	-	(-)	(-)	(-)	-
India Infoline Finance Limited	7.5	-	-	-	7.5
	(-)	(-)	(-)	(-)	(-)
Advance Taken paid Back (Max.)					
IIFL Real Estate Limited	1,870.00	-	-	-	1,870.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited	7.5	-	-	-	7.5
	(-)	(-)	(-)	(-)	(-)

(₹ in Millions)

Nature of Transaction	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Allocation/Reimbursement of expenses Paid					
India Infoline Insurance Brokers Limited @	-	-	-	-	-
	(0.00)	(-)	(-)	(-)	(0.00)
India Infoline Finance Limited	-	-	-	-	-
	(0.21)	(-)	(-)	(-)	(0.21)
India Infoline Limited.	-	-	-	-	-
	(1.57)	(-)	(-)	(-)	(1.57)
Others Paid					
India Infoline Finance Limited	0.01	-	-	-	0.01
	(0.29)	(-)	(-)	(-)	(0.29)
IIFL Real Estate Limited	0.11	-	-	-	0.11
	(3.38)	(-)	(-)	(-)	(3.38)
India Infoline Limited	0.11	-	-	-	0.11
	(0.36)	(-)	(-)	(-)	(0.36)
Allocation / Reimbursement of expenses Received					
India Infoline Limited	8.43	-	-	-	8.43
	(1.57)	(-)	(-)	(-)	(1.57)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(0.09)
India Infoline Housing Finance Limited	16.85	-	-	-	16.85
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited	37.92	-	-	-	37.92
	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Management Limited	21.07	-	-	-	21.07
	(-)	(-)	(-)	(-)	(-)
IIFL Asset Reconstruction Limited	-	0.02	-	-	0.02
	(-)	(-)	(-)	(-)	(-)
Others Received					
IIFL Wealth Management Limited	-	-	-	-	-
	(0.57)	(-)	(-)	(-)	(0.57)
IIFL Real Estate Limited	-	-	-	-	-
	(0.76)	(-)	(-)	(-)	(0.76)
India Infoline Limited	6.36	-	-	-	6.36
	(7.12)	(-)	(-)	(-)	(7.12)

@ Amount is less than ₹ 0.01 million hence shown ₹ 0.00 million wherever applicable

C) Outstanding as on March 31, 2017:

(₹ in Millions)

Particulars	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Sundry Receivables					
India Infoline Insurance Services Limited	-	-	-	-	-
	(2.50)	(-)	(-)	(-)	(2.50)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(316.50)	(-)	(-)	(-)	(316.50)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(363.80)	(-)	(-)	(-)	(363.80)
5Paisa Capital Limited	-	-	-	-	-
	(23.10)	(-)	(-)	(-)	(23.10)

Standalone Financial Statements (contd.)

(₹ in Millions)

Particulars	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Sundry Payable					
IIFL Pvt Wealth Management (Dubai) Limited	-	-	-	-	-
	(0.13)	(-)	(-)	(-)	(0.13)
Investments in subsidiaries/Associate					
Equity					
5Paisa Capital Limited	1,000.49	-	-	-	1,000.49
	(120.50)	(-)	(-)	(-)	(120.50)
IIFL Real Estate Limited	605.18	-	-	-	605.18
	(605.18)	(-)	(-)	(-)	(605.18)
IIFL Wealth (UK) Limited	11.20	-	-	-	11.20
	(11.20)	(-)	(-)	(-)	(11.20)
IIFL Wealth Management Limited	225.00	-	-	-	225.00
	(225.00)	(-)	(-)	(-)	(225.00)
India Infoline Commodities Limited	20.00	-	-	-	20.00
	(20.00)	(-)	(-)	(-)	(20.00)
India Infoline Finance Limited	10,152.99	-	-	-	10,152.99
	(10,152.99)	(-)	(-)	(-)	(10,152.99)
India Infoline Media And Research Services Limited	0.50	-	-	-	0.50
	(0.50)	(-)	(-)	(-)	(0.50)
India Infoline Insurance Brokers Limited	33.40	-	-	-	33.40
	(33.40)	(-)	(-)	(-)	(33.40)
India Infoline Insurance Services Limited	10.00	-	-	-	10.00
	(10.00)	(-)	(-)	(-)	(10.00)
IIFL Capital Inc	40.29	-	-	-	40.29
	(40.29)	(-)	(-)	(-)	(40.29)
India Infoline Limited	953.13	-	-	-	953.13
	(953.13)	(-)	(-)	(-)	(953.13)
IIFL Asset Reconstruction Limited		20.50	-	-	20.50
		(20.50)	(-)	(-)	(20.50)
Preference Shares					
India Infoline finance Limited	750.00	-	-	-	750.00
	(1,250.00)	(-)	(-)	(-)	(1,250.00)
Corporate Guarantee					
India Infoline Commodities Limited	1,250.00	-	-	-	1,250.00
	(1,250.00)	(-)	(-)	(-)	(1,250.00)
India Infoline Housing Finance Limited	25,030.00	-	-	-	25,030.00
	(22,430.00)	(-)	(-)	(-)	(22,430.00)
IIFL Real Estate Limited	-	-	-	-	-
	(2,000.00)	(-)	(-)	(-)	(2,000.00)
India Infoline Finance Limited	35,850.00	-	-	-	35,850.00
	(64,500.00)	(-)	(-)	(-)	(64,500.00)
5Paisa Capital Limited	500.00	-	-	-	500.00
	(750.00)	(-)	-(-)	(-)	(750.00)
India Infoline Limited	5,750.00	-	-	-	5,750.00
	(6,500.00)	(-)	(-)	(-)	(6,500.00)

Note: Figures in bracket represent previous year's figure.

NOTE 35. EARNINGS AND EXPENSES IN FOREIGN CURRENCY

(₹ in Millions)

Particulars	2016-17	2015-16
Earnings in Foreign Currency	8.89	280.77
Total Income	**8.89**	**280.77**
Expenses in Foreign Currency		
Travelling Expenses	0.37	1.58
Meeting & Seminar	1.80	-
Registration Expenses	0.02	-
Total Expenses	**2.20**	**1.58**

During the Current year as well as previous year, the Company has not remitted any Dividend in foreign currencies.

NOTE 36. Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "supplier" referred under the Micro, Small and Medium Enterprises Development Act, 2006. No Interest has been paid/is payable by company during the year to "Suppliers" referred under the act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said act.

NOTE 37: Disclosure pertaining to MCA Circular no G.S.R 308(E) dated March 30, 2017 on Specified Bank Notes(SBNS) :

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

For the purposes of this clause the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407(E), dated the November 8, 2016.

NOTE 38. Previous year figures have been regrouped, reclassified & rearranged, wherever considered necessary to confirm to current year's presentation.

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of IIFL Holdings Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of IIFL Holdings Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group"), its jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and the Management of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

OPINION

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

OTHER MATTERS

a) We did not audit the financial statements of 3 subsidiaries and 16 step-down subsidiaries, whose financial statements reflect total assets of ₹ 78,348.20 Millions as at 31st March, 2017, total revenues of ₹ 11316.04 Millions 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 sub-sections (3) and (11) 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.

b) We did not audit the financial statements of jointly controlled entity, whose financial statements reflect total assets of ₹ 400.13 Millions as at 31st March, 2017, total revenues of ₹ 107.42 Millions for the year ended on that date, as considered

in the consolidated financial statements. These financial statements are unaudited and 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 jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, 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 and the financial statement certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and our Reports of its subsidiary companies and Reports of the other statutory auditor of its subsidiary / step down subsidiaries, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statement disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer note 32 (b) and (c) to the Consolidated Financial Statements.

ii. The Group 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 Holding Company, and there were no amounts which were required to be transferred to Investor Education and Protection Fund by its subsidiary companies incorporated in India; and

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 40 to the consolidated financial statements.

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 04, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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 financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of IIFL Holdings Limited (hereinafter referred to as the 'Holding Company') and its subsidiary companies which are incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (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 (the 'Act').

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both issued by the ICAI. 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 judgment, 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, the Holding Company 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our aforesaid reports 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 one subsidiary company and eight step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 04, 2017

CONSOLIDATED BALANCE SHEET

As at March 31, 2017

(₹ in Millions)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILTIES			
(1) Shareholder's funds			
(a) Share Capital	3	635.82	633.07
(b) Reserve and Surplus	4	43,178.37	32,888.00
(c) Money received against share warrants		-	0.09
Sub Total		**43,814.19**	**33,521.16**
(1A) Share application money pending allotment	5	1.46	-
(2) Minority Interest	6	12,552.23	7,436.71
(3) Non Current Liabilities			
(a) Long-term Borrowings	7	128,010.93	90,203.08
(b) Deferred Tax Liabilties	15	210.11	104.16
(c) Other Long-term Liabilities	8	488.91	176.12
(d) Long-Term Provisions	9	965.28	790.07
Sub Total		**129,675.23**	**91,273.43**
(4) Current liabilities			
(a) Short-Term Borrowings	10	92,063.40	35,995.09
(b) Trade Payables	11		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		14,892.14	9,173.54
(c) Other current liabilities			
- Current portion of long term borrowing	7	23,172.08	33,277.77
- Others	8	19,135.04	15,996.88
(d) Short-term provisions	9	2,321.20	2,090.87
Sub Total		**151,583.86**	**96,534.15**
TOTAL		**337,626.97**	**228,765.45**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	5,349.50	4,694.63
(ii) Intangible assets	13	66.94	51.63
(iii) Capital work-In-Progress		1,532.88	56.04
(iv) Goodwill		636.50	580.59
Sub Total		**7,585.82**	**5,382.89**
(b) Non-Current Investments	14	12,769.70	5,790.61
(c) Deferred Tax Assets	15	1,789.44	1,411.06
(d) Long-term loans & advances	16		
- Loans		126,066.51	90,071.01
- Others		5,002.39	3,088.43
(e) Other non-current assets	17	261.22	118.61
Sub Total		**145,889.26**	**100,479.72**
(2) Current assets			
(a) Current investments	18	28,756.75	12,879.24
(b) Inventories	19	54.69	333.00
(c) Trade receivables	20	15,221.68	5,861.11
(d) Cash and Bank balances	21	38,461.16	16,288.29
(e) Short-term loans & advances	16		
- Loans		93,009.01	80,484.39
- Others		7,511.72	6,616.33
(f) Other current assets	17	1,136.88	440.48
Sub Total		**184,151.89**	**122,902.84**
TOTAL		**337,626.97**	**228,765.45**
See accompanying notes Forming Part of Consolidated Financial Statements	1 to 46		

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

Prabodh Agrawal
Chief Financial Officer

R.Venkataraman
Managing Director
(DIN: 00011919)

Gajendra Thakur
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Millions)

Particulars	Notes	FY 2016-17	FY 2015-16
INCOME			
Revenue from operations			
Fund Based Activities		36,294.47	27,233.15
Financial Products Distribution		7,157.52	6,768.78
Capital Market Activities		5,672.70	5,518.81
Other Income	22	124.14	105.69
Total Revenue		**49,248.83**	**39,626.43**
EXPENDITURE			
(a) Employee Benefits Expense	23	7,840.30	7,040.79
(b) Direct Operating Cost	24	1,885.35	1,503.30
(c) Finance Cost	25	20,922.00	16,799.95
(d) Depreciation and Amortisation Expense	26	539.71	660.82
(e) Other Expenses	27	3,901.29	3,982.78
(f) Provisions and Write off	28	1,895.89	1,208.05
Total Expenses		**36,984.54**	**31,195.69**
Profit before exceptional items		**12,264.29**	**8,430.74**
Exceptional Items		-	-
Profit Before Tax from Continuing Operation		**12,264.29**	**8,430.74**
Tax expenses			
(a) Current tax expense for current year		4,215.18	2,915.53
(b) Current tax expense relating to prior year		86.27	41.77
(c) Net Current Tax Expense		4,301.45	2,957.30
(d) Deferred Tax		(283.32)	(79.11)
Sub total		**4,018.13**	**2,878.19**
Profit for the year from Continuing Operation		**8,246.16**	**5,552.55**
Profit/(loss) before tax from Discontinuing Operation		(23.40)	(4.47)
Tax expenses of Discontinuing Operation		-	-
Profit/(loss) after tax from Discontinuing Operation		**(23.40)**	**(4.47)**
Profit/(loss) for the year		**8,222.76**	**5,548.08**
Less: Share of Minority Interest		**1,361.87**	**436.32**
Net consolidted profit for the year		**6,860.89**	**5,111.76**
Earnings per equity share (Face Value ₹ 2)			
(1) Basic (In ₹)	29	21.64	16.33
(2) Diluted (In ₹)	29	21.52	16.22
See accompanying notes Forming Part of Consolidated Financial Statements	1 to 46		

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

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, 2017

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation, and exceptional items (Incl. Discontinuing Operation)	12,240.89	8,426.27
Adjustments for:		
Depreciation & Amortisation	539.71	660.82
Provisions for Gratuity	84.00	76.69
Provisions for Leave Encashment	39.03	37.22
Provision for Doubtful Debts	707.13	471.31
Provision for Doubtful Loans	928.16	521.11
Contingent Provision against Standard Assets	141.06	150.48
Loss on sale of Assets	12.40	18.37
Provision for dimunition in the value of Investment	(25.09)	63.41
Finance Cost	20,922.00	16,799.95
Provision for Contingencies	144.63	1.74
Operating Profit before Working Capital changes	**35,733.92**	**27,227.37**
(Increase) / Decrease in Trade Receivables	(9,360.58)	(923.27)
(Increase) / Decrease in Inventory	278.31	2,216.13
Increase / (Decrease) in Provisions	(219.80)	(88.88)
Increase / (Decrease) in Trade Payables	5,718.60	1,634.63
Increase / (Decrease) in Other Current Liability	2,108.14	5,313.63
Increase / (Decrease) in Loans and Advances and Other Assets	(54,159.32)	(33,365.98)
Cash generated from Operations	**(19,900.73)**	**2,013.63**
Tax (Paid) / Refund	(3,733.22)	(2,554.57)
Net Cash from / (used in) Operating Activities	**(23,633.95)**	**(540.94)**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) / Sale of Fixed Assets (includes Intangible Assets)	(2,699.12)	(767.32)
(Purchase) / Sale of Non-current Investments	(6,917.13)	(146.35)
(Purchase) / Sale of Current Investments	(15,877.51)	(5,754.11)
(Repayment)/ Receipt of Deposit	30.86	9.67
(Acquisition) / Liquidation of Subsidiary (net of cash acquired)	(55.90)	(48.64)
Net Cash from / (used in) Investing Activities	**(25,518.80)**	**(6,706.75)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / Warrants (includes Minority Share Capital)	11,149.11	9,400.77
Redemption of Preference Shares / Purchase of Minority stake in Subsidiary	(2,000.00)	(425.84)
Proceed from Share Application Money	1.46	-
Foreign Exchange Fluctuation	(35.58)	(2.53)
(Repayment) / Proceeds of Long-term Borrowings	37,807.86	(4,508.71)
(Repayment) / Proceeds of Short-term Borrowings	45,962.62	17,590.96
Dividend (Incl Dividend Distribution Tax)	(1,740.68)	(1,900.53)
Dividend paid to Minority Share Holders	(209.12)	(110.85)
Finance Cost paid	(19,610.05)	(14,794.67)
Net Cash from / (used in) Financing Activities	**71,325.62**	**5,248.60**
Net increase in Cash and Cash Equivalents	**22,172.87**	**(1,999.09)**
Cash and Cash Equivalents at beginning of period	16,288.29	18,287.38
Cash and Cash Equivalents at end of period	38,461.16	16,288.29
Net increase in Cash and Cash Equivalents	**22,172.87**	**(1,999.09)**
Cash and Cash Equivalents include :		
Cash on Hand	141.03	127.60
Bank Balances	19,401.54	9,856.71
Fixed Deposits	18,918.59	6,303.98
See accompanying notes Forming Part of Consolidated Financial Statements Note 1 to 46		

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

Prabodh Agrawal
Chief Financial Officer

R.Venkataraman
Managing Director
(DIN: 00011919)

Gajendra Thakur
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOLDINGS LIMITED

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2017

NOTE 1. CORPORATE INFORMATION:

IIFL Holdings Limited was incorporated on October 18, 1995 and is engaged in Merchant Banking and Investment Advisory services besides holding investments in subsidiaries. The Group business consist of finance, financial services, capital market services, distribution of financial products and wealth management services which are carried out by separate subsidiaries of IIFL Holdings Limited.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Consolidation:

a) Basis of Preparation:

The individual Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 of IIFL Holdings Limited ('the Company') and its subsidiaries and joint ventures ('companies and / or subsidiaries/ joint ventures'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' as prescribed by companies (Accounting standard) Rules, 2014 (as amended). The financial statements have been prepared under historical cost convention on an accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

b) Principles of Consolidation:

The financial statements of the group companies of IIFL Holdings Limited have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of the Companies (Act) read with rule 7 of the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the Previous Year by the Company.

c) The list of subsidiaries, associates and joint venture that have been consolidated are given in Note No 30.

2.2 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.3 Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below.

Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold.

In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 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
Buildings *	20
Computers *	3
Non Compete Fees	5
Electrical Equipment *	5
Office Equipment	5
Furniture and Fixtures *	5
Vehicles *	5
Software	3

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external values 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.

2.4 Translation of foreign currency items :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange difference, if any, arising out of transactions settled during the year are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. The exchange gains or losses, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

Consolidated Financial Statements (contd.)

2.5 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the companies and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

a. Brokerage income earned on secondary market operations is accounted on trade dates.

b. Interest Income is recognized on accrual basis.

c. Dividend income is recognized when the right to receive payment is established on balance sheet date.

d. Income related with Depository, Advisory activities, Investment banking, Merchant banking and Income in respect of other heads is accounted on accrual basis.

e. Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following;

(i) Profit / loss on sale of securities is determined based on the FIFO cost of the securities sold.

(ii) Profit / loss on arbitrage transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Currency Futures and or Equity Index / Stock Options / Currency Options which are released on final settlement/squaring-up of underlying contracts are disclosed under other current assets. "Mark-to-market margin-Equity Index / Stock Futures / Currency Futures" representing the amounts paid in respect of mark to market margin is disclosed under other current assets.

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity/ Currency Derivatives positions is determined on scrip basis (e.g. Nifty, SBI, HDFC) with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

f. One of the step down Subsidiary has recognised Income from Penal charge, Penal interest and Cheque Bouncing Charges pertaining to loan assets on receipt basis as against the accrual system of the group which constitute 2.79% (Previous Year 0.7%) of the total revenue of fund based segment of the group.

g. Brokerage income from commodities trading is accounted for on the dates of respective trades.

h. Commission income on first year premium on insurance policies is recognised, when an insurance policy sold by the Company is accepted by the principal insurance company. Renewal commission on policies is accounted for on receipt basis.

i. For its NBFC Subsidiary, the Company complies, in all material respects, with the Accounting Standard -9 issued by the Institute of Chartered Accountants of India, Prudential Norms relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the RBI & NHB, as applicable to it, and

i) Interest Income is recognised on the time proportionate basis as per agreed terms;

ii) Interest Income is recognised and remaining due for more than 120 days for all the loans are reversed and are accounted as income when these are actually realised. In the books of subsidiaries, interest income is reversed if it is due for 90 days or more.

j. Processing fees received from customers is recognised as income on receipt basis.

k. Portfolio management fee are accounted on accrual basis as follows :

In case of percentage based fee, in accordance with portfolio Management Agreement entered with the respective clients, on quarterly basis.

Distribution fee / Arranger Fee / commission and other fee are recognised on accrual basis in accordance with the terms agreed with the counter party.

Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.

l. Mortgages and loan :
The group complies, in all material respects, with the Prudential Norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for bad and doubtful debts, specified in the directions issued by the Reserve Bank of India/National Housing Bank as applicable.

Dealer / agent commission paid or payable is recognised as expense as and when it is incurred.

m. Revenue from Online Media is recognized pro-rata, over the contractual /subscription period.

n. Revenue is recognized in relation to the real estate units sold to the extent it is probable that the economic benefits will flow to the company demonstrated either by way of an Agreement for Sale or when receipt of advance from the buyer is adequate enough to demonstrate a commitment to pay. Revenue recognized is net of adjustment on account of cancellation.

In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by Institute of Chartered Accountants of India the revenue from sale of real estate units is recognized on the "percentage of completion method". Percentage of completion is determined on the basis of the ratio of actual project cost (excluding cost of land) incurred to total estimated project cost. Where the total project cost based on technical and other estimates is expected to exceed the corresponding project revenue, such expected loss is provided for. Revenue from sale of finished goods (completed property for sale) is recognized when significant risks and rewards of ownership of units in real estate have passed to the buyer.

o. Capital Gain/Loss is recognized on the date of trade.

2.6 Employee Benefits:

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

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

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.7 Deferred Employee Stock Compensation:

The stock options granted by the Company are 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 Accountant of India, whereby the intrinsic value of the options are recognized as deferred employee compensation. The deferred employee compensation, if any, is charged to the Statement of Profit and Loss on a straight line basis over vesting period of the options.

2.8 Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

For its NBFC Subsidiary, India Infoline Finance Limited (IIFL), Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 ("RBI Directions, 2016) dated September 01, 2016. Provision on standard assets is made as per notification no. DNBR.009/CGM(CDS)-2015 dated March 27, 2015 issued by RBI.

For its Housing Finance subsidiary, India Infoline Housing Finance Limited (IIHFL), non-performing loans are written off

Consolidated Financial Statements (contd.)

/ provided for, as per management estimates subject to the minimum provision required as per National Housing Bank (NHB) Directions. Provision on standard assets is made as per notification No. NHB. HFC. DIR. 9/ CMD/ 2013 dated September 6, 2013 issued by NHB.

For its subsidiary Samasta, non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per DNBS(PD)CC.No. 347/30.10.038/2013-14 dated July 01, 2013.Accordingly the Company is making a provision of 1% of the total loan portfolio or as required to be provided for its Non-performing loans, whichever is higher.

The group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

2.9 Taxes on Income:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

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

2.10 Operating Leases:

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

2.11 Investments:

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

2.12 Inventories:

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis. The comparison of cost and market value for arbitrage portfolio is done separately for each script.

2.13 Earnings Per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period.

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

2.14 Borrowings:

Borrowings are bifurcated under long term and short term liabilities. Commercial papers are recognised at Face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

2.15 Debenture Issue Expenses:

Debenture issue expenses including ancillary and other acquisition cost incurred on non convertible debentures are amortized over the tenure of the underlying debenture.

2.16 Preliminary Expenses:

Preliminary Expenses are written off in the financial year in which it is incurred.

2.17 Assignment of loan portfolio:

De-recognition of loans assigned, in the books of the subsidiary company, is based on the concept of surrender of control over the loans resulting in a "true sale" of loans. Future interest spread receivables in case of a par structure deals are recognised over the tenure of agreements as per guidelines issued by the RBI. Expenditure in respect of direct assignment is recognised upfront. Credit enhancement in the form of cash collateral provided by the subsidiary company is included under Cash and bank balance / Loans and advances, as applicable.

NOTE 3. SHARE CAPITAL

a. The Authorised, Issued, Subscribed, and Paid up Share Capital comprises of Equity Shares having a par value of ₹ 2 as follows:

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised :		
600,000,000 (Previous Year - 600,000,000) Equity Shares of ₹ 2 each	1,200.00	1,200.00
Issued , Subscribed and Paid Up:		
317,908,193 (Previous Year - 316,536,853) Equity Shares of ₹ 2 each fully paid – up	635.82	633.07
Total	**635.82**	**633.07**

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

Reconciliation of equity shares :	As at March 31, 2017		As at March 31, 2016	
Particulars	Number of Shares	(₹ in Millions)	Number of Shares	(₹ in Millions)
At the beginning of the Period	316,536,853	633.07	310,233,948	620.47
Add:- Issued during the period on exercise of ESOPs	1,371,340	2.75	6,302,905	12.60
Outstanding at the end of the year	**317,908,193**	**635.82**	**316,536,853**	**633.07**

c. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having at par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 4.50 (Previous Year ₹ 4.25)

d. Detail of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 2 each fully paid				
FIH Mauritius Investments Ltd	84,641,445	26.62	68,788,445	21.73
Nirmal Bhanwarlal Jain	51,252,000	16.12	51,252,000	16.19
HWIC Asia Fund Class A Shares	27,910,000	8.78	27,910,000	8.82
Venkataraman Rajamani	19,909,432	6.26	19,909,432	6.29
Madhu N Jain	17,000,000	5.35	17,000,000	5.37
Copthall Mauritius Investment Limited*	452,530	0.14	16,305,530	5.15

*Position as on March 31, 2017 is given as they were shareholders with more than 5% shareholding as on March 31, 2016.

e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares bought back by the company	NIL	NIL	NIL	NIL	NIL

f. Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer Note No. 35.

Consolidated Financial Statements (contd.)

NOTE 4. RESERVE AND SURPLUS

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Account		
Opening balance	17,935.71	12,187.47
Add: Premium on Issue of Shares	10,704.99	9,357.39
Less: Minority Interest (Refer Note No.43)	(3,348.04)	(3,609.15)
Closing balance	**25,292.66**	**17,935.71**
General Reserve		
Opening balance	1,552.63	1,580.43
Add - Amount transferred from Profit & Loss Account	-	-
Add - Amount transferred from Debenture Redemption Reserve	459.19	-
Less: Minority Interest (Refer Note No.43)	(78.41)	(27.80)
Closing balance	**1,933.41**	**1,552.63**
I. Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening balance	2,475.98	1,922.50
Add - Amount transferred from Profit & Loss Account	888.40	553.48
Less: Minority Interest (Refer Note No.43)	(413.41)	-
Closing balance	**2,950.97**	**2,475.98**
II. Special Reserve Pursuant to Section 29C of National Housing Bank Act,1987)		
Opening balance	373.70	223.20
Add - Amount transferred from Profit & Loss Account	194.00	150.50
Less: Minority Interest (Refer Note No.43)	(62.78)	-
Closing balance	**504.92**	**373.70**
Total Special Reserve (I + II)	**3,455.89**	**2,849.68**
Foreign Exchange Fluctuation Reserve		
Opening balance	332.56	345.83
Add / (Less): Effect of foreign exchange rate variations during the year	(35.58)	(2.53)
Less: Minority Interest (Refer Note No.43)	(2.24)	(10.74)
Closing balance	**294.74**	**332.56**
Capital Reserve		
Opening balance	433.70	433.70
Add: Addition during the year	-	-
Closing balance	**433.70**	**433.70**
Capital Redemption Reserve		
Opening balance	51.11	51.11
Add: Amount transferred from Profit & Loss Account	1,500.00	-
Less: Minority Interest (Refer Note No.43)	(231.81)	-
Closing balance	**1,319.30**	**51.11**
Debenture Redemption Reserve		
Opening balance	4,153.45	2,737.82
Add: Additions during the year	830.15	1,429.41
Less - Amount transferred to General Reserve	(459.19)	-
Less: Minority Interest (Refer Note No.43)	(617.40)	(13.78)
Closing balance	**3,907.01**	**4,153.45**
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last Financial Statements	5,579.16	5,474.37
Profit for the year	8,222.76	5,548.08
Add: Adjustment arising out of Liquidation of Subsidiary	-	55.94
Less: Minority Interest (Refer Note No.43)	(730.37)	(1,023.97)
Less: Appropriations		
Preference Dividend	(20.43)	(272.92)
Interim Dividend	(1,429.19)	(1,340.73)
Dividend Distribution Tax	(291.04)	(286.88)
Deferred Tax *	(14.81)	(5.02)

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Minority Interest- Current Year Profit	(1,361.87)	(436.32)
Less: Transferred to -		
Special Reserve	(1,082.40)	(703.98)
Debenture Redemption Reserve	(830.15)	(1,429.41)
Capital Redemption Reserve	(1,500.00)	-
Net Surplus in the Statement of Profit and Loss	**6,541.66**	**5,579.16**
Total	**43,178.37**	**32,888.00**

* As per circular NHB(ND)/DRS/Policy Circular 65/2014-15 August 22, 2014 issued by NHB, the Company has adjusted ₹ 14.81 millions (P.Y. ₹ 5.02 millions) pertaining to previous years towards Deferred Tax Liability on the Special Reserves created & maintained under Section 36(1)(viii) of Income Tax Act, 1961 from reserves, being the final 50% of total deferred tax liability to be created.

NOTE 5. SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Share Application Money pending allotment*	1.46	-
Total	**1.46**	**-**

* The Company has received ₹ 1.46 million (Previous year ₹ NIL) towards share application money on account of exercise of 8,070 ESOP options which has resulted into allotment of 8,070 (Previous Year NIL) equity shares, having face value of ₹ 2 each, allotted on April 13, 2017. Out of total proceeds, ₹ 1.44 million (previous year ₹ Nil) were received towards securities premium.

NOTE 6. MINORITY INTEREST

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Minority Interest		
Opening Interest	7,436.71	2,644.67
Subsequent increase/(decrease) during the year	5,115.52	4,792.04
Closing Minority Interest	**12,552.23**	**7,436.71**

NOTE 7. LONG TERM BORROWINGS

(₹ in Millions)

Particulars	Non-Current portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Secured Loans				
Loan from Banks (Secured against receivables) – Refer Note 7.1 below	44,287.76	46,065.25	12,410.71	21,057.82
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 7.2 below	67,722.97	31,731.67	10,749.44	12,195.13
Sub Total (A)	112,010.73	77,796.92	23,160.15	33,252.95
Unsecured Loans				
Non Convertible Debentures – Refer Note 7.3 below	15,621.62	12,164.76	11.93	24.82
By Joint Venturer (Meenakshi LLP)	378.58	241.40	-	-
Amount disclosed under the head "Other Current Liabilities"	-	-	(23,172.08)	(33,277.77)
Sub Total (B)	**16,000.20**	**12,406.16**	**(23,160.15)**	**(33,252.95)**
Total (A+B)	**128,010.93**	**90,203.08**	**-**	**-**

During the year, its subsidiaries have raised Secured Term Loans aggregating ₹ 28,449.50 millions (Previous Year ₹ 28,966.34 millions) from various banks and have also raised ₹ 48,219.14 millions (Previous Year ₹ 12,675.00 millions) by issue of Secured Non Convertible Debentures. Of the above, one subsidiary has raised Foreign Currency Term Loan aggregating to ₹ Nil (Previous Year ₹ 900.00 millions) from RBL.

The above loans are secured by way of 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. Out of the total loans from banks, loans amounting to ₹ 38,338.77 millions (Previous Year ₹ 59,602.30 millions) are also guaranteed by IIFL Holdings Limited, the holding Company.

Consolidated Financial Statements (contd.)

7.1: Term Loans from Banks - Secured

(₹ in Millions)

Maturities Term Loan	Non current					
	As at March 31, 2017			As at March 31, 2016		
	1-3 years	3 years & above	Total	1-3 years	3 years & above	Total
Rate of interest*						
7.01% to 8.00%	56.80	111.60	168.40	-	-	-
8.01% to 9.00%	26,879.37	14,553.79	41,433.16	-	-	-
9.01% to 10.00%	1,191.70	500.64	1,692.34	9,054.85	3,286.14	12,340.99
10.01% to 11.00%	500.00	-	500.00	25,262.36	8,024.40	33,286.76
11.01% to 12.00%	36.50	-	36.50	437.50	-	437.50
12.01% to 13.00%	248.61	-	248.61	-	-	-
13.01% to 14.00%	102.73	-	102.73	-	-	-
14.01% to 15.00%	104.45	1.57	106.02	-	-	-
Total	**29,120.16**	**15,167.60**	**44,287.76**	**34,754.71**	**11,310.54**	**46,065.25**

* The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

7.2: Non Convertible Debentures – Secured

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 13/03/2027 at Par	100.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 05/03/2027 at Par	250.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 07/02/2027 at Par	80.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 05/02/2027 at Par	197.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 18/01/2027 at Par	70.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 12/01/2027 at Par	460.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 31/12/2026 at Par	270.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 24/12/2026 at Par	626.50	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 17/12/2026 at Par	60.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 16/12/2026 at Par	279.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 10/12/2026 at Par	426.50	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 08/12/2026 at Par	710.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/12/2026 at Par	1,160.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/12/2026 at Par	920.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 01/12/2026 at Par	1,041.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 27/11/2026 at Par	590.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 27/11/2026 at Par	130.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 24/11/2026 at Par	830.00	-	-	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 23/11/2026 at Par	1,389.70	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 20/11/2026 at Par	200.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 13/11/2026 at Par	470.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 10/11/2026 at Par	370.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 10/11/2026 at Par	120.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 06/11/2026 at Par	470.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 14/03/2024 at Par	200.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 07/02/2024 at Par	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 18/01/2024 at Par	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 12/01/2024 at Par	10.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/01/2024 at Par	10.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/01/2024 at Par	250.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 28/12/2023 at Par	20.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 19/12/2023 at Par	10.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 15/12/2023 at Par	345.00	-	-	-
15.25% Secured, Rated, Transferable, Redeemable, Non-Convertible Debentures. Date of Maturity 30-June-2022	50.00	-	-	-
Equity Linked Non Convertible Debentures - Series 042 Type II of Face value ₹ 100,000 Each Redeemable on 28-Feb-2022 at par	-	15.00	-	-
Equity Linked Non Convertible Debentures - Series 041 Type II of Face value ₹ 100,000 Each Redeemable on 10-Feb-2022 at par	3.00	18.00	-	-
Equity Linked Non Convertible Debentures - Series 039 Type II of Face value ₹ 100,000 Each Redeemable on 28-Jan-2022 at par	-	6.00	-	-
10.60% Redeemable Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 03-Nov-2021 at par	2,875.00	2,875.00	-	-
8.90% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 3-Nov-2021 at par	50.00	-	-	-
10.60% Redeemable Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 03-Nov-2020 at par	2,875.00	2,875.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 12-May-2020 at premium	640.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 12-May-2020 at premium	180.00	-	-	-
Zero Coupon Secured Non Convertible Debenture of Face Value ₹ 1,000,000 Each date of maturity 12-May-2020 and redeemable at premium	407.54	-	-	-
8.60 % Redeemable Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 30-Apr-2020 at par	5,000.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 with maturity date of 20-Apr-2020 at premium	1,500.00	-	-	-

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 20-April-2020 at premium	2,500.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 with maturity date of 7-April-2020 at premium	110.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 7-April-2020 at premium	110.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 20/12/2019 at Par	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 29/11/2019 at Par	20.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 28/11/2019 at Par	45.40	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 14/11/2019 at Par	27.50	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹1,000,000 with maturity date of 12-Nov-2019 at premium	50.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 12-Nov-2019 at premium	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/11/2019 at Par	111.80	-	-	-
9.20 % Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 4-Nov-2019 at par	300.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 29/10/2019 at Par	20.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 25/10/2019 at Par	234.50	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 21/10/2019 at Par	209.50	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 15/10/2019 at Par	63.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 8-Oct-2019 at premium	80.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 30/09/2019 at Par	48.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 with maturity date of 24-Sept-2019 at premium	105.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 23/09/2019 at Par	10.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 with maturity date of 12-Sept-2019 at premium	65.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 11/09/2019 at Par	100.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/09/2019 at Par	54.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 22/08/2019 at Par	10.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 30/07/2019 at Par	30.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 23/07/2019 at Par	29.00	-	-	-
9.50% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 22-July-2019 at par	1,600.00	-	-	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 15/07/2019 at Par	171.50	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 15-July-2019 at premium	163.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 03/07/2019 at Par	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 26/06/2019 at Par	75.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 24/06/2019 at Par	140.70	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 19/06/2019 at Par	130.00	-	-	-
9.30 % Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 5-Apr-2019 at par	2,000.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 19-Mar-2019 at premium	60.00	60.00	-	-
11.40% XIRR Secured Redeemable Non Convertible Debentures. F Group Debt Instruments Series. Date of Maturity 07/03/2019	75.00	-	75.00	-
11% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 6-March-2019	100.00	100.00	-	-
Zero Coupon Secured Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 27-Feb-2019 at premium	100.00	100.00	-	-
Equity Linked Coupon Non Convertible Debentures of Face Value ₹ 1000000 18-Jan-2019 at par	50.00	50.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 16-Jan-2019 at premium	44.00	44.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A8 Option Iii of Face Value ₹ 1,000,000 Each Redeemable on 16-Jan-2019 at premium	44.00	44.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 26-Dec-2018 at premium	34.00	34.00	-	-
11.52% Secured Non Convertible Debentures Series N1 of Face Value ₹ 1,000 Each Redeemable on 26-Dec-2018 at par	3,903.59	3,944.62	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A8 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 26-Dec-2018 at premium	34.00	34.00	-	-
Cnx Nifty Index Linked Secured Redeemable Non-Convertible Debentures Series Ihf 002 of Face Value ₹ 1,000,000 Each Redeemable on 21-Dec-2018 at par	310.00	310.00	-	-
Cnx Nifty Index Linked Secured Redeemable Non-Convertible Debentures Series I of 001 Type B of Face Value ₹ 1,000,000 Each Redeemable on 21-Dec-2018 at par	290.00	290.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 12-Dec-2018 at premium	34.00	34.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A8 Option I of Face Value ₹ 1,000,000 Each Redeemable on 12-Dec-2018 at premium	34.00	34.00	-	-
9.57% Secured Rated Non Convertible Debenture of Face Value ₹ 1000,000 Each Redeemable on 05-Dec-2018 at Par	-	1,620.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 27-Nov-2018 at premium	60.00	60.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A6 Option Iii of Face Value ₹ 1,000,000 Each Redeemable on 27-Nov-2018 at premium	60.00	60.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 08-Nov-2018 at premium	30.00	30.00	-	-

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A6 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 08-Nov-2018 at premium	30.00	30.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 25-Oct-2018 at premium	30.00	30.00	-	-
9.15% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 19-Oct-2018 at par	2,500.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 17-Oct-2018 at premium	30.00	30.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option Iii of Face Value ₹ 1,000,000 Each Redeemable on 17-Oct-2018 at premium	30.00	30.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option Iii of Face Value ₹ 1,000,000 Each Redeemable on 17-Oct-2018 at premium	30.00	30.00	-	-
9.15% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 12-Oct-2018 at par	2,500.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 03-Oct-2018 at premium	130.00	130.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option I of Face Value ₹ 1,000,000 Each Redeemable on 03-Oct-2018 at premium	130.00	130.00	-	-
12% Secured Redeemable Non Convertible Debentures Option III of Face Value ₹ 1,000 Each Redeemable on 30-Sep-2018 at par	2,688.02	2,701.50	-	-
12% Redeemable Non Convertible Debentures Option IV of Face Value ₹ 1,000 Each Redeemable on 30-Sep-2018 at par	257.72	261.55	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 28/09/2018 at Par	70.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 21/09/2018 at Par	30.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 20-Sept-2018 at premium	5,000.00	-	-	-
9.20 % Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 18-Sep-2018 at par	2,000.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 14/09/2018 at Par	32.50	-	-	-
11.05% Secured Rated Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 14-Sept-2018 at Par	300.00	300.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 13-Sep-2018 at premium	60.00	60.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 13-Sep-2018 at premium	60.00	60.00	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 30/08/2018 at Par	82.50	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 23/08/2018 at Par	50.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 17/08/2018 at Par	15.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 09-Aug-2018 at premium	250.00	250.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option I of Face Value ₹ 1,000,000 Each Redeemable on 09-Aug-2018 at premium	310.00	310.00	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 04/08/2018 at Par	20.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 02/08/2018 at Par	150.00	-	-	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
9.55% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 27-July-2018 at par	2,000.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 16/07/2018 at Par	200.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 13-Jul-2018 at premium	100.00	100.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option II of Face Value ₹ 1,000,000 Each Redeemable on 13-Jul-2018 at premium	100.00	100.00	-	-
9.58% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 11-July-2018 at par	250.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A2 Option I of Face Value ₹ 1,000,000 Each Redeemable on 28-Jun-2018 at premium	464.00	464.00	-	-
10.40% Secured Redeemable Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 21-Jun-2018 at par	100.00	100.00	-	-
9.50% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 20-June-2018 at par	1,600.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option III of Face Value ₹ 1,000,000 Each Redeemable on 15-Jun-2018 at premium	500.00	500.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 14-Jun-2018 at premium	70.00	70.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A2 Option II of Face Value ₹ 1,000,000 Each Redeemable on 14-Jun-2018 at premium	36.00	36.00	-	-
10.55% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 11-June-2018	100.00	100.00	-	-
12.51% XIRR Secured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 151-200. Date of Maturity 01/06/2018	12.50	-	50.00	-
10.45% Redeemable Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 31-May-2018 at par	1,050.00	1,050.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 31-May-2018 at premium	35.00	35.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 9 Option II of Face Value ₹ 1,000,000 Each Redeemable on 31-May-2018 at premium	35.00	35.00	-	-
10% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 24-May-2018	100.00	100.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 24-May-2018 at premium	175.00	175.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 9 Option I of Face Value ₹ 1,000,000 Each Redeemable on 24-May-2018 at premium	175.00	175.00	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 17/05/2018 at Par	100.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 11/05/2018 at Par	10.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 11/05/2018 at Par	20.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 08-May-2018 at premium	40.00	40.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 8 Option II of Face Value ₹ 1,000,000 Each Redeemable on 08-May-2018 at premium	39.00	39.00	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 06/05/2018 at Par	15.00	-	-	-

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/05/2018 at Par	450.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/05/2018 at Par	194.00	-	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 30-Apr-2018 at premium	175.00	-	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 27/04/2018 at Par	150.00	-	-	-
NCD, 500 units, Each Redeemable on 25/04/2018 FV ₹ 1,000,000	-	500.00	-	-
Equity Linked Non Convertible Debentures - Series 046 of Face value ₹ 1000,000 Each Redeemable on 24-Apri-2018 at par	250.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option IV of Face Value ₹ 1,000,000 Each Redeemable on 18-Apr-2018 at premium	70.00	70.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 17-Apr-2018 at premium	142.00	142.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 8 Option I of Face Value ₹ 1,000,000 Each Redeemable on 17-Apr-2018 at premium	102.00	102.00	-	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 10-Apr-2018 at premium	67.00	67.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option III of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2018 at premium	37.00	37.00	-	-
9.50% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000 Each Redeemable on 6-April-2018 at par	1,000.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 25-April-2018 at premium	250.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option IV of Face Value ₹ 1,000,000 Each Redeemable on 03-Apr-2018 at premium	433.00	433.00	-	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 2-Apr-2018 at premium	62.00	62.00	-	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 2-Apr-2018 at premium	33.00	33.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 02-Apr-2018 at premium	200.00	200.00	-	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 02-Apr-2018 at premium	130.00	130.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option III of Face Value ₹ 1,000,000 Each Redeemable on 02-Apr-2018 at premium	62.00	62.00	-	-
Zero Coupon Secured Redeemable Non convertible Debentures Series 5 Option II of Face value ₹ 1,000,000 each Redeemable on 02nd April '2018 at Premium	33.00	33.00	-	-
Zero Coupon Secured Redeemable Non convertible Debentures of Face value of ₹ 1,000,000 each Redeemable on 20th March '2018 at Premium	-	500.00	500.00	-
Equity Linked Non Convertible Debentures - Series 038 of Face value ₹ 100,000 Each Redeemable on 19-Mar-2018 at par	-	120.00	120.00	-
Equity Linked Non Convertible Debentures - Series 042 Type III of Face value ₹ 100,000 Each Redeemable on 27-Feb-2018 at par	-	250.00	-	-
12.78% XIRR Secured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 1-100. Date of Maturity 27/02/2018	-	-	45.84	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 16/02/2018 at Par	-	-	250.00	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Equity Linked Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 12-Feb-2018	-	50.00	50.00	-
Equity Linked Non Convertible Debentures - Series 041 Type I of Face value ₹ 100,000 Each Redeemable on 12-Feb-2018 at par	-	361.00	35.00	-
Equity Linked Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 07-Feb-2018 at par	-	25.00	25.00	-
Equity Linked Non Convertible Debentures of Face Value ₹ 1,000,000 07-Feb-2018 at par	-	12.00	12.00	-
Equity Linked Non Convertible Debentures - Series 040 of Face value ₹ 100,000 Each Redeemable on 02-Feb-2018 at par	-	275.00	15.00	-
Equity Linked Non Convertible Debentures - Series 039 Type I of Face value ₹ 100,000 Each Redeemable on 29-Jan-2018 at par	-	152.00	17.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 23-Jan-2018 at premium	-	34.00	34.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option II of Face Value ₹ 1,000,000 Each Redeemable on 23-Jan-2018 at premium	-	33.00	33.00	-
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 7. Option I. Date Of Maturity 09/01/2018	-	30.00	30.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option I of Face Value ₹ 1,000,000 Each Redeemable on 09-Jan-2018 at premium	-	30.00	30.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 29/12/2017 at Par	-	-	78.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 29/12/2017 at Par	-	-	32.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 22/12/2017 at Par	-	-	3.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 18-Dec-2017 at premium	-	60.00	60.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 3 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 18-Dec-2017 at premium	-	60.00	60.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 15/12/2017 at Par	-	-	74.30	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 06-Dec-2017 at premium	-	40.00	40.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 3 Option I of Face Value ₹ 1,000,000 Each Redeemable on 06-Dec-2017 at premium	-	40.00	40.00	-
9.57% Secured Rated Non Convertible Debenture of Face Value ₹ 1000,000 Each Redeemable on 05-Dec-2017 at Par	-	220.00	-	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/12/2017 at Par	-	-	37.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 01/12/2017 at Par	-	-	7.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 24/11/2017 at Par	-	-	100.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 20/11/2017 at Par	-	-	130.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 20/11/2017 at Par	-	-	150.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 20/11/2017 at Par	-	-	500.00	-
Zero Coupon Secured Redeemable Non Convertible Debentures. Series 4. Option 2. Date Of Maturity 20/11/2017	-	610.00	610.00	-

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 2 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 20-Nov-2017 at premium	-	115.00	115.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 02-Nov-2017 at premium	-	40.00	40.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 2 Option I of Face Value ₹ 1,000,000 Each Redeemable on 02-Nov-2017 at premium	-	35.00	35.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 11-Oct-2017 at premium	-	91.00	91.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option III of Face Value ₹ 1,000,000 Each Redeemable on 11-OCt-2017 at premium	-	91.00	91.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 10/10/2017 at Par	-	-	100.00	-
9.52% Secured Redeemable Non Convertible Debentures Series A9 of Face Value ₹ 1,000,000 Each Redeemable on 6-Oct-2017 at premium	-	-	100.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/10/2017 at Par	-	-	112.80	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 04/10/2017 at Par	-	-	50.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 3-oct-2017 at premium	-	39.00	39.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option II of Face Value ₹ 1,000,000 Each Redeemable on 03-Oct-2017 at premium	-	39.00	39.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 22/09/2017 at Par	-	-	30.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 21-Sep-2017 at premium	-	65.00	65.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option I of Face Value ₹ 1,000,000 Each Redeemable on 21-Sep-2017 at premium	-	65.00	65.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option III of Face Value ₹ 1,000,000 Each Redeemable on 14-Sep-2017 at premium	-	500.00	500.00	-
10.70% Secured Rated Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 14-Sept-2017 at Par	-	500.00	-	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 31-Aug-2017 at premium	-	170.00	170.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Option I of Face Value ₹ 1,000,000 Each Redeemable on 31-Aug-2017 at premium	-	170.00	170.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 30/08/2017 at Par	-	-	160.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 23/08/2017 at Par	-	-	40.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 21/08/2017 at Par	-	-	150.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 16-Aug-2017 at premium	-	180.00	180.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 16-Aug-2017 at premium	-	180.00	180.00	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 14/08/2017 at Par	-	-	42.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 02/08/2017 at Par	-	-	338.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 26/07/2017 at Par	-	-	100.00	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 24/07/2017 at Par	-	-	55.50	-
Market Linked Non Convertible Debenture of Face Value ₹ 100,000 Each Redeemable on 19/07/2017 at Par	-	-	98.50	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 03-Jul-2017 at premium	-	120.00	120.00	-
Equity Linked Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 23-Jun-2017 at par	-	21.00	21.00	-
Zero Coupon Secured Redeemable Non –Convertible Debentures of Face Value ₹ 1,000 Each Redeemable on 20-Jun-2017 at par	-	200.00	200.00	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 16-Jun-2017 at premium	-	50.00	50.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option Iii of Face Value ₹ 1,000,000 Each Redeemable on 15-Jun-2017 at premium	-	500.00	500.00	-
Equity Linked Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 15-May-2017 at par	-	250.00	250.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 15-May-2017 at premium	-	100.00	100.00	-
11.85% Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 29-Apr-2017 at par	-	-	-	350.00
11.85% Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 29-Apr-2017 at par	-	350.00	350.00	-
Equity Linked Non Convertible Debentures - Series 042 Type III of Face value ₹ 100,000 Each Redeemable on 25-Apr-2017 at par	-	250.00	250.00	-
Zero Coupon Secured Non Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 24-Apr-2017 at premium	-	350.00	350.00	-
Equity Linked Non Convertible Debentures of Face Value ₹ 1,000,000 18-Apr-2017 at par	-	50.00	50.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2017 at premium	-	850.00	850.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 7 Option I of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2017 at premium	-	500.00	500.00	-
12.15% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 4-Apr-2017	-	150.00	150.00	-
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 3-Apr-2017 at premium	-	-	-	220.00
Zero coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 03-Apr-2017 at premium	-	180.00	180.00	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 03-Apr-2017 at premium	-	200.00	200.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 03-Apr-2017 at premium	-	200.00	200.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option I of Face Value ₹ 1,000,000 Each Redeemable on 20-Mar-2017 at premium	-	-	-	500.00

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option I of Face Value ₹ 1,000,000 Each Redeemable on 07-Mar-2017 at premium	-	-	-	500.00
Equity Linked Non Convertible Debentures - Series 042 Type I of Face value ₹ 100,000 Each Redeemable on 27-Feb-2017 at par	-	248.00	25.00	-
Zero Coupon Non Convertible Debentures of Face Value ₹ 1,000,000 07-Feb-2017 at premium	-	-	-	30.00
Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option I of Face Value ₹ 1,000,000 Each Redeemable on 07-Feb-2017 at premium	-	-	-	30.00
Equity Linked Non Convertible Debenture -Series i-037 of Face Value ₹ 100,000 Each Redeemable on 21-Nov-2016 at par	-	-	-	56.50
11.85% Redeemable Non Convertible Debentures of Face Value Rs ₹ 1,000,000 Each Redeemable on 17-Nov-2016 at par	-	-	-	350.00
Equity Linked Non Convertible Debenture-Series i-036 of face value ₹ 100,000 Each Redeemable on 14-Nov-2016 at par	-	-	-	62.30
Equity Linked Non Convertible Debenture-Series i-035 of Face Value ₹ 100,000 Each Redeemable on 02-Nov-2016 at par	-	-	-	74.10
Equity Linked Non Convertible Debenture -Series i-034 of Face Value ₹ 100,000 Each Redeemable on 25-Oct-2016 at par	-	-	-	30.50
Equity Linked Non Convertible Debenture -Series i-033 of Face Value ₹ 100,000 each Redeemable on 24-Oct-2016 at par	-	-	-	93.50
12% Secured Redeemable Non Convertible Debentures. Option I. of Face Value ₹ 1,000 Each Redeemable on 29-Sep-2016 at par	-	-	-	4,981.88
12% Secured Redeemable Non Convertible Debentures. Option II.of Face Value ₹ 1,000 Each Redeemable on 29-Sep-2016 at par	-	-	-	728.44
Zero Coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 6-Sept-2016	-	-	-	50.00
Zero Coupon Secured Redeemable Non-Convertible Debentures Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 06-Sep-2016 at premium	-	-	-	50.00
Equity Linked Non Convertible Debentures - Series I 32 of Face value ₹ 100,000 Each Redeemable on 02-Sep-2016 at par	-	-	-	59.00
Equity Linked Non Convertible Debentures - Series I 31 Face value ₹ 100,000 Each Redeemable on 01-Sep-2016 at par	-	-	-	13.00
11.90 % Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 18-Aug-2016 at par	-	-	-	2,094.35
11.70 % Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 18-Aug-2016 at par	-	-	-	104.46
Equity Linked Non Convertible Debentures - Series I 30 of Face value ₹ 100,000 Each Redeemable on 18-Aug-2016 at par	-	-	-	35.00
Equity Linked Non Convertible Debentures - Series I 29 of Face value ₹ 100,000 Each Redeemable on 8-Aug-2016 at par	-	-	-	39.70
Equity Linked Non Convertible Debentures - Series I 28 of Face value ₹ 100,000 Each Redeemable on 01-Aug-2016 at par	-	-	-	26.70
Equity Linked Non Convertible Debentures - Series I 27 of Face value ₹ 100,000 Each Redeemable on 25-Jul-2016 at par	-	-	-	85.20
Equity Linked Non Convertible Debentures - Series I 26 of Face value ₹ 100,000 Each Redeemable on 18-Jul-2016 at par	-	-	-	148.40
Equity Linked Non Convertible Debentures - Series I 25 of Face value ₹ 100,000 Each Redeemable on 7-Jul-2016 at par	-	-	-	117.20
Equity Linked Non Convertible Debentures - Series I 24 of Face value ₹ 100,000 Each Redeemable on 04-Jul-2016 at par	-	-	-	381.80
Equity Linked Non Convertible Debentures - Series I 23 of Face value ₹ 100,000 Each Redeemable on 01-Jul-2016 at par	-	-	-	27.50
Equity Linked Non Convertible Debentures - Series I 22 of Face value ₹ 100,000 Each Redeemable on 27-Jun-2016 at par	-	-	-	145.50

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Equity Linked Non Convertible Debentures - Series I 21 of Face value ₹ 100,000 Each Redeemable on 21-Jun-2016 at par	-	-	-	74.40
Equity Linked Non Convertible Debentures - Series I 20 of Face value ₹ 100,000 Each Redeemable on 18-Jun-2016 at par	-	-	-	235.70
Zero Coupon Secured Redeemable Non-Convertible Debentures Series 7 Option Ii of Face Value ₹ 1,000,000 Each Redeemable on 11-Apr-2016 at premium	-	-	-	500.00
Total	**67,722.97**	**31,731.67**	**10,749.44**	**12,195.13**

The above debentures are secured by way of registered mortgage and/ or charge over immoveable property and/or current assets, book debts, receivables (both present and future) and other assets of some of its subsidiaries. Debenture reserve on the Non convertible Debenture has been created as disclosed in below.

Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures Rules, 2014) the group was required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through a public issue Accordingly, ₹ 830.15 millions (Previous year ₹ 1,429.41 millions) has been transferred to Debenture Redemption Reserve account for the financial year ended March 31, 2017.

7.3: Non Convertible Debentures – Unsecured

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
10.00 % Non Convertible Debenture of Face Value ₹ 500,000 Each Redeemable on 02/03/2027 at Premium	500.00	-	-	-
10.00 % Non Convertible Debenture of Face Value ₹ 500,000 Each Redeemable on 22/02/2027 at Premium	1,000.00	-	-	-
9.30% Unsecured Subordinate Non Convertible Debentures. Option I. Date Of Maturity 29-May-2023 at par	150.00	-	-	-
12.10% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 24-May-2023 at par	100.00	100.00	-	-
12.20% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 4-Nov-2022 at par	230.00	230.00	-	-
12.15% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 30-Aug-2022 at par	150.00	150.00	-	-
12.15% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 30-Aug-2022 at par	50.00	50.00	-	-
11.42 % Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 30/06/2022 at Premium	30.00	-	-	-
16.90% Unsecured, Rated, Transferable, Redeemable, Non-Convertible Debentures. Date of Maturity 29 June 2022	50.00	-	-	-
9.10 % Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 24/06/2022 at Premium	100.00	-	-	-
11.42 % Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 24/06/2022 at Premium	55.00	-	-	-
9.50 % Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 13/06/2022 at Premium	750.00	-	-	-
9.50 % Non Convertible Debenture of Face Value ₹ 1,000,000 Each Redeemable on 06/06/2022 at Premium	2,000.00	-	-	-
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures Series U04 of Face Value ₹ 1,000,000 Each Redeemable on 11-Feb-2022 at par	100.00	100.00	-	-
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures Series U03 of Face Value ₹ 1,000,000 Each Redeemable on 25-Jan-2022 at par	100.00	100.00	-	-

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
10.50% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 16-Sept-2021 at par	150.00	150.00	-	-
10.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 10-Sept-2021 at par	200.00	200.00	-	-
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures Series U02 of Face Value ₹ 1,000,000 Each Redeemable on 10-Aug-2021 at par	100.00	100.00	-	-
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures Series U01 of Face Value ₹ 1,000,000 Each Redeemable on 26-Jul-2021 at par	170.00	170.00	-	-
11.25% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 4-Sep-2020 at par	1,800.00	2,000.00	-	-
10.75% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 3-June-2020 at par	100.00	100.00	-	-
10.75% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 30-Apr-2020 at par	450.00	450.00	-	-
12% Unsecured Subordinate Non Convertible Debentures Option I of Face Value ₹ 1,000 Each Redeemable on 02-Apr-2020 at par	1,798.58	1,798.58	-	-
Zero Coupon Unsecured Subordinate Non Convertible Debentures Option II of Face Value ₹ 1,000 Each Redeemable on 02-Apr-2020 at premium	201.42	201.42	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2019 (SBMIB VII – 7 years) at par	0.35	0.35	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2019 (SBMIB VI - 7 years) at par	0.05	0.05	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 2-Mar-2019 (SBMIB V – 7 years) at par	0.09	0.09	-	-
12.0% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 27-Feb-2019 at par*	-	250.00	-	-
12.0% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 27-Feb-2019 at premium*	-	250.00	-	-
12.0% Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 27-Feb-2019 at par*	-	250.00	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 23-Feb-2019 (SBMIB IV – 7 years) at par	0.47	0.47	-	-
Zero Coupon Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 20-Feb-2019 at par	-	500.00	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 7-Feb-2019 (SBMIB III – 7 years) at par	0.25	0.25	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 7-Feb-2019 (SBMIB II – 7 years) at par	0.03	0.03	-	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 18-Jan-2019 (SBMIB I – 7 years) at par	1.16	1.16	-	-
12.75% Non-Convertible Debentures series N5 of Face value ₹ 1,000 Each Redeemable on 17-Sep-2018 at par	3,843.68	3,948.53	-	-
12.75% Non-Convertible Debentures series N6 of Face value ₹ 1,000 Each Redeemable on 17-Sep-2018 at par	594.41	599.30	-	-
Zero Coupon Non-Convertible Debentures series N7 of Face value ₹ 1,000 Each Redeemable on 17-Sep-2018 at par	444.37	450.83	-	-
9.25% Un-Secured Non Convertible Debenture of Face Value ₹ 1,000,000 Each redeemable on 20 June 2018 at par	400.00	-	-	-
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 04-Apr-2018 (SBDB VI – 6 years) at par	1.76	1.76	-	-
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2018 (SBDB V – 6 years) at par	-	1.79	1.79	-
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2018 (SBDB IV – 6 years) at par	-	1.44	1.44	-
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 1-Mar-2018 (SBDB III – 6 years) at par	-	2.41	2.41	-

(₹ in Millions)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 7-Feb-2018 (SBDB II – 6 years) at par	-	2.54	2.54	-
12.25% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 23-Jan-2018 (SBDB I – 6 years) at par	-	3.76	3.76	-
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2017 (SBMIB VI – 5 years) at par	-	-	-	3.23
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 30-Mar-2017 (SBMIB VII – 5 years) at par	-	-	-	2.33
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 2-Mar-2017 (SBMIB V – 5 years) at par	-	-	-	3.13
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 23-Feb-2017 (SBMIB IV – 5 years) at par	-	-	-	3.79
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 7-Feb-2017 (SBMIB III – 5 years) at par	-	-	-	4.77
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 7-Feb-2017 (SBMIB II – 5 years) at par	-	-	-	3.30
12.75% Non-Convertible Debentures of Face value ₹ 1,000 Each Redeemable on 18-Jan-2017 (SBMIB I – 5 years) at par	-	-	-	4.27
Total	**15,621.62**	**12,164.76**	**11.93**	**24.82**

* For these Non Convertible Debentures, the subsidiary company has a call option, after 5 years from the date of allotment, subject to prior approval from the Reserve Bank of India for redemption. The Non Convertible Debentures does not have any put option.

NOTE 8. OTHER LIABILITIES

(₹ in Millions)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Current maturities of Long-term Borrowings	-	-	23,172.08	33,277.77
Sub Total (A)	**-**	**-**	**23,172.08**	**33,277.77**
Security Deposit received	103.79	71.75	237.24	244.59
Deposit (Beneficiary)	29.65	30.82	-	-
Temporary overdrawn bank balance as per books	-	-	7,157.92	7,746.50
Interest accrued but not due on borrowings	355.47	73.54	5,530.58	4,500.56
Advances from Customers	-	-	2,378.41	898.44
Accrued Salaries & Benefits	-	-	906.65	527.17
Payables on account of Assignment	-	-	1,482.93	1050.31
Contractually Reimbursable Expenses	-	-	547.20	391.04
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	-	376.22	253.34
Income received in advance	-	-	58.41	67.17
Unpaid Dividend	-	-	6.79	6.68
Other Payables	-	0.01	452.69	311.08
Sub Total (B)	**488.91**	**176.12**	**19,135.04**	**15,996.88**
Total (A+B)	**488.91**	**176.12**	**42,307.12**	**49,274.65**

Consolidated Financial Statements (contd.)

NOTE 9. PROVISIONS

(₹ in Millions)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits				
Provision for Leave Encashment	43.45	63.72	48.27	20.11
Provision for Gratuity	33.64	22.70	46.75	20.16
Sub Total (A)	77.09	86.42	95.02	40.27
Provision for others				
Contingent Provision against Standard assets	888.19	703.60	84.06	-
Provision for expenses	-	0.05	1,131.03	1,434.63
Provision for tax (Net of Advance Tax - ₹ 6,348.52 millions) (Previous year - ₹ 3,301.43 millions)	-	-	938.85	436.55
Proposed Dividend on Preference Share	-	-	60.02	146.85
Provision for Tax on Dividend	-	-	12.22	32.57
Sub Total (B)	**888.19**	**703.65**	**2,226.18**	**2050.60**
Total (A+B)	**965.28**	**790.07**	**2,321.20**	**2090.87**

NOTE 10. SHORT TERM BORROWINGS

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured Loans*		
Cash Credit from Banks	6,799.83	4,770.45
Loan from Banks	1,000.00	1,610.00
Borrowings from CBLO	8,400.00	
Sub Total (A)	**16,199.83**	**6,380.45**
Unsecured Loans		
Commercial Paper & Inter Corporate Loan	75,863.57	29,614.64
Sub Total (B)	**75,863.57**	**29,614.64**
Total (A+B)	**92,063.40**	**35,995.09**

* The above secured borrowings are secured by way of 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. Out of the above secured borrowings, borrowings amounting to ₹ 5,450.67 millions (Previous Year ₹ 4,770.45 millions) are also guaranteed by IIFL Holdings Limited.

NOTE 11. TRADE PAYABLE

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding dues of Micro & Small Enterprises*	-	-
Outstanding dues of creditors other than micro & small enterprises	14,892.14	9,173.54
Total	**14,892.14**	**9,173.54**

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

NOTE 12. TANGIBLE ASSETS

(₹ in Millions)

Particulars	Land/ Leasehold Land	Buildings (Including Land)	Computers	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicles	Total
Cost or valuation as at April 1, 2016	1,826.85	2,807.96	688.68	689.73	1,800.33	713.34	52.18	8,579.07
Additions	6.35	808.71	155.24	31.81	146.53	21.38	0.10	1,170.12
Additions due to acquisition of Subsidiary	-	-	4.26	-	4.54	3.19	6.18	18.17
Reclassification	-	-	-	0.16	0.03	(0.19)	-	-
Deductions/Adjustments	(1.13)	-	(23.49)	(61.46)	(220.53)	(36.43)	(8.86)	(351.89)
As at March 31, 2017	**1,832.07**	**3,616.67**	**824.69**	**660.25**	**1,730.90**	**701.29**	**49.60**	**9,415.47**
Depreciation								
As at April 1, 2016	7.13	519.22	624.22	571.21	1,532.34	612.67	17.65	3,884.44
Additions due to acquisition of Subsidiary	-	-	4.25	-	2.70	2.43	2.58	11.96
Depreciation for the year	1.09	143.53	65.62	67.81	153.23	55.62	8.85	495.76
Reclassification	-	-	-	0.10	-	(0.10)	-	-
Deductions/Adjustments	-	(0.34)	(17.16)	(52.62)	(217.70)	(34.73)	(3.64)	(326.19)
Up to March 31, 2017	**8.22**	**662.41**	**676.93**	**586.50**	**1,470.57**	**635.89**	**25.44**	**4,065.97**
Net Block as at March 31, 2017	**1,823.85**	**2,954.26**	**147.76**	**73.75**	**260.33**	**65.39**	**24.16**	**5,349.50**
Net Block as at March 31, 2016	**1,819.72**	**2,288.74**	**64.46**	**118.52**	**267.99**	**100.67**	**34.53**	**4,694.63**

NOTE 13. INTANGIBLE ASSETS

(₹ in Millions)

Particulars	Software
Cost or Valuation as at April 1, 2016	176.80
Additions	58.98
Additions due to acquisition of Subsidiary	5.23
Deductions /Adjustments during the year	(74.53)
As at March 31, 2017	**166.48**
Depreciation	
As at April 1, 2016	125.17
Additions due to acquisition of Subsidiary	4.83
Depreciation For the year	43.95
Reclassification	(2.07)
Deductions/Adjustments during the year	(72.34)
Up to March 31, 2017	**99.54**
Net Block as at March 31, 2017	**66.94**
Net Block as at March 31, 2016	**51.63**

Note: Capital Work-in-Progress is ₹ 1,532.88 millions (Previous Year ₹ 56.04 millions)

Consolidated Financial Statements (contd.)

NOTE 14. NON-CURRENT INVESTMENTS

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Quoted, Non-Traded Investment – At Cost					
Mutual Fund					
HDFC Debt Fund For Cancer Cure	10	2,000,000	20.00	2,000,000	20.00
IIFL Mutual Fund - Dynamic Bond Fund-Direct Plan-Growth	10	563,625	6.12	563,625	6.12
IIFL India Growth Fund – Direct Plan- Growth	10	5,095,481	55.33	5,095,481	55.33
IIFL Liquid Fund – Direct Plan - Growth	1,000	4,769	5.86	-	-
Axis Mutual Fund	10	-	-	47,672,580	79.99
Sub Total (A)			**87.31**		**161.44**
Quoted – Equity					
Bombay Stock Exchange Limited (PY Face Value is ₹ 1)	2	65,000	16.87	130,000	16.87
Sub Total (B)			**16.87**		**16.87**
Unquoted, Non-Traded Investment (Valued at Cost)					
Equity in Associate Companies					
IIFL Asset Reconstruction Limited*	10	2,050,000	21.50	-	-
Sub Total (C)			**21.50**		**-**
Unquoted - Equity in others					
Fine worthy Software Solutions	10	10,000	0.10	10,000	0.10
MF Utilities India Pvt. Ltd.	1	500,000	0.50	500,000	0.50
Alpha Micro Finance Consultants Private Limited	10	50,000	0.50	-	-
CL Educate Limited	10	-	-	23,980	10.00
Credit Information Bureau (India) Limited	10	250,000	155.00	250,000	155.00
India Alternatives Investment Advisors Pvt. Ltd.	10	1	0.01	-	-
Less : Provision for diminution in the value of Investment		-	(0.01)	-	-
Sub Total (D)			**156.10**		**165.60**
Unquoted - Investment in NCD					
Assotech Limited	100,000	520	52.00	2,600	260.00
Radius & Deserve Land Developers Pvt Ltd	1,000,000	120	120.00	120	120.00
Roseberry Developers Pvt Ltd (Series B)	65,981	-	-	1,516	100.00
NUEVO SUNCITY PRIVATE LIMITED	100,000	7,389	738.89	9,500	950.00
Renaissance Indus Infra Pvt Ltd.	13,131	164	16.41	2,634	34.59
RAJESH HABITAT PRIVATE LIMITED	5,000,000	90	450.00	-	-
SPENTA SUNCITY PRIVATE LIMITED	100,000	2,000	200.00	-	-
SHREE SIDDHIVINAYK REALHOMES PRIVATE LIMITED	100,000	9,525	952.50	-	-
GULAM MUSTAFA ENTERPRISES PRIVATE LIMITED	100,000	17,016	1,701.60	-	-
ALISA INFRATECH PVT LTD	100,000	7,000	700.00	-	-
Sheth Buildwell Private Limited	100,000	-	-	4,000	400.00
Parinee Realty Pvt Ltd	100,000	-	-	16,320	1,631.99
Ruchi Priya Developers Pvt Ltd	100,000	6,524	652.37	4,000	400.00
Reliance Capital Limited RCL MLD SERIES B/367-A 28-NOV-19	100,000	137	13.70	-	-
Reliance Capital Limited SR-B/359A TYPE III BR NCD 21OT19	100,000	629	62.90	-	-
Reliance Capital Limited SR-B/359A TYPE IV BR NCD 24OT19	100,000	704	70.40	-	-
Reliance Capital Limited SR-B/364A TYPE I BR NCD 04NV19	100,000	336	33.60	-	-
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/369-A TYPE II 02-DEC-19	100,000	60	6.00	-	-
Arch Agro Industries Limited	10,000	10,855	73.26	16,707	167.07
Less : Provision for diminution in the value of Investment	-	-	(73.26)	-	(62.49)
Sub Total (E)			**5,770.37**		**4,001.16**
Unquoted - Others (VCF / AIFs / PEs)					
IIFL Real Estate Fund (Domestic) Series 1 - Class B @	10	288	0.00	230	0.00
Motilal Oswal Focused Growth Opportunities Fund - Class C	10	20,000	0.20	-	-
Sundaram Alternative Opportunities Fund Nano Cap Series 1 - Class E	100,000	25	2.51	-	-
IIFL National Development Agenda Fund -Class C Units	10	9,722,491	85.09	9,467	0.10
IIFL Income Opportunities Fund Series – Special Situation– Class B Units	7.46	11,213,092	87.31	2,477	0.03

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
IIFL Income Opportunities Fund	1	58,351,970	34.41	-	-
Blume Venture Capital Fund	10,000	1,488	16.86	1,488	14.88
IIFL Venture Fund Category I – AIF	-	-	0.10	-	0.10
IIFL Private Equity Fund Category II – AIF	-	-	0.10	-	0.10
IIFL Opportunities Fund Category III AIF	-	-	0.10	-	0.10
IIFL Income Opportunities Fund Category II- AIF	10	5,000,000	6.60	5,000,000	7.21
IIFL Income Opportunities Special Situation Category II- AIF	10	13,597,048	108.83	13,597,048	143.30
IIFL Real Estate Fund (Domestic) - Series 2 Category II- AIF	10	46,956,551	500.00	46,956,551	500.00
India Alternative Private equity Fund	100	3,151,000	210.52	3,151,000	169.75
India Alternative Private equity Fund	100	-	-	5,500	1.65
IIFL Cash Opportunities Fund - Class A	10	9,326,357	100.00	10,000,000	100.01
IIFL Cash Opportunities Fund - Class C	10	1,000	0.01	-	-
IIFL Best of Class Fund	10	-	-	10,000,000	90.01
IIFL REAL ESTATE FUND (DOMESTIC) Series 1 Class C	16	7,500,000	166.00	-	-
IIFL Real Estate Fund (Domestic) Series 2 - Class B	10	2,370	0.02	-	-
IIFL Real Estate Fund (Domestic) Series 3 - Class S	10	25,000,000	250.00	25,000,000	250.00
IIFL Real Estate Fund (Domestic) Series 4 - Class D	10	2,500	0.03	-	-
IIFL Real Estate Fund (Domestic) Series 4 - Class S	10	10,000,000	100.00	-	-
IIFL Best of Class Fund - Series I - Class C Units	10	2,500	0.03	-	-
IIFL Best of Class Fund - Series I - Class S	10	5,000,000	49.68	-	-
IIFL Best of Class Fund - Series II - Class Cs Units	10	2,500	0.03	-	-
IIFL Best of Class Fund - Series II - Class S	10	5,000,000	49.38	-	-
IIFL Seed Venture Fund- Class C Units	10	2,500	0.03	37,500,000	37.50
IIFL Seed Venture Fund- Class S	10	6,242,543	67.50	-	-
IIFL Asset Revival Fund Series 2- Class C Units	10	2,500	0.03	-	-
IIFL Asset Revival Fund Series 2- Class S	10	10,000,000	100.00	-	-
IIFL Asset Revival Fund Series 3- Class C	10	2,500	0.03	-	-
IIFL Asset Revival Fund Series 3- Class S	10	4,714,192	50.00	-	-
IIFL Yield Enhancer Fund- Class D Units	10	2,500	0.03	-	-
IIFL Yield Enhancer Fund- Class S	10	12,500,000	125.00	-	-
IIFL Phoenix Cash Opportunities Fund- Class C	10	1,002,500	10.03	-	-
IIFL Focused Equity Strategy Fund - Class S1	10	833,333	8.33	-	-
IIFL Focused Equity Strategy Fund - Class S2	10	833,333	8.33	-	-
IIFL Focused Equity Strategy Fund - Class S3	10	833,333	8.33	-	-
IIFL Income Opportunities Series Debt Advantage - Class S	10	4,956,271	50.00	-	-
IIFL Select Series I - Class S	10	1,676,041	17.00	-	-
IIFL Select Equity Fund - Class S	10	2,000,000	20.00	-	-
IIFL Special Opportunities Fund - Class S	10	1,250,000	12.50	-	-
IIFL Income Opportunities Series Regular Income - Class S	10	403,695,652	4,036.95	-	-
Reliance Capital Limited	100,000	-	-	508	50.80
Global Dynamic Opportunities Fund - Cell 74	100	51,000	330.63	-	-
IIFL Re Organize India Equity Fund	10	25,00,000	25.00	-	-
IIFL Investment Opportunities Fund- Spl. Series 1	10	2,500	0.03	-	-
IIFL Investment Opportunities Fund- Spl. Series 1 Class S	10	7,635,711	80.00	7,978,614	80.00
Sub Total (F)			**6,717.55**		**1,445.54**
Grand Total (A+B+C+D+E+F)			**12,769.70**		**5,790.61**
Aggregate book value –Quoted (A+B)			**104.18**		**178.31**
Aggregate Market value –Quoted			**166.30**		**160.36**
Aggregate book value –Unquoted (C+D+E+F)			**12,665.52**		**5,612.30**
Aggregate Provision for diminution in the value of investment			**(73.25)**		**(62.49)**

@ Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million wherever applicable.

* IIFL Asset Reconstruction Limited was a wholly owned subsidiary of IIFL holdings Limited (IIFLHL) till April 11, 2016; thereafter IIFLHL was holding 50% paid-up share capital of the said company, hence it has become an associate.

Consolidated Financial Statements (contd.)

NOTE 15.

The group has recognized deferred tax assets for the year ended on 31st March 2017 since the management is reasonably/virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset.

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset		
Depreciation	331.52	310.49
On Gratuity/Leave Encashment	25.70	11.93
Provision for Doubtful Debts	816.45	565.72
Provision for Standard Assets	332.83	245.20
Preliminary Expenses @	-	0.00
Short term/Long Term Capital Losses/ Business Loss	279.88	187.81
Other	3.06	89.91
Total	**1,789.44**	**1,411.06**
Deferred Tax Liability		
Deferred Tax Liability on Special reserve	210.11	104.16
Total	**210.11**	**104.16**

@ Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million wherever applicable.

NOTE 16. LOANS & ADVANCES

(₹ in Millions)

Particulars	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Loans				
-Secured, considered good	123,295.44	89,444.60	87,912.28	80,632.82
-Secured, considered doubtful	2,002.55	1,658.27	672.24	148.68
-Unsecured considered good	2,522.08	41.29	5,076.19	220.63
Less: Provision for Doubtful Loans	(1,753.56)	(1,073.15)	(651.70)	(517.74)
Sub Total (A)	**126,066.51**	**90,071.01**	**93,009.01**	**80,484.39**
Dues from Customers -				
-Secured, considered good	-	-	6,497.83	5,440.64
Secured, considered doubtful	-	-	767.48	684.93
-Unsecured considered good	-	-	47.16	-
Advances recoverable in cash or in kind or for value to be received – Unsecured	-	-	16.59	41.45
Deposits given	454.47	412.62	36.06	29.08
Deposit with Exchange	1,745.80	201.16	12.00	160.12
Capital Advances – Unsecured	757.93	530.09	0.10	-
Others – Unsecured	0.40	48.91	22.70	68.43
Advance Income tax (net of Tax Provisions) – Non Current ₹ 8,975.12 millions (Previous Year ₹ 8,966.99 millions) / Current ₹ 878.06 millions (Previous Year ₹ 129.63 millions)	1,886.55	1,848.42	79.64	187.61
MAT Credit	157.24	47.23	-	4.07
Inter corporate deposit–Unsecured	-	-	32.16	-
Sub Total (B)	**5,002.39**	**3,088.43**	**7,511.72**	**6,616.33**
Total (A+B)	**131,068.90**	**93,159.44**	**100,520.73**	**87,100.72**

NOTE 17. OTHER ASSETS

(₹ in Millions)

Particulars	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unamortised Debenture issue expenses	19.10	65.95	47.22	72.49
Margin with Exchanges	-	-	8.13	-
Prepaid expenses	108.19	50.70	207.36	257.42
Fixed Deposit - Current-Interest on FDR	-	-	71.81	20.96
Interest accrued on Investment	-	-	695.91	-
Others	133.93	1.96	106.45	89.61
Total	**261.22**	**118.61**	**1,136.88**	**440.48**

NOTE 18. CURRENT INVESTMENTS (valued at cost or market value whichever is lower unless stated otherwise):

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Quoted, Non-Traded Investment					
Mutual Fund					
IIFL Liquid Fund – Direct Plan – Growth	1,000	8	0.01	503,042	605.82
ICICI Prudential Flexible Income Fund	100	8,030	2.50	-	-
IIFL India Growth Fund -Regular Plan – Growth	10	278,028	3.01	-	-
IIFL India Growth Fund -Regular Plan - Growth Options	10	38,378,812	500.00	-	-
HDFC Liquid Fund - Growth Option	1,000	8,806	28.00	-	-
IIFL Dynamic Bond Fund -Regular Plan - Growth Options	10	3,107,375	40.00	-	-
Franklin India Ultra Short Bond Fund-Super Institutional Plan	10	-	-	500	0.01
Reliance Money Manager Fund	1,000	-	-	2.423	0.01
Sundaram Ultra Short term Fund-Direct Plan Growth	10	-	-	242.567	0.01
ICICI Pru Liquid Direct Plan Growth	100	-	-	22.651	0.01
JPMORGAN FMP SR 38 GR 29AP19	10	-	-	100,000	1.09
RELIANCE MF XXVI SR 21 GR 30MY17	10	-	-	100,000	1.11
HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option	10	1,000,000	10.00	500,000	5.16
HDFC Floating rate Income Fund Short Term Plan	10	-	-	38,313,883	1,000.00
Reliance Medium Term Fund - Daily Dividend Plan Dividend Reinvestment	10	570,337	9.74	-	-
ICICI Prudential Gilt fund	10	-	-	13,703,744	380.98
Kotak Bond Plan A	10	-	-	8,438,732	337.95
Kotak Liquid Direct Plan Growth	1,000	236,612	780.00	-	-
HDFC Monthly Income Plan-Long Term Plan-Growth	10	-	-	13,781,672	393.33
Birla Sunlife Income Plus Growth	10	-	-	5,638,900	355.48
RELIANCE MUTUAL FUND FIXED HORIZON SERIES 4 REG GROWTH	10	214,609	2.14	-	-
Sub Total (A)			**1,375.40**		**3,080.96**
Quoted, Traded Investment					
Bonds					
7.35% NHAI -2031	1,000	203,649	223.25	105,974	109.57
9.30% DHFL – 2026	1,000,000	768,843	756.77	-	-
12.00% IIFL – 2018	1,000	1,127	1.13	-	-
11.52% IIHFL Series N1 – 2018	1,000	-	0.19	-	-
Sub Total (B)			**981.34**		**109.57**

Consolidated Financial Statements (contd.)

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Quoted - Investments in Government Securities					
6.35% Government Securities 2020	100	7,000,000	687.11	-	-
8.24% Government Securities 2018	100	8,000,000	814.16	-	-
6.05% Government Securities 2019	100	17,000,000	1,674.34	-	-
6.90% Government Securities 2019	100	8,000,000	798.17	-	-
7.80% Government Securities 2020	100	3,500,000	359.52	-	-
7.83% Government Securities 2018	100	9,500,000	961.18	-	-
7.80% Government Securities 2021	100	6,000,000	619.92	-	-
8.12% Government Securities 2020	100	6,500,000	678.92	-	-
7.28% Government Securities 2019	100	7,500,000	757.11	-	-
7.59% Government Securities 2026	100	2,500,000	260.18	-	-
6.97% Government Securities 2026	100	10,000,000	1,010.33	-	-
Sub Total (C)			**8,620.93**		**-**
Quoted - Investment in NCD					
ECL FINANCE LTD B9C603 OPTION C 10-APRIL-17	100,000	100	10.93	-	-
CORPORATION BANK SR-II 10.28 LOA PERPETUAL	1,000,000	1,500	1,500.00	-	-
BANK OF INDIA SR-I 11 BD PERPETUAL	1,000,000	1,336	1,406.43	-	-
ALLAHABAD BANK SR-I 11.15 LOA PERPETUAL	1,000,000	275	275.00	-	-
ANDHRA BANK SR-III 10.99 LOA PERPETUAL	1,000,000	1,385	1,440.80	-	-
BANK OF INDIA SR-III 11.5 BD PERPETUAL	1,000,000	12	12.96	-	-
IDBI BANK LIMITED SR-II 10.75 BD PERPETUAL	1,000,000	1,417	1,468.93	-	-
ORIENTAL BANK OF COMMERCE SR-2 10.95 BD PERPETUAL	1,000,000	1,400	1,457.23	-	-
PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL	1,000,000	500	487.08	-	-
STATE BANK OF INDIA SR-1 9 BD PERPETUAL	1,000,000	203	210.14	-	-
STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL	1,000,000	730	721.43	-	-
SYNDICATE BANK SR-I 11.25 LOA PERPETUAL	1,000,000	20	21.34	-	-
SYNDICATE BANK SR-III 11.25 LOA PERPETUAL	1,000,000	683	726.66	-	-
VIJAYA BANK SR-IV 10.49 LOA PERPETUAL	1,000,000	300	304.00	-	-
Less : Provision for Diminution		-	(157.23)	-	-
Sub Total (D)			**9,885.70**		**-**
Quoted – Others					
AXIS BANK CD 04-APRIL-2016	100,000	-	-	4,500	449.31
Sub Total (E)			**-**		**449.31**
Unquoted, Non-Trade, Current (Valued at Cost)					
Non Convertible Debentures for Financing real estate projects					
Assotech Ltd.	100,000	2,080	208.00	2,459	245.88
Renaissance Indus Infra Pvt. Ltd.	100,000	657	65.65	492	49.24
Roseberry Developers Pvt. Ltd.-(Series B)	29,443	1,000	100.00	2,000	200.00
Roseberry Developers Pvt. Ltd.	100,000	-	-	2,905	85.53
Ruchi Priya Developers Pvt. Ltd.	100,000	-	-	4,000	400.00
Sheth Buildwell Private Ltd	100,000	-	-	25	2.49
Nuevo Suncity Private Limited	100,000	2,111	211.11	-	-
Sub Total (F)			**584.76**		**983.14**

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Unquoted - Mutual Fund					
Indiareit Apartment Fund	100,000	-	-	96	10.61
IIFL National Development Agenda Fund	10	-	-	9,713,024	100.00
IIFL Income Opportunities Fund	10	-	-	58,351,970	68.74
IIFL Income Opportunities - Special Situation Class B	10	-	-	25,542,335	275.03
IIFL Real Estate Fund (Domestic) Series 1 Class C	57	-	-	-	143.06
INDIAREIT APARTMENT FUND	100,000	86	8.58	-	-
IIFL Cash Opportunities Fund	10	-	-	569,703,306	6,042.10
Sub Total (G)			**8.58**		**6,639.54**
Unquoted - Investment in Equity Shares					
Shankara Building Products Limited	10	48,769	22.43	-	-
Sub Total (H)			**22.43**		**-**
Unquoted - Others		375,197,826	4,271.67	146,172,517	1,550.27
IIFL Cash Opportunities Fund	10	604,802	6.50	-	-
Motilal Oswal Focused Growth Opportunities Fund - Class B	10	57,057,309	41.76	-	-
IIFL Income Opportunities Fund	10	932,923	8.13	-	-
IIFL Income Opportunities Fund Series – Special Situation– Class B	10	41,224,092	420.22	-	-
IIFL Income Opportunities Series Debt Advantage - Class S	10	136,067	2.18	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class A	10	2,025,000	32.46	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class C	10	970,964	10.38	-	-
IIFL Real Estate Fund(Domestic) Series 3 - Class C	10	3,680,000	35.54	-	-
IIFL Seed Venture Fund- Class B	10	7,206,866	89.75	-	-
Malabar Value Fund	100	386,786	40.00	-	-
IIFL Income Opportunities Series Regular Income - Class A3	10	196,304,348	1,963.05	-	-
Global Dynamic Opportunities Fund	100	31,800	206.16	-	-
IIFL Real Estate Fund(Domestic) Class B @	10	-	-	58	0.00
AIF CAT-III IIFL NATIONAL DEVELOPMENT AGENDA FUND	10	-	-	5,902,354	63.58
IIFL NIFTY ETF/IIFL MF INDIA GR FD DIR GR OPEN	10	-	-	278,028	2.87
Reliance Capital Limited	100,000	60	6.00	-	-
8.65% IIFL Series 39 Type I – 2018	1,000,000	10	10.00	-	-
8.65% IIFL Series 40 – 2018	1,000,000	15	15.00	-	-
8.65% IIFL Series 41 Type I – 2018	1,000,000	35	35.00	-	-
8.65% IIFL Series 41 Type II – 2018	1,000,000	3	3.00	-	-
8.65% IIFL Series 42 Type I – 2018	1,000,000	25	25.00	-	-
8.65% IIFL Series 41 Type III – 2018	1,000,000	50	50.00	-	-
Piramal Indiareit Fund Scheme	125,000	47	5.81	-	-
Arch Argo India Private Limited	10,000	-	-	10,636	23.17
Less: Provision for Diminution		-	-	-	(23.17)
Sub Total (I)			**7,277.61**		**1,616.72**
Grand Total (A+B+C+D+E+F+G+H+I)			**28,756.75**		**12,879.24**
Aggregate Book Value –Quoted (A+B+C+D+E)			**20,863.37**		**3,639.84**
Aggregate Market Value –Quoted			**21,054.22**		**3,716.99**
Aggregate Book Value –Unquoted (F+G+H+I)			**7,893.38**		**9,239.40**
Aggregate Provision for diminution in the value of investment			**(157.23)**		**(23.17)**

@ Amount is less than ₹ 0.01 million, hence shown ₹ 0.00 million wherever applicable.

Consolidated Financial Statements (contd.)

NOTE 19. INVENTORIES - (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Millions)

Particulars	Face Value (₹)	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Quoted - Equity Shares					
GHCL Limited	10	856,466	29.15	856,466	29.15
Sub Total (A)			**29.15**		**29.15**
Quoted - Exchange Trade Fund					
EQ-SBISENSEX	301	5,497	1.65	2,177	0.54
EQ-SETFBANK	211	14,564	3.07	7,360	1.14
EQ-SETFBSE100	88	32,380	2.85	12,246	0.96
EQ-SETFNIFJR	245	5,029	1.23	2,133	0.40
EQ-SETFNIFTY	93	62,332	5.77	11,225	0.85
EQ-UTINIFTYETF	882	10,908	9.62	5,234	3.95
EQ-UTISENSEXETF	294	4,604	1.35	11,118	2.64
Sub Total (B)			**25.54**		**10.48**
Others					
Inventory - Construction work in progress			-		293.37
Sub Total (C)			**-**		**293.27**
Grand Total (A+B+C)			**54.69**		**333.00**
Aggregate Market Value- stock on Hand – Quoted			**254.05**		**109.52**

NOTE 20. TRADE RECEIVABLE

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured Considered good	6,298.37	1,554.24
- Unsecured Considered doubtful	47.73	47.73
Sub Total (A)	**6,346.10**	**1,601.97**
Other		
- Unsecured Considered good	8,951.87	4,332.80
Provision for doubtful receivables	(76.29)	(73.66)
Sub Total (B)	**8,875.58**	**4,259.14**
Total (A+B)	**15,221.68**	**5,861.11**

NOTE 21. CASH AND BANK BALANCES

(₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalent		
Cash on hand	141.03	127.60
Balance with Banks		
In current accounts		
- Others	19,394.75	9,852.46
In Deposit Accounts (Less than three months)	-	-
Other Bank Balances		
In Earmarked Accounts		
- Unpaid Dividend Accounts	6.79	4.25
In Deposit Account (Maturity more than 3 months to 12 months)	18,895.34	6,303.98
In Deposit Account (Maturity more than 12 months)	23.25	-
Total	**38,461.16**	**16,288.29**

The group has pledged fixed deposits to the extent of ₹ 14,699.01 millions (Previous Year ₹ 5,207.02 million) with banks for bank guarantees/overdraft facilities, Securitisation as lien and with the stock exchanges.

NOTE 22. OTHER INCOME

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Miscellaneous income	124.14	105.69
Total	**124.14**	**105.69**

NOTE 23. EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Salaries and Bonus	7,344.08	6,598.74
Contribution to Provident and Other Funds	233.36	209.71
Gratuity expenses	84.00	76.69
Staff Welfare expenses	139.83	118.43
Leave Encashment	39.03	37.22
Total	**7,840.30**	**7,040.79**

The company is recognising and accruing the employee benefits as per Accounting Standard (AS) -15 "Employee Benefits"; details are given below:

(₹ in Millions)

Assumptions	FY 2016-2017	FY 2015-2016
Discount Rate Previous year	7.72%/ 7.79%/ 7.84%/ 7.86%/ 7.99% as applicable to respective Indian company	7.89%/ 7.90%/ 7.92%/ 8.04% as applicable to respective Indian company
Salary Escalation Previous year	5.00%	5.00%
Discount Rate Current year	6.65%/ 6.77%/ 6.81%/ 7.09%/7.26%/ 7.27% as applicable to respective Indian company	7.72%/ 7.79%/ 7.84%/ 7.86%/ 7.99% as applicable to respective Indian company
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation	**FY 2016-2017**	**FY 2015-2016**
Liability at the beginning of the year	261.23	198.62
Interest Cost	20.68	15.82
Current Service Cost	49.08	39.74
Liability Transfer in	17.43	17.77
Liability Transfer out	(14.28)	(17.77)
Benefit paid	(40.32)	(22.30)
Actuarial gain on obligations	32.24	29.35
Liability at the end of the year	**326.05**	**261.23**
Amount Recognised in the balance sheet	**FY 2016-2017**	**FY 2015-2016**
Liability at the end of the year	(326.05)	(261.23)
Fair value of Plan Assets at the end of the year	247.92	222.17
Differences	(78.13)	(39.06)
Amount of Liability Recognised in the balance sheet	**(78.13)**	**(39.06)**
Expenses Recognised in the Income Statement	**FY 2016-2017**	**FY 2015-2016**
Current Service cost	49.08	39.74
Interest Cost	3.28	1.11
Expected return on Plan Assets	(0.09)	-
Actuarial Gain or Loss	30.57	35.53
Expense Recognised in P &L	**82.84**	**76.38**
Balance Sheet Reconciliation	**FY 2016-2017**	**FY 2015-2016**
Opening Net Liability	39.06	13.89
Expense as above	81.76	76.38
Net Transfer in	18.51	17.77
Net Transfer out	(14.28)	(17.77)
Benefit paid	(0.88)	-
Employers Contribution	(46.03)	(51.21)
Amount Recognised in Balance sheet	**78.13**	**39.06**

Consolidated Financial Statements (contd.)

DEFINED CONTRIBUTION PLANS

The subsidiary companies have recognised the following amounts as an expense and included in the Note 23 – Employee Benefit Expense:

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Contribution to Employee Provident Fund –	118.79	98.17

NOTE 24. DIRECT OPERATING COST

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Brokerage related Expenses	1,243.98	1,031.58
Exchange and statutory Charges	36.24	54.46
Custodian Charges and Franking Charges	22.50	26.84
Investment and financing related cost	157.54	103.58
Marketing and Commission expenses	425.09	286.84
Total	**1,885.35**	**1,503.30**

NOTE 25. FINANCE COST

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Interest expenses	20,590.74	16,529.63
Other Borrowing cost*	331.26	270.32
Total	**20,922.00**	**16,799.95**

*During the Year the Company has changed its Accounting Policy with respect to amortization of Non Convertible Debenture Issue Expenses including ancillary and other acquisition costs. If the same was not changed, the Company's profit before Tax would have been lower by ₹ 25.03 millions.

NOTE 26. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Depreciation of Tangible Assets	495.76	634.99
Depreciation of Intangible Assets	43.95	25.83
Total	**539.71**	**660.82**

NOTE 27. OTHER EXPENSES

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Advertisement	142.62	162.68
Bank Charges	116.65	97.15
Communication	171.49	226.04
Donation	18.76	38.42
Electricity	205.41	241.38
Legal & Professional Fees	603.34	505.23
Miscellaneous Expenses	69.30	121.12
Office expenses	394.49	432.61
Postage & Courier	59.41	55.38
Printing & Stationary	66.61	80.17
Rent	566.14	626.82
Insurance	22.33	14.03
Rates and Taxes	94.87	62.80
Commission and Sitting Fee paid to Non-Executive Director	8.69	9.96
Loss on Sale of Assets	12.40	18.37

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Repairs & Maintenance		
- Computer	14.49	18.85
- Others	48.49	69.53
Remuneration to Auditors		
- Audit Fees	18.05	14.39
- Certification Expenses	1.16	0.30
- Out Of Pocket Expenses	1.07	0.40
Software Charges	327.42	267.18
Subscription & Business Promotion	98.24	100.20
Travelling & Conveyance	699.81	721.78
Corporate Social Responsibility Expenses	140.05	97.99
Total	**3,901.29**	**3,982.78**

NOTE 28. PROVISIONS AND WRITE OFF

(₹ in Millions)

Particulars	FY 2016-2017	FY 2015-2016
Bad Debts written off	707.13	471.32
Provision for Contingencies	144.63	1.73
Provision for diminution in value of investments	(25.09)	63.41
Provision for Doubtful Loans	928.16	521.11
Provision for Standard Loans	141.06	150.48
Total	**1,895.89**	**1,208.05**

NOTE 29. EARNINGS PER SHARE

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

Particulars		FY 2016-2017	FY 2015-2016
BASIC			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	6,860.89	5,111.76
Weighted Average Number of Shares Subscribed	B	317,084,627	313,063,775
Basic EPS (In ₹)	A/B	21.64	16.33
DILUTED			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	6,860.89	5,111.76
Weighted Average Number of Shares Subscribed		317,084,627	313,063,775
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		1,799,506	2,124,100
Weighted Average Number of shares Outstanding	B	318,884,132	315,187,875
Diluted EPS (In ₹)	A/B	21.52	16.22

Consolidated Financial Statements (contd.)

NOTE 30. SUMMARY OF CONSOLIDATION

The summary of consolidated financial summary represents consolidation of accounts of the company with its following subsidiary as detailed below:

Subsidiary	Proportion of ownership interest	
	As at March 31, 2017	As at March 31, 2016
India Infoline Commodities Limited	100.00%	100.00%
India Infoline Media and Research Services Limited	100.00%	100.00%
5paisa Capital Limited (Formerly IIFL Capital Limited)	100.00%	100.00%
India Infoline Insurance Services Limited	100.00%	100.00%
India Infoline Insurance Brokers Limited	100.00%	100.00%
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited and IIFL Realty Limited)*	100.00%	100.00%
IIFL Capital Inc.	100.00%	100.00%
IIFL Wealth (UK) Limited	100.00%	100.00%
India Infoline Limited	99.99%	99.99%
India Infoline Finance Limited **	99.99%	100.00%
India Infoline Housing Finance Limited **	99.99%	100.00%
Samasta Microfinance Limited ***	95.22%	-
Ayusha Dairy Private Limited #	95.22%	-
IIFL Wealth Management Limited	57.72%	60.84%
IIFL Distribution Services Limited	57.72%	60.84%
IIFL Investment Adviser and Trustee Services Limited	57.72%	60.84%
IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	57.72%	60.84%
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)	57.72%	60.84%
IIFL Alternate Asset Advisors Limited	57.72%	60.84%
IIFL (Asia) Pte Limited	57.72%	60.84%
IIFL Securities Pte. Limited	57.72%	60.84%
IIFL Capital Pte. Limited	57.72%	60.84%
IIFL Private Wealth Hong Kong Limited	57.72%	60.84%
IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)	57.72%	60.84%
IIFL Inc	57.72%	60.84%
IIFL Private Wealth (Suisse) SA	57.72%	60.84%
IIFL Private Wealth Management (Dubai) Limited	57.72%	60.84%
IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)	57.72%	60.84%
IIFL Asset Reconstruction Limited ^	50.00%	100.00%
India Alternatives Investment Advisors Private Limited $	-	43.20%

Note:

1. * The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Amalgamation of IIFL Properties Private Limited with IIFL Real Estate Limited w.e.f. April 01, 2015. Thus, all the related party transactions with IIFL Properties Private Limited, for the current year and the previous year, have been shown under IIFL Real Estate Limited.
2. ** Change in proportion of ownership interest in India Infoline Finance Limited ["IIFL Finance"] and its wholly owned subsidiary i.e. India Infoline Housing Finance Limited is pursuant to the acquisition of 100 Equity Shares by CDC Group PLC in IIFL Finance through fresh issue of equity shares.
3. *** During the year 2016-17, Samasta Microfinance Limited ["Samasta"] has become a subsidiary of IIFL Finance.
4. # Ayusha Dairy Private Limited is a wholly owned subsidiary of Samasta.
5. ^ During the year 2016-17, IIFL Asset Reconstruction Limited has allotted 20,50,000 equity shares to external public shareholders in order to meet requirement of maximum 50% shareholding of Sponsor i.e. IIFL Holdings Limited in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
6. $ During the year 2016-17, IIFL Wealth Management Limited ["IIFLW"] a subsidiary of the Company transferred its shareholding in India Alternatives Investment Advisors Private Limited to its Private Shareholders. Accordingly, it is ceased to be a subsidiary of the Company.

Jointly Controlled Entities	Proportion of ownership interest	
	As at March 31, 2017	As at March 31, 2016
Meenakshi Tower LLP*	50.00%	50.00%

*Management certified financial statements as on 31 March 2017 have been consolidated, as audited financial statements were not available.

NOTE 31. CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE

There are outstanding commitments for capital expenditure (net of advances) to the tune of ₹ 1,375.17 millions (Previous Year ₹ 164.39 millions) and other commitment to the tune of ₹ 60.98 millions (Previous Year ₹102.75 millions) of the total contractual obligation entered during the year.

NOTE 32.

(a) The claim against the group not acknowledged as debt were ₹ 62.89 millions (Previous Year ₹ 63.03 millions). As of March 31, 2017, The Company and its subsidiaries had certain contingent liabilities not provided for, including the following:

(₹ in Millions)

Sr. No.	Name of the Statute	As at March 31, 2017	As at March 31, 2016
(i)	In respect of Income Tax Demands	657.19	464.23
(ii)	In respect of Service Tax Demands	7.66	-
(iii)	In respect of Profession Tax Demands	1.55	1.55
(iv)	Guarantees and Counter Guarantees	750.00	-
(v)	Claim Acknowledged as Debt	-	62.85
(vi)	In respect of Legal Case	1.57	1.40
Total		**1,417.97**	**530.03**

The company and its subsidiaries have filed appeals with the Income Tax Appellate Tribunal/Service tax department against the said demands.

(b) Apart from the above, group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

(c) One of the step down subsidiary India Infoline Commodities Limited ("IICL") was a member of National Spot Exchange Limited (NSEL). NSEL had defaulted in its settlement obligations to investors who traded on the Exchange Platform till July 2013. The matter has been under investigation by EOW, ED, SEBI, SFIO as well as other investigating authorities/Courts and is currently pending. IICL and its officials have been fully cooperating in the investigations and submitting all the required information and clarifications to the authorities. IICL acted as a broker for the investors on NSEL and facilitated execution of the orders of the investors through exchange system as a registered broker as per the Bye-Laws, Rules and circulars of NSEL. As per the Bye-laws and Rules of NSEL, NSEL was the counter party for the trades and it guaranteed settlement of the trades i.e. funds and commodities of the clients. The same was also confirmed by erstwhile commodities regulator Forward Markets Commission vide its order dated December 17, 2013.

Further, the Settlement of outstanding funds payout by NSEL to the clients is still pending with various courts, Government and regulatory authorities. The Bombay High Court, constituted a Committee for verifying the claims of the investors and the process for the settlement is yet to be concluded. The Government of India, Ministry of Corporate Affairs, passed an order dated February 12, 2016, directing amalgamation of NSEL with its holding company i.e. 63 Moons Technologies Ltd. (Erstwhile Financial Technologies (India) Limited), in the larger interest of Public with a view to inter alia leverage the combines assets, capital and reserves and gainful settlements of rights and liabilities of shareholders and creditors. We understand that 63 Moons Technologies Ltd. (Erstwhile Financial Technologies (India) Limited) has preferred an appeal against the said order before the Bombay High Court and the same is pending before the Court.

IICL received an enquiry show cause notice from SEBI in November 05, 2016 alleging violations and seeking its reply. IICL has submitted detailed replies to SEBI on November 28, 2016 and the matter is pending. Other than the above, IICL had not received any SCN/Orders/ charge sheets from any authorities/court.

Consolidated Financial Statements (contd.)

NOTE 33.

The group has taken office premises on operating lease at various locations. Lease rent in respect of the same has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging from one to five years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company and its subsidiaries have also taken some other assets under operating lease.

NOTE 34.

The Minimum Lease Rentals outstanding as at March 31, 2017 are as under:

(₹ in Millions)

Minimum Lease Rentals	FY 2016-2017	FY 2015-2016
Due for		
- Up to One year	193.39	142.95
- One to Five years	166.10	178.21
- Above Five years	-	5.43
Total	**359.49**	**326.59**

NOTE 35.

The Company has implemented Employee Stock Options Scheme 2007 and 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 grants by the Nomination and Remuneration Committee and ESOP Schemes.

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

Particulars	ESOP 2007	ESOP 2008
No. of options as on March 31, 2017	-	2,548,860
Method of accounting	Intrinsic Value	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	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	Five years from the date of grant	Seven years from the date of grant
Grant Dates	October 17, 2008, December 18, 2008, January 1, 2009 and March 5, 2012	December 18, 2008, January 1, 2009, May 27, 2009, December 10, 2009, September 20, 2010, May 7, 2011, May 15, 2012, August 10, 2012, October 29, 2012 November 05, 2013, August 05, 2014, November 20, 2014, March 02, 2015 and March 08, 2016
Grant Price ₹ Per Share	₹ 63.75 , ₹ 45.30, ₹ 50.90 and ₹ 70.00	₹ 45.30, ₹ 50.90, ₹ 100.00, ₹ 136.00, ₹ 105.00, ₹ 72.40, ₹ 45.90, ₹ 56.60, ₹ 68.15, ₹ 58.10, ₹ 134.75, ₹ 188.40, ₹ 181.55 and ₹ 180.00
Market Price on the date of Grant of Option (₹) *	₹ 63.75 , ₹ 45.30, ₹ 50.90 and ₹ 70.00	₹ 45.30, ₹ 50.90, ₹ 100.00, ₹ 136.00, ₹ 105.00, ₹ 72.40, ₹ 45.90, ₹ 56.60, ₹ 68.15, ₹ 58.10, ₹ 134.75, ₹ 188.40, ₹ 181.55 and ₹ 180.00

* Closing price at the stock exchange, as on the previous trading day of the date of grant, as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations, 2014.

(B) Movement of Options Granted:

Particulars	ESOP 2008
Options outstanding at the beginning of the year	4,670,000
Granted during the year	-
Exercised during the year	1,371,340
Lapsed during the year	749,800
Options outstanding at the end of the year	2,548,860

NOTE 36. DISCLOSURE AS PER ACCOUNTING STANDARD - 17 "SEGMENT REPORTING"

Segment information for the year ended March 31, 2017. Primary Segment information (by Business Segment)

(₹ in Millions)

Sr. No	Particulars	Fund based activity	Financial Product distribution	Capital market activity	Others	Total
	Segment Revenue					
I	External	36,294.47	7,157.52	5,672.70	124.14	49,248.83
		(27,233.15)	(6,768.78)	(5,518.81)	(105.69)	(39,626.43)
	Inter-Segment	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Revenue	36,294.47	7,157.52	5,672.70	124.14	49,248.83
		(27,233.15)	(6,768.78)	(5,518.81)	(105.69)	(39,626.43)
II	Segment Result	8,346.45	2,773.59	1,125.29	18.96	12,264.29
		(5,336.71)	(2,003.43)	(1,093.46)	(-2.86)	(8,430.74)
	Less: Unallocated Expenses	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Operating Profit	-	-	-	-	12,264.29
		-	-	-	-	(8,430.74)
	Interest Expense	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Profit before Tax	-	-	-	-	12,264.29
		-	-	-	-	(8,430.74)
	Less: Current Tax	-	-	-	-	4,018.12
		-	-	-	-	(2,878.19)
	Net Profit after Tax	-	-	-	-	8,246.16
		-	-	-	-	(5,552.55)
III	Segment Assets	296,870.07	19,770.28	17,441.11	-	334,081.46
		(198,228.49)	(11,861.80)	(15,332.38)	-	(225,422.67)
	Unallocated Corporate Assets	-	-	-	-	3,545.51
		-	-	-	-	(3,342.78)
	Total Assets	-	-	-	-	337,626.97
		-	-	-	-	(228,765.45)
IV	Segment Liabilities	252,396.56	13,052.61	14,871.06	-	280,320.23
		(166,765.42)	(7,781.27)	(12,824.49)	-	(187,371.18)
	Unallocated Corporate Liabilities	-	-	-	-	938.86
		-	-	-	-	(436.40)
	Total Liabilities	-	-	-	-	281,259.09
		-	-	-	-	(187,807.58)
V	Capital Expenditure	697.11	2,004.13	92.17	-	2,793.41
		(229.25)	(696.17)	(61.34)	-	(986.76)
	Unallocated Capital Expenditure	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Capital Expenditure	-	-	-	-	2,793.41
		-	-	-	-	(986.77)
Vi	Depreciation	163.28	160.85	215.58	-	539.71
		(270.43)	(241.10)	(149.29)	-	(660.82)
	Unallocated Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Depreciation	-	-	-	-	539.71
		-	-	-	-	(660.82)
Vii	Non-Cash Expenditure	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	other than Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

Note: Figures in brackets indicate Previous Year figures.

Consolidated Financial Statements (contd.)

NOTE 37. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD – 18 "RELATED PARTY DISCLOSURE" FOR THE YEAR ENDED MARCH 31, 2017

(a) Name of the related parties with whom transactions have been entered during the year and description of relationship:

Key Management Personnel	Nirmal Jain
	R Venkataraman
Other Related Parties	Madhu Jain (wife of Mr. Nirmal Jain)
	Aditi Venkataraman (wife of Mr. R Venkataraman)
	Ardent Impex Private Limited
	Orpheous Trading Private Limited

(b) Disclosure of Transactions with Related Parties:

Nature of Transaction	Key Managerial Personnel	Other Related Parties	Total
Brokerage Income	1.58	0.62	2.20
	(2.09)	(0.20)	(2.29)
Interest Income	-	-	-
		(3.73)	(3.73)
Remuneration	74.27	-	74.27
	(59.52)	-	(59.52)
Rent Expenses	-	3.15	3.15
	-	(2.95)	(2.95)
Security Deposit – Given	-	50.00	50.00
	-	-	-

(c) Outstanding as on March 31, 2017:

(₹ in Millions)

Nature of Transaction	Key Managerial Personnel	Other Related Parties	Total
Sundry Payables	0.10	0.03	0.13
	(1.60)	(0.05)	(1.65)
Sundry Receivable	-	50.20	50.20
	-	(50.20)	(50.20)

Note: Figures in brackets indicate Previous Year figures.

NOTE 38.

Interest expense includes the interest on debenture ₹ 7,433.21 million (Previous year ₹ 6,401.25 millions), Discount in commercial paper ₹ 4,752.14 millions (Previous Year ₹ 3,382.76 millions) and Interest on bank term Loans ₹ 5,768.22 millions (Previous Year ₹ 6,345.87 millions).

NOTE 39.

There are no dues to Micro & Small Enterprises (MSEs) outstanding for more than 45 days.

NOTE 40. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Millions)

Particulars	SBNs *	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	334.45	69.14	403.59
(+) Permitted receipts	101.86	4,090.74	4,192.59
(-) Permitted payments	-	3,154.62	3,154.62
(-) Amount deposited in Banks	436.31	755.48	1,191.79
Closing cash in hand as on 30.12.2016	-	249.78	249.78

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

NOTE 41. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2016-17, the Company spent ₹ 135.94 millions (Previous Year ₹ 97.99 millions) out of the total amount of ₹ 135.44 millions (Previous Year ₹ 102.92 millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

NOTE 42. DISCONTINUING OPERATIONS

On September 30, 2016, the Board of Directors of the Company and 5paisa Capital Limited, a wholly owned subsidiary of the Company, have approved a draft Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited ["IIFLH"] and 5paisa Capital Limited ["5PCL"] and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5PCL. As per the proposed Scheme, the consideration for the proposed demerger is through issue and allotment of 1 (One) equity share of ₹ 10/- each fully paid up of 5PCL for every 25 (Twenty Five) equity shares of IIFLH held by the shareholders of IIFLH. The appointed date for the proposed demerger Scheme is October 01, 2016. The draft of the scheme is available on the website of the Company i.e. https://www.iifl.com/investor-relations/corporate-announcements and on NSE & BSE website. The Scheme would be effective upon receipt of all requisite regulatory approvals and filing of the certified copies of the final order of National Company Law Tribunal ("NCLT") with the Registrar of Companies. The Company has since received "No Objection" from SEBI, BSE and NSE on the draft Scheme of Arrangement and has filed the same with NCLT. As per the directions of NCLT, the Company has sent Notice to all the shareholders for NCLT Conveyed Meeting of shareholders of IIFLH and 5PCL. Pending final approval of the proposed scheme, the above financial results of IIFL Holdings Limited is without considering the effect of the proposed demerger.

The operating activities of the Company's discontinuing operations are summarized below:

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:

(₹ in Millions)

Particulars	**Oct-16 to Mar-17	*2016-2017	*2015-16
Revenue	-	-	-
Expenses	15.85	23.40	4.47
Profit/(Loss) Before Tax	(15.85)	(23.40)	(4.47)
Tax Expenses	-	-	-
Profit/(Loss) After Tax	(15.85)	(23.40)	(4.47)

b. The Net Cash flows attributable to the discontinuing operations as follows:

(₹ in Millions)

Particulars	**Oct-16 to Mar-17	*2016-2017	*2015-16
Operating Activities	(15.85)	(23.40)	(4.47)
Investing Activities	-	-	-
Financing Activities	-	-	-
Net Cash Outflows	(15.85)	(23.40)	(4.47)

c. The carrying amounts as at March 31, 2017 of the total assets and liabilities to be transferred are as follows:

(₹ in Millions)

Particulars	2016-17
Total Assets	1,000.88
Total Liabilities	2.00

* Till the appointed date the expenses incurred pertaining to activities of 5paisa Digital Undertaking at IIFL Holdings Limited were accounted on part of IIFL Holdings Limited income and expenditure account.

** Post the appointed date, the expenses pertaining to development/maintenance of technology application for online trading through trading terminal and mobile application, source code of mobile application, domain name (5paisa.com), software rights, brand (5paisa) establishment, protection and support, Infrastructure and facilities services etc. were directly carried out and incurred under 5paisa Capital Limited as an ongoing concern and accordingly booked for and expanded in the standalone books of the company.

Consolidated Financial Statements (contd.)

NOTE 43. INVESTMENT BY CDC GROUP PLC (CDC) IN INDIA INFOLINE FINANCE LIMITED (IIFL), AND ACQUISITION OF SAMASTA MICROFINANCE LIMITED

CDC:-

CDC Group PLC [CDC], the United Kingdom's government-owned development finance institution, made a strategic investment in India Infoline Finance Limited (IIFL). CDC Group PLC invested ₹ 10,050.14 millions in IIFL through 43,334,409 Compulsorily Convertible Preference Shares (CCPS) and 100 Equity Shares (Equity and CCPS together hereinafter referred as subscription shares) to CDC at a price of ₹ 231.92 per subscription share. Pursuant to this, upon conversion, CDC shall hold a stake of 15.45% of the total outstanding equity share capital of IIFL on a Fully Diluted Basis.

Samasta:-

During the year ended March 31, 2017 and pursuant to necessary regulatory approval, India Infoline Finance Limited had acquired the control and management of Samasta Microfinance Limited, a Non Banking Finance Company – Micro Finance Institution [NBFC-MFI] registered with RBI and based in Bangalore ("Samasta"), by purchase of equity shares and infusion of additional equity share capital in Samasta. As on March 31, 2017 India Infoline Finance Ltd holds 95.23% of the equity of Samasta. Pursuant to this, Samasta and its subsidiary Ayusha Dairy Pvt. Ltd. have become subsidiaries of the Company.

NOTE 44. DE-MERGER OF REAL ESTATE ADVISORY SERVICES UNDERTAKING OF IIFL REAL ESTATE LIMITED WITH INDIA INFOLINE INSURANCE SERVICES LIMITED

During the year, IIFL Real Estate Limited (Formerly known as IIFL Facilities Services Limited and IIFL Realty Limited) ("IREL"), a Wholly Owned Subsidiary of the Company, has filed a petition with National Company Law Tribunal ("NCLT") for the demerger of Real Estate Advisory services undertaking of IREL into another wholly owned subsidiary of the Company namely India Infoline Insurance Services Limited through a Scheme of Arrangement in terms of the provisions of Companies Act, 2013. The appointed date of the proposed Scheme of Arrangement is April 01, 2017. The proposed demerger does not involve any change in the capital structure of the Company. Pending final approval of the proposed scheme, the above consolidated financial statements of the Company is without considering the effect of the proposed demerger. Since the appointed date is April 01, 2017, disclosures on profit/loss from discontinuing of business operations is not applicable for the Financial Year March 31, 2017.

NOTE 45. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

NOTE 46. Figures for the Previous Year have been regrouped / reclassified wherever considered necessary.

As per our attached report of even date

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

Tirtharaj Khot
Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 04, 2017

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

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

Sr. No.	Particulars	Reporting Currency	Date since when subsidary was acquired	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover/ Income	Profit / (Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of shareholding
1	India Infoline Finance Limited	INR	07-07-04	3,555.00	29,560.12	-	156,182.46	123,067.35	28,492.60	22,642.24	5,251.74	1,824.46	3,427.28	-	99.99%
2	India Infoline Housing Finance Limited	INR	26-12-06	199.68	9,335.32	-	84,616.59	75,081.59	0.19	9,049.75	1,271.21	435.63	835.58	-	99.99%
3	Samasta Microfinance Limited	INR	01-03-17	613.45	32.59	-	2,236.05	1,590.01	10.25	330.76	6.77	(1.71)	8.48	-	95.22%
4	Ayusha Dairy Private Limited	INR	01-03-17	10.00	2.50	-	14.48	1.98	-	2.36	0.54	0.15	0.39	-	95.22%
5	IIFL Real Estate Limited (Formerly Known IIFL Facilities Services Limited and IIFL Realty Limited)	INR	12-03-07	90.00	697.31	-	6,800.03	6,012.72	334.78	1,312.29	106.80	37.41	69.39	-	100.00%
6	India Infoline Media and Research Services Limited	INR	16-11-06	0.50	121.26	-	250.15	128.39	5.81	569.40	458.93	7.42	451.51	-	100.0 0%
7	IIFL Wealth Management Limited	INR	17-01-08	155.93	12,578.10	-	19,609.96	6,875.93	11,143.90	4,524.71	1,329.43	465.05	864.38	-	57.72%
8	India Infoline Insurance Services Limited	INR	30-11-00	2.81	70.74	-	73.75	0.20	-	46.44	46.26	4.25	42.02	-	100.00%
9	India Infoline Commodities Limited	INR	29-03-04	3.14	35.62	-	809.26	770.50	(0.00)	159.87	53.71	16.57	37.14	-	100.00%
10	India Infoline Limited	INR	21-03-96	169.00	2,242.46	-	15,591.33	13,179.87	247.39	5,083.99	1,169.01	409.00	760.00	-	99.99%
11	India Infoline Insurance Brokers Limited	INR	07-05-05	5.00	126.92	-	174.98	43.06	-	321.76	176.44	60.58	115.86	-	100.00%
12	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	INR	06-05-09	5.00	1.88	-	7.41	0.53	2.50	10.33	5.38	1.61	3.77	-	57.72%
13	5paisa Capital Limited (Formerly IIFL Capital Limited)	INR	07-10-07	177.17	719.70	-	1,072.09	175.23	-	74.67	(151.35)	(46.91)	(104.45)	-	100.00%
14	IIFL Distribution Services Limited	INR	23-09-10	0.51	45.47	-	80.16	34.18	-	144.41	1.48	0.81	0.67	-	57.72%
15	IIFL Asset Management Ltd (Formerly India Infoline Asset Management Company Ltd.)	INR	22-03-10	321.00	654.90	-	1,185.93	210.03	18.17	861.94	217.44	68.59	148.85	-	57.72%
16	IIFL Alternate Asset Advisors Limited	INR	19-07-11	0.50	154.41	-	155.55	0.63	-	57.01	9.26	(0.04)	9.30	-	57.72%
17	IIFL Investment Adviser and Trustee Services Limited	INR	24-12-10	352.25	(11.05)	-	355.79	14.59	-	99.28	6.56	3.09	3.47	-	57.72%
18	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)	INR	13-02-16	2,624.50	8,018.12	-	64,229.96	53,587.35	18,787.65	4,614.72	1,574.86	570.99	1,003.86	-	57.72%
19	IIFL (Asia) Pte. Limited	INR	29-08-07	473.17	(174.57)	-	299.17	0.58	293.58	-	(0.75)	-	(0.75)	-	57.72%
		S $		14.00	(7.56)	46.38	6.45	0.01	6.33	-	(0.02)	-	(0.02)	-	
20	IIFL Securities Pte. Limited	INR	12-08-08	49.15	52.19	-	115.64	14.30	38.90	99.67	10.10	-	10.10	-	57.72%
		S $		1.03	1.15	46.38	2.49	0.31	0.84	2.09	0.21	-	0.21	-	
21	IIFL Capital Pte. Limited	INR	06-05-08	252.91	(42.81)	-	253.31	43.22	142.63	234.17	34.47	3.28	31.20	-	57.72%
		S $		5.30	(0.77)	46.38	5.46	0.93	3.08	4.90	0.72	0.07	0.65	-	

Sr. No.	Particulars	Reporting Currency	Date since when subsidary was acquired	Share Capital	Reserves & Surplus	Exchange Rate	Total Assets	Total Liabilities	Investments	Total Turnover/ Income	Profit / (Loss) before taxation	Provision for taxation (including deferred tax)	Profit after taxation	Proposed Dividend	% of shareholding
22	IIFL Inc	INR	30-01-08	61.69	(13.83)	-	58.04	10.19	-	45.41	(4.78)	0.00	(4.78)	-	57.72%
		USD		1.03	(0.29)	64.83	0.90	0.16	-	0.69	(0.07)	0.00	(0.07)	-	
23	IIFL Capital Inc	INR	20-12-11	40.29	13.43	-	67.87	14.14	-	89.77	11.74	4.92	6.82	-	100.00%
		USD		0.69	0.14	64.83	1.05	0.22	-	1.35	0.18	0.07	0.10	-	
24	IIFL Private Wealth Management (Dubai) Limited	INR	28-09-12	57.99	21.94	-	91.03	11.10	-	78.59	19.20	-	19.20	-	57.72%
		AED		3.37	1.16	17.65	5.16	0.63	-	4.41	1.08	-	1.08	-	
25	IIFL Wealth (UK) Limited	INR	18-02-08	11.20	5.02	-	18.90	2.67	-	66.88	1.81	0.48	1.33	-	100.00%
		GBP		0.15	0.05	81.29	0.23	0.03	-	0.76	0.02	0.01	0.02	-	
26	IIFL Private Wealth Hong Kong Limited	INR	04-06-10	51.90	7.74	-	62.94	3.30	24.64	20.24	4.68	0.92	3.75	-	57.72%
		HKD		6.48	0.67	8.34	7.54	0.39	2.95	2.40	0.55	0.11	0.44	-	
27	IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Ltd)	INR	15-12-10	4.19	683.30	-	750.77	63.28	330.64	663.25	361.57	10.88	350.69	-	57.72%
		USD		0.07	10.53	64.83	11.58	0.98	5.10	10.11	5.52	0.17	5.35		
28	IIFL Private Wealth (Suisse) SA	INR	16-03-11	6.68	0.31	-	7.38	0.38	-	2.01	1.50	-	1.50	-	57.72%
		CHF		0.10	0.01	64.75	0.11	0.01	-	0.03	0.02	-	0.02	-	

Note 1 - All subsidiaries have common year end of March 31, 2017 hence no additional information under Section 129(3) read with rule 5 has been disclosed.

Note 2 - Names of Subsidiaries which have been liquidated or sold during the year:
India Alternatives Investment Advisors Private Limited

Note 3 - The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Arrangement of IIFL Properties Private Limited with IIFL Real Estate Limited (Formerly Known IIFL Facilities Services Limited and IIFL Realty Limited). The same has since been effected w.e.f. April 01, 2015.

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Dated: May 04, 2017

FORM AOC-I

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 Associates/Joint Ventures	Meenakshi Towers LLP
1.	Latest audited Balance Sheet Date	March 31, 2016
2.	Shares of Associate/Joint Ventures held by the company on the year end.	02-01-13
	Number	NA
	Amount of Investment in Associates/Joint Venture	0.05
	Extend of Holding %	50%
3.	Description of how there is significant influence	There is a significant influence due to % of capital
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	(29.64)
6.	Profit / (Loss) for the year	
	i) Considered in Consolidation	(21.04)
	ii) Not Considered in Consolidation	-

Note 1- Name of the Associates / Joint Ventures which are yet to commence operations:
IIFL Asset Reconstruction Limited

For and on behalf of the Board of Directors

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Dated: May 04, 2017

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Corporate Information

BOARD OF DIRECTORS

Mr. Nirmal Jain
Chairman

Mr. R. Venkataraman
Managing Director

Mr. A.K. Purwar
Independent Director

Dr. S. Narayan
Independent Director

Mr. Nilesh Vikamsey
Independent Director

Mr. Kranti Sinha
Independent Director

Ms. Geeta Mathur
Independent Director

Mr. Chandran Ratnaswami
Non-Executive Director

COMMITTEE OF BOARD

Audit Committee

Mr. Kranti Sinha
Chairman, Independent Director

Mr. Nilesh Vikamsey

Mr. R. Venkataraman

Ms. Geeta Mathur

Nomination and Remuneration Committee

Mr. Kranti Sinha
Chairman, Independent Director

Mr. Nilesh Vikamsey

Mr. A. K. Purwar

Stakeholders' Relationship Committee

Ms. Geeta Mathur
Chairperson, Independent Director

Mr. Nirmal Jain

Mr. R. Venkataraman

Risk Management Committee

Mr. Nirmal Jain

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

Mr. Gajendra Thakur

AUDITORS

Sharp & Tannan Associates
Chartered Accountants

INTERNAL AUDITORS

KPMG
Chartered Accountants

Mahajan & Aibara
Chartered Accountants

CORE MANAGEMENT TEAM

Name	Designation
Ms. Rajashree Nambiar	ED & CEO, India Infoline Finance Ltd
Mr. Monu Ratra	ED & CEO, India Infoline Housing Finance Company Ltd
Mr. Karan Bhagat	MD, IIFL Wealth Management Ltd
Mr. Amit Shah	CEO, IIFL Capital Pte Ltd.
Mr. Yatin Shah	ED, IIFL Wealth Management Ltd
Mr. H. Nemkumar	President, Institutional Equities
Mr.Vasudev Jagannath	President, Institutional Sales
Mr. Nipun Goel	President, Investment Banking
Mr. Arindam Chanda	ED, Retail Broking
Mr. Balaji Raghavan	ED - Real estate Services
Mr. R Mohan	Chief Compliance officer
Mr. Aniruddha Dange	Chief Strategy Officer
Mr. Subhash Kelkar	Chief Technology Officer
Mr. Anand Mathur	President, Human Resources
Mr. B. S Amarnath	Treasurer
Mr. Narendra Jain	President, Operations
Mr. Apoorva Tiwari	Chief Operating Officer
Mr. Arun Malkani	Chief Marketing Officer
Mr. S. Venu	Chief Administrative Officer
Mr. Ashok Mittal	Group Head of Taxation

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd,
C-13, 47 Park, C-101, 1st Floor, L.B.S Marg,
Vikhroli (West) Mumbai 400 083.

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

IIFL Centre, Kamala City, Lower Parel (West),
Mumbai – 400 013.

LIST OF BANKERS

Allahabad Bank
Andhra Bank
Axis Bank Ltd
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Citibank
Corporation Bank
DCB Bank Ltd
Dena Bank
Deutsche Bank
Federal Bank
HDFC Bank Ltd
ICICI Bank Ltd
IDBI Bank Ltd.
Indian Overseas Bank
Indusind Bank Ltd
Karnataka Bank
Karur Vysya Bank
Kotak Mahindra Bank
Mashreq Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
RBL Bank Ltd
Small Industries Development Bank of India
South Indian Bank
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India
Syndicate Bank
The Jammu and Kashmir Bank
The Saraswat Co Op Bank Ltd
UCO Bank
Vijaya Bank
Yes Bank Ltd
Maybank
State Bank of Bikaner and Jaipur
State Bank of Patiala
Union Bank of India
United Bank of India

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 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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IIFL HOLDINGS LIMITED
CIN - L74999MH1995PLC093797

Corporate Office:
IIFL Centre, Kamala City,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai - 400 013

Registered Office:
IIFL House, Sun Infotech Park,
Road No. 16, Plot No. B-23,
MIDC, Thane Industrial Estate,
Wagle Estate, Thane - 400 604

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Tel: 022 4249 9000

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