When it's about money..

IIFL

August 03, 2018

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 17-18

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 23rd Annual General Meeting held on July 31, 2018.

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


MICROFINANCE
HOUSING FINANCE
CONSUMER FINANCE
RESEARCH
RETAIL BROKING
WEALTH MANAGEMENT
INVESTMENT BANKING
HOLDINGS
ASSET MANAGEMENT
INSURANCE DISTRIBUTION
INSTITUTIONAL BROKING
When it's about money..
IIFL
FINANCE
WEALTH
SECURITIES
SIMPLIFY FOR SPEED
IIFL HOLDINGS LIMITED | ANNUAL REPORT 2017-18

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Read our online version at:

www.iifl.com/investor-relations

Or

Scan this QR code from your smartphone to access our annual report



₹224 billion

Market Capitalisation as at March 31, 2018

NSE symbol: IIFL

BSE code: 532636

Bloomberg: IIFL IN

"The ability to simplify means to eliminate the unnecessary so that the necessary may speak."

~ Hans Hofmann

Business environment is growing increasingly complex with increased competition, changing consumer behaviour, rapidly evolving technologies and emerging disruptive business models. Organisations across the world have been re-strategising to counter the challenges and capitalise on new opportunities.

At IIFL Holdings, we have consistently responded to the challenges of each businesses and their ever-growing disruptions. We are cognizant of the need to constantly adapt and transform. As a result, we have grown exponentially over the years, diversified into multiple business lines and achieved scale in all of them.

With the aim of thriving in the evolving competitive and regulatory environment, we have taken the momentous decision to re-organise our unified corporate structure and create independent entities focused on their core businesses. We believe that this move will enable each business to grow faster, attract the right talent and become more innovative and efficient.

We remain committed towards optimising our operations and being a continuous value enhancer for our investors and customers.

About IIFL Holdings Limited

IIFL was founded in 1995 by two professionally qualified, driven entrepreneurs, Nirmal Jain and R Venkataraman, with the vision of becoming the most respected company in the financial services space.

IIFL is mainly engaged in the business of loans and mortgages, wealth and asset management, and capital market related activities. The loans and mortgages business comprises the non- banking finance, housing finance and micro finance verticals. The wealth management business includes wealth and asset management. The capital market business consists of retail and institutional broking and investment banking.

IIFL brings deep industry expertise, innovative solutions, ability to reinvent and a differentiated digital experience to the table, which has led to the Company's phenomenal success across business segments.

₹50,661 million

Net Worth

19.3%

Return on Equity

₹11,621 million

Profit After Tax

₹311,336 million

Loan Assets Under Management (AUM)

₹1,317,617 million

Wealth Assets Under Management, Distribution and Advice

500+

Stocks Under Research

2,500+

Locations

15,000+

Workforce

5 million+

Happy Customers

Note: The financial figures are as on March 31, 2018

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

BUSINESS

Diversified non-banking finance company offering comprehensive credit solutions to all classes of customers - salaried, self-employed, informal sector, HNIs and corporates

CUSTOMER SEGMENT

Retail and Corporate

PRODUCTS

Home, Gold, Commercial Vehicles and SME Loans, Digital Finance, Micro Finance, Loan Against Property, Construction Finance and Real Estate Loans

DISTRIBUTION CHANNELS

Agents, Banks, Brokers, Direct channels and other distribution agreements

GEOGRAPHICAL LOCATIONS

1,378 branches Pan-India

FINANCIALS FY18

Income ₹ 38.6 billion
Net Profit ₹ 5.5 billion



Wealth and Asset Management

One of the largest and fastest-growing wealth management companies in India offering a holistic approach towards managing clients' portfolio with a broad range of innovative products and services

High Net-Worth Individuals

Asset management, Advisory, Financial Products Distribution, Brokerage and Credit Solutions

Direct channels and other distribution agreements

23 offices across 9 countries

Income ₹ 17.4 billion
Net Profit ₹ 3.9 billion



Capital Market related Activities

One of India's leading broking houses with extensive presence all over the country, providing financial planning, investment banking and broking services in mutual funds, equity, commodities and currency trading

Institutional and Retail

Investment Banking. Institutional Broking, Research, Retail Broking and Financial Products Distribution

Agents, Banks, Brokers, Direct channels, other distributors and independent financial advisors

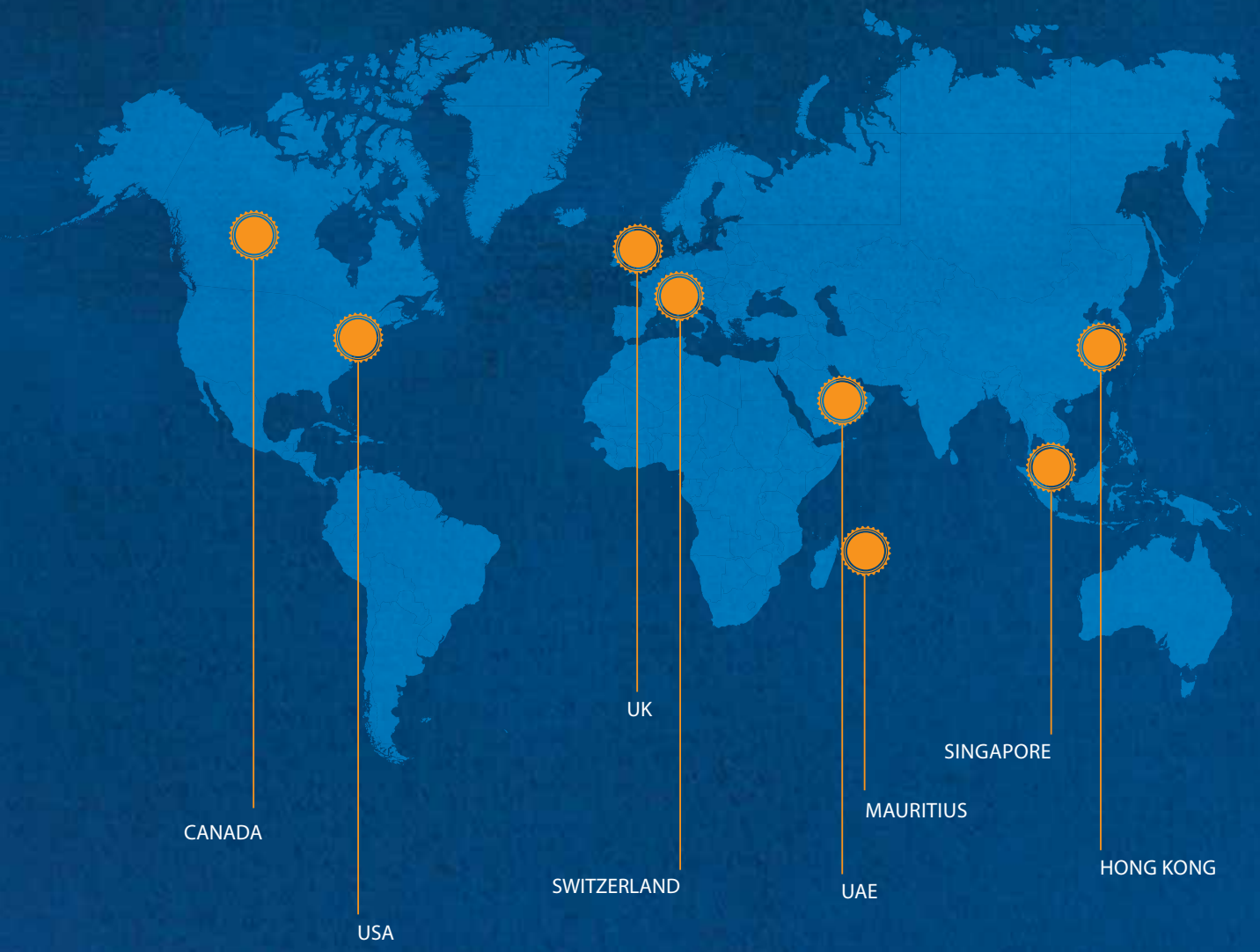
1,122 locations pan India

Income ₹ 8.4 billion
Net Profit ₹ 2.2 billion

Global presence

Our international subsidiaries are governed by the respective global regulators including Financial Services Authority, UK; Securities Exchange Commission and Financial Industry Regulatory Authority, USA; Monetary Authority of Singapore; Dubai Financial Services Authority; Securities and Futures Commission, Hong Kong; and Financial Services Commission, Mauritius.

International Subsidiaries' Locations



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What makes us unique: The extra edge

The Company's leadership in the financial services sector is a result of its differentiated approach and unique competitive advantages



A fully comprehensive portfolio

- Multiple business streams across all segments of financial services
- Wide range of tailored products and services catering to all classes of customers
- Constant development to meet evolving requirements

A digitised organisation

- Latest digital technology employed across the organisation
- Processes digitised, simplified and streamlined to provide better service to customers, enhance productivity and reduce costs
- Automated solutions incorporated for creating a differentiated, customised and delightful customer experience
- Open platforms used to integrate and leverage best in-class technologies, facilitating seamless integration with technology partners such as research agencies and cloud service providers



Customers at the core

- Customer centricity is the foundation of our business
- Requirements of diverse customer segments are addressed with innovative products and services
- Efficient customer service provided throughout the product lifecycle



Superior performance

- Commitment to foster a deep relationship of trust with our customers
- Integration of valuable insights into the solutions we offer to fulfil investment objectives
- Delivery of a higher performance and management of risk in customers' portfolios by combining technology and teamwork



Global and domestic footprint

- Wide domestic network as well as global penetration to improve accessibility
- Expertise in local markets, industries and regulatory dynamics
- Serving clients in 9 countries across the globe
- Domestic presence spans ~600 cities across 25 states



Extraordinary talent and expertise

- Professionally qualified, talented and motivated team of hardworking employees
- Experienced management personnel with deep understanding of business and relevant domain expertise



Best practices through good corporate governance

- Established best practices in corporate governance facilitating effective management and control of business
- Strong business ethics imbibed across levels
- Clear allocation of responsibilities, well-developed management structure, internal control and ownership
- Highly experienced Board of Directors, providing valuable guidance to the organisation

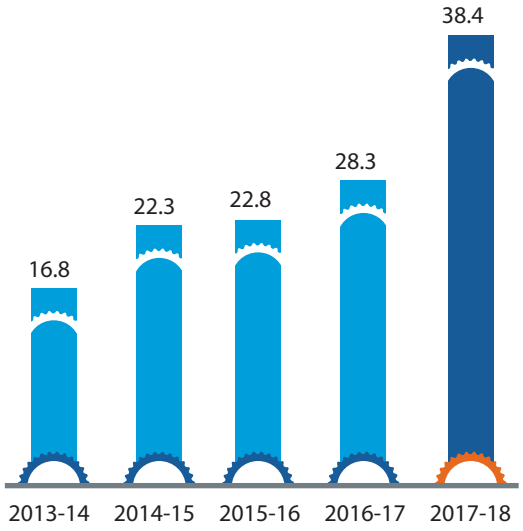


Strong risk culture

- Prudent risk management structure to create and protect value for customers in a consistent manner
- Risk management framework based on a clear understanding of various risks, disciplined risk assessment and continuous monitoring
- Internal Audit activities carried out regularly to keep risks under control
- Maintenance of capital adequacy to withstand unexpected events

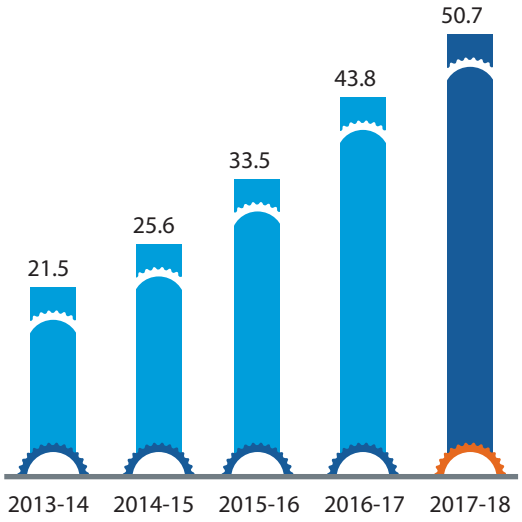
Delivering value through strong fiscal prudence

Income* (₹ billion)



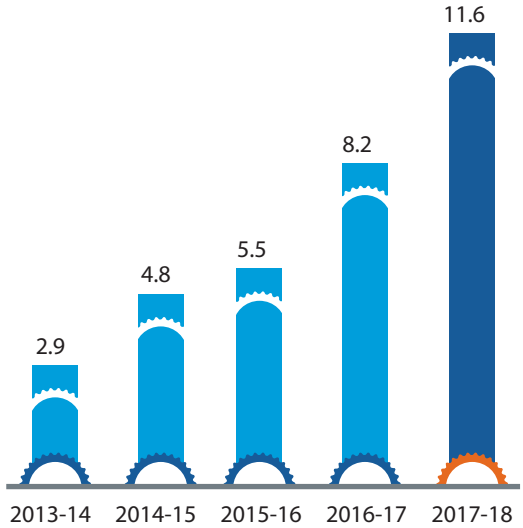
YoY Growth FY17-18: 36%
5 Years CAGR: : 23%
*Net of interest expense

Net Worth (₹ billion)



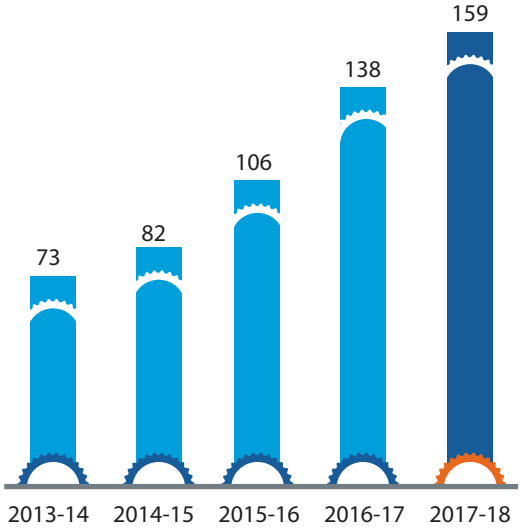
YoY Growth FY17-18: 16%
5 Years CAGR: : 24%

Net Profit (₹ billion)



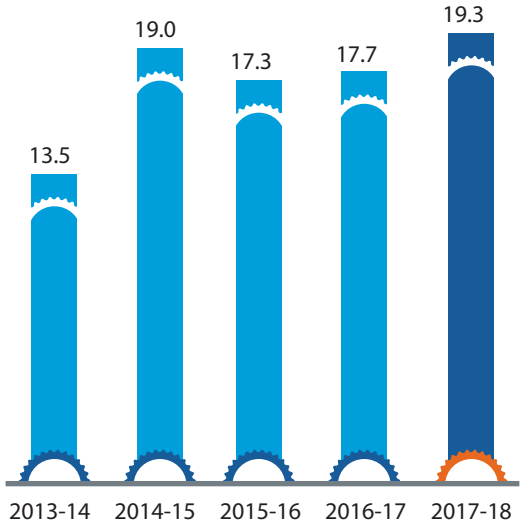
YoY Growth FY17-18: 41%
5 Years CAGR: : 41%
*Pre-minority

Book Value per Share (₹)



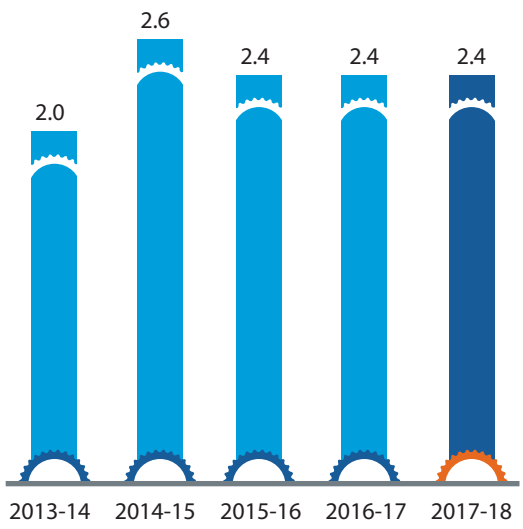
YoY Growth FY17-18: 15%
5 Years CAGR: : 21%

Return on Equity (%)



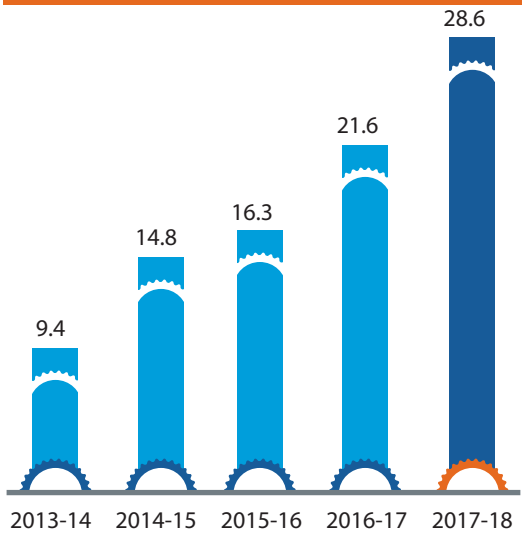
Return on Equity grew by 160 basis points to 19.3% as on March 31, 2018

Return on Assets (%)



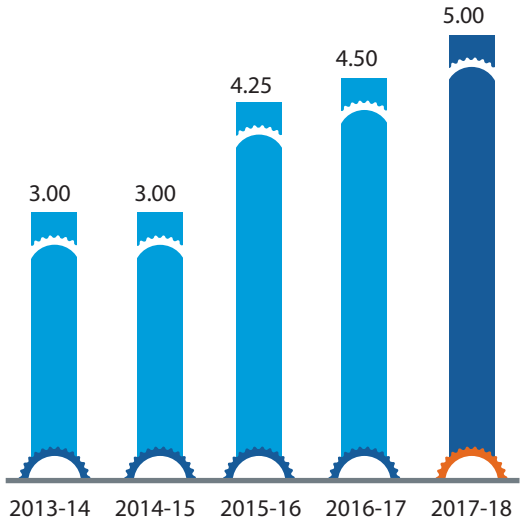
Return on Assets sustained at 2.4% for the year ended March 31, 2018

Earnings Per Share (₹)



YoY Growth FY17-18: 32%
5 Years CAGR: : 32%

Dividend Per Share (₹)



YoY Growth FY17-18: 11%
5 Years CAGR: : 14%

Operations review



Loans and Mortgages

IIFL Finance is a leading, well-diversified non-banking financial company providing home, business, gold, commercial vehicle and microfinance loans among others to a broad segment of customers including salaried and self-employed personnel and corporates. The operations are carried out by the Company and its two subsidiaries – a housing finance and a micro finance company. With a pan-India network of 1,378 branches, IIFL Finance is well placed to cater to India's retail loan demand. The Company has long-term credit rating by CRISIL AA/Stable, [ICRA] AA (Stable), CARE AA (Positive).

Key Highlights of 2017-18

- Loan assets under management (AUM), grew 40% annually to ₹ 311.34 billion
- The portfolio mix continued to become more granular with an increased share of small ticket home loans, SME loans and microfinance loans
- Asset quality remained sound with gross and net NPA levels at 1.71% and 0.79%
- Over 13,000 customers were benefited with a subsidy of over ₹ 3 billion under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme

Focus Areas

IIFL continues to stay ahead of the competition with its cutting-edge technology and wide retail distribution network.

With the realisation of the need to remain relevant in today's digital world, we will continue to look for and adopt the latest technology and innovation tools. Retail home loans, business loans and microfinance loans, will be key areas for growth in the coming year.



Wealth Management

IIFL Wealth is one of India's leading wealth management companies, offering a broad range of products and services to high networth families including advisory, wealth structuring solutions, asset management and distribution services. An in-house asset management business allows the Company to launch innovative products. Today, it actively manages assets of over 10,000 High Net Worth Individuals (HNI) and Ultra HNI families in India and abroad.

Key Highlights of 2017-18

- Total assets under management (AUMs), distribution and advice grew 39% annually to reach ₹ 1,317.62 billion
- Alternative Investment Fund (AIF) assets grew 52% annually to ₹ 117.36 billion; IIFL Wealth continued to be the largest manufacturer and distributor of AIFs in India
- A new Affordable Housing Fund was launched in the last quarter, which also received an outstanding response with commitments of over ₹ 13.60 billion
- The AMC subsidiary created a record, garnering commitments of over ₹ 84.50 billion in the Special Opportunities Fund, including ₹ 30.00 billion from third party channel partners
- IIFL Wealth Finance, witnessed 85% annual growth in its loan book, touching ₹ 67.00 billion in March 2018

Focus Areas

As we continue to scale-up the business, we remain focussed on providing innovative products and best customer service to our clients through optimum usage of technology, effective processes and best-in-class workforce. The focus in the coming year will be on digitising the entire client and sales journey at the firm, taking the client and employee engagement to the next level of advice and delivery.

Capital Market and Distribution

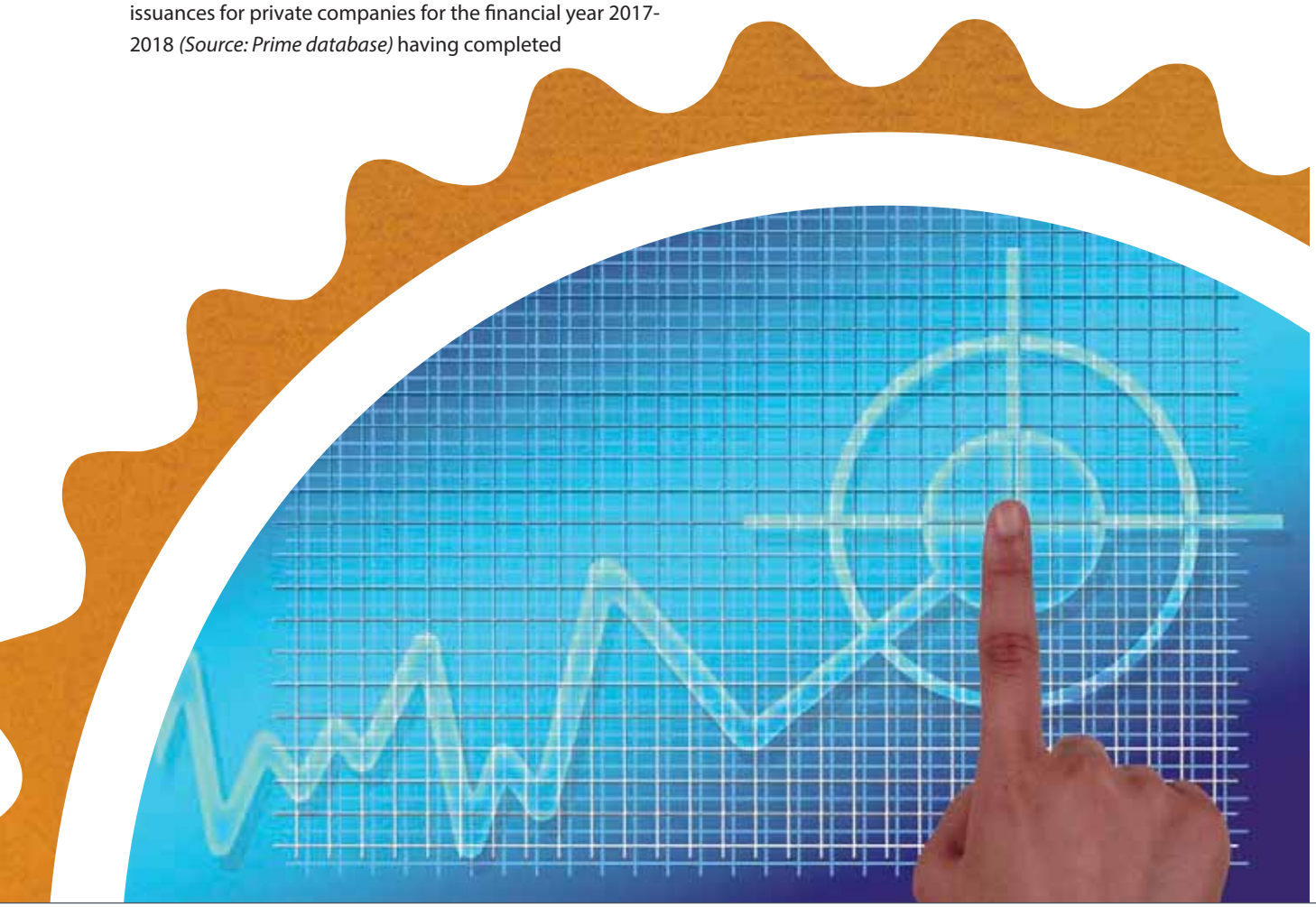
IIFL is a key player in both retail and institutional segments of the capital market. The main verticals the Company operates under, are retail and institutional broking and investment banking. The institutional segment caters to leading global funds and is backed by a strong research team. The retail segment offers a wide variety of products and services to clients all across the country with widespread presence backed by a robust technological platform.

Key Highlights of 2017-18

- IIFL's Investment Banking division was ranked No. 1 in equity issuances for private companies for the financial year 2017-2018 *(Source: Prime database)* having completed 27 transactions, including 11 IPOs (Initial Public Offerings) and 8 follow-on offers involving listed companies
- The retail broking division recorded daily cash turnover growth of 39% annually to ₹ 15.63 billion versus 30% annual growth in exchange cash turnover
- Our distribution business had a breakout year with the total Mutual Fund AUM growing by 50% to reach ₹ 28.86 billion

Focus Areas

We will continue our digitisation drives, enhance service offerings and improve manpower productivity. We have a strong pipeline of transactions for the Investment banking business, and enhancing our Research offering and acquisition of clients for Mutual Funds and SIP investments will be key focus areas in the coming year.



Discovering the value potential



India's growth story is evolving, building opportunities at every stage. The country has adopted aggressive measures to bring about necessary structural changes in the economy. A host of reforms implemented recently like Goods and Service Tax, Insolvency and Bankruptcy code, RERA etc. have laid down a firm foundation for the future.

This has reflected in strong domestic economic performance and global rating agencies turning optimistic about the country's growth prospects.

Evolving and Agile

At IIFL, we have a clear purpose – to sustain the growth momentum in financial services, improve every business we serve and the quality of each life we touch. By embracing change, we want to build a company that empowers and creates value for all our stakeholders.

Transformation requires a deep understanding of evolving environment and taking disruptive decisions requires belief in the vision.

Today, IIFL is on the path of discovering more value each day and has strategically initiated reorganisation of its businesses.

Currently, the activities of IIFL Holdings can be grouped under three distinct business lines:



1

IIFL Finance

Loans and Mortgages

2

IIFL Wealth

Wealth and Asset Management

3

IIFL Securities

Retail and Institutional Broking and Investment Banking

The reorganisation will result in three listed entities, one for each of the above businesses.

Why are we doing this?

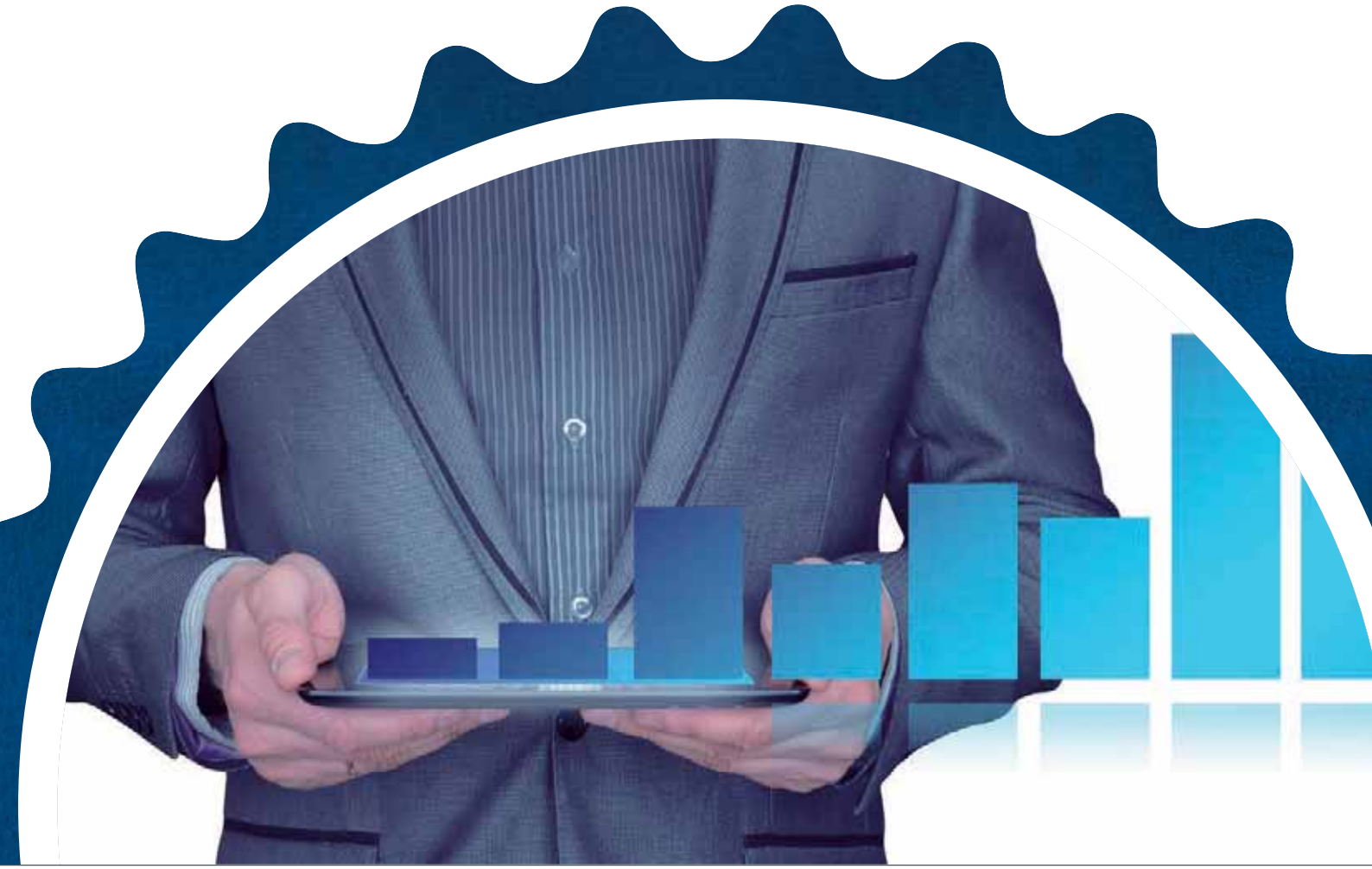
Each business is DIFFERENT

All the three businesses have distinct set of customers, products, different success factors and strategies.

Features	IIFL Finance	IIFL Wealth	IIFL Securities
Key Products	Loans and mortgages	Wealth and asset management	Broking, advisory services, financial product distribution
Customer Segment	Retail	High net worth individuals	Retail/Institutional
Success Factor	Operational excellence	Customer relationship	Product innovation and customer service

All the core businesses have acquired a critical mass. Each has a different competitive and regulatory environment and a separate growth trajectory.

A shift from a close-knit conglomerate to separate entities will enable further concentration on individual business segments. Management of each of the companies can pursue independent growth strategies in different regional and overseas markets. Besides, a sharply focussed and flexible business approach will mean a stronger brand and more value for all stakeholders.





SIMPLER Regulatory compliance

Each business has different sets of regulators. In the current form, every decision passes through multiple compliances and all the regulators. The independent structure would result in simpler regulatory compliance by avoiding multiplicity of regulators.



Attracting the RIGHT TALENT

Each business requires different skills and talent to thrive in the relevant competitive environment thereby making it important for each company to attract, retain and reward the best talent. As separate entities, the companies will also have greater flexibility to allot ESOPs to employees within individual businesses which will facilitate the acquisition of best-in-industry talent.



Shareholders WIN: Liquidity and Value

All three businesses have attained scale in terms of revenues and profits. Reorganisation of the Company will offer future and current investors a path to liquidity as well as price discovery for their investments.

Most of the financial investors have different objectives in the long run. Based on the risk profile, some investors are keen to invest in asset-heavy businesses while some are willing to pay more for higher returns. Once the companies are listed separately, they can attract relevant sets of investors and meet their aspirations.



Cross-sell and SYNERGIES

Each of the proposed entities have multiple products and a distinct customer base. There are more cross-selling opportunities within the three businesses rather than in intra-business. A person borrowing gold loan may also become a customer for home loan. There are synergies across businesses, but there are greater synergies within each of the businesses.



Ownership, Control and RISK

Conglomerates with convoluted structures allow control over several companies through the parent Company. However, today, the evolving culture is that small and innovative ideas driven independent enterprises do far better.

From an audit and regulations point of view, a clear and differentiated structure is better since the potential risk of one business can be isolated from the other. It also becomes easy for the analysts, regulators and investors to understand the businesses better.

Eventually, we believe that these distinct businesses will have more transparency for the outside world, public, media, analysts as well as the regulators.

The reorganisation will enable IIFL group companies to focus on their niche verticals and embark on the path of swift growth.

Creating value through innovation and digitisation

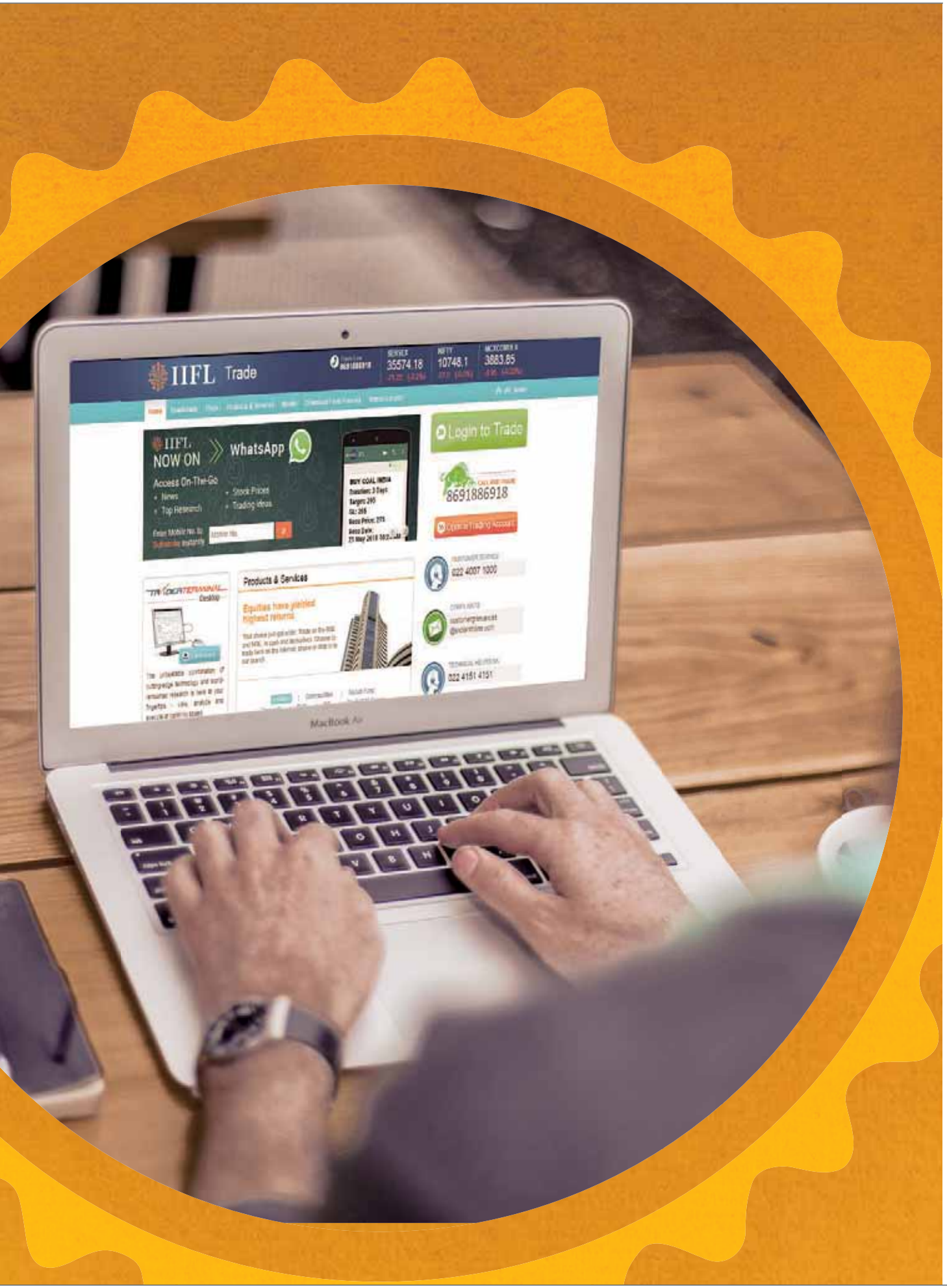
India is transforming into a digital economy with a thrust for enhanced digitisation of the financial sector. Customers are empowered with greater access to internet and multiple digital options. With the 'Digital India' programme and focus on technology, the country is on the cusp of a digital revolution.

At IIFL, we are committed to invest in technology, enabling us to drive growth and unlock competitive advantages across our diversified businesses. Digital and analytics continue to be the key focus areas to bring in agility, availability and relevance. Our continuous focus on technology is resulting in sustained growth, healthy assets and a controlled-risk framework.



Key highlights and developments:

- The Company executed the 'eSign', 'eMandate' and biometric integration across all its mobile and web platforms
- The loan on-boarding process was enhanced by using tablets with customised software for customer on-boarding. 97% of the loans originated in the year were on-boarded digitally via the Tablets. An integration with analytics based credit scorecards also allows instant sanction decisions
- The digitisation of the process has led to significant reduction in the disbursal time
- A 'personal loan' option was launched on the web based platforms as a self-service portal, enabling customers to apply for a loan directly online and get a speedy disbursement
- All the Company's customer facing applications were upgraded to support UPI payments, in addition to existing internet banking options and other traditional channels



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IIFL has cutting edge mobile applications for multiple service lines and they are hugely popular among customers as well as well-respected in the industry.

IIFL Markets App

Providing a comprehensive mobile trading and market monitoring platform

IIFL Markets App features:

- Price alerts for equity, currency and commodity markets
- Live buy/sell trading tips
- Access to Finance/Business News
- Next generation widget to track stocks on home screen
- Advanced technical charting
- Additional Company information
- Easy and secured access to trading screen
- Fast tracking of investments with detailed order book

1,500,000+

App downloads

4.3 Star

Rating on Android

41%

Clients trading through mobile



IIFL Mutual Funds App

IIFL Mutual Funds App features:

- Fund performance analysis
- Expert advice from industry makers
- Real time updates on funds
- Recommendations by IIFL's research team
- Easy transactions across multiple funds
- Extensive educational information

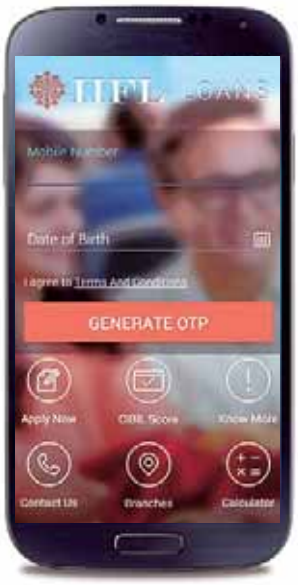


270,000 +

App downloads

4 Star

Rating on Android



IIFL Loans App

IIFL Loans App features:

- View account summary
- View complete account statement
- Easy payment of outstanding loan
- Access interest certificate
- Submit a query

100,000+

App downloads





Greater value through nurturing expertise

Talent is key to any successful organisation and especially so for the financial services industry. IIFL recognises the importance of building a strong and committed team and develop leadership traits in its talent to manage change effectively.

We remain committed towards investing in our people, ensuring they consistently deliver strong performance over time. With the right leadership at the helm, we are able to attract, develop and retain a professional team driven by a sense of purpose.

Building a culture of learning, transparency and excellence

Technology Enablement

We have 'Adrenalin' as a one stop employee interface for all human resources related requirements. During the year, we also implemented our recruitment solution – Hirecraft, integrated with Adrenalin.

Training & Development

We have deployed a multitude of learning methodologies at IIFL, such as e-learning modules, video-based modules, mobile-based micro learning in the areas of functional, technical, behavioural and leadership development.

755
Training sessions conducted

15,106
Employee participation

15,921
Number of employees

Management Performance

IIFL has an effective setup to define Individual Performance Measures (IPMs) and track performance against the same thereby helping the organisation as well as employees manage performance effectively.

Fast Track Career Path

We have introduced 'Role Elevation Panel Process' to fast track careers of performers by ensuring a fair and transparent panel process.

Management Connect

Our Chairman conducts a monthly live connect session with all employees through Facebook @ Work to enable them to be aligned with the Company's vision and get clarification on any business/policy related concerns.



Employee Engagement at IIFL: Leading to an enhanced personal growth

IIFL believes in engaging its work force, nurture their careers and groom them to become leaders of tomorrow.

- Virtual townhalls, branch visits, etc. are regular interactive forums
- Feedback is collected from employees through the Artificial Intelligence powered chat- Bot 'Amber' on a particular tenure completion date
- Employee feedback received regularly through internal and external employee survey programs
- Special fast track program formulated for high potential employees
- Rewards and Recognition programs conducted to appreciate contributions of performing employees
- Sports events, cultural and festive celebrations, health & wellness workshops etc. enable employees to de-stress and improve team bonding
- For multiple locations, Workplace by Facebook is used as an important communication medium between the senior management and the employees











Message from the Chairman



Your Company's strategy for the next decade is best captured in the theme of this annual report 'simplify for speed'. As part of this strategy, your Company proposes to reorganise all its business verticals into three core entities, namely, IIFL Finance, IIFL Wealth and IIFL Securities.

SIMPLIFY FOR SPEED

Dear Shareholders,

I am pleased to report that your Company's financial performance has scaled a new peak with a consolidated net profit of ₹1,162 crores prior to minority adjustment. Over the last two decades, the Company has remained focussed on financial services while expanding its activities to encompass a wide gamut of services including wealth and asset management, loans and mortgages, securities and investment banking, and distribution of financial products. Your Company has emerged as one of the leading players in the financial services industry.

But what has brought us here may not take us there. Taking cognisance of present environment, opportunities and challenges, your Company's strategy for the next decade is best captured in the theme of this annual report 'simplify for speed'. As part of this strategy, your Company proposes to reorganise all its business verticals into three core entities, namely, IIFL Finance, IIFL Wealth and IIFL Securities. They will serve three different segments of customers namely borrowers, HNI investors and retail/ institutional investors.

Speed to survive

Your Company's market value was close to ₹22,500 crore as at year end; a growth of about 65 times in 13 years since the IPO. One could argue that, at this size, the typical approach would be to consolidate and conserve rather than sprint. However, we live in extraordinary times where disruptive innovations have become a norm rather than an exception. Revolutionary changes in digital technology will make 'slow' organisations easy targets for the innovative players- new or existing. The fintech revolution has altered traditional wisdom; it is not speed, but a lack of it, that can kill. At the same time, the growing economy will drive faster growth in demand for financial services products. An organisation that adapts with speed will be better placed to grow faster as well.

Increasingly complex world

Regulatory environment is getting stricter. Compliance is becoming more complicated by the day. Technology is changing faster than anybody's imagination. The internet age 'millennial' consumer's behaviour is defying all theories. Customer loyalty is turning fragile. Real time information and knowledge is ubiquitous and almost free. Marketing communication can be tailor made for each prospect. Data science and artificial intelligence are changing every aspect of business. Investors are backing inexperienced innovators over experienced incumbents, making the industry even more complex

Simplify to unlock speed

The more complex the world gets, the more is the power of simplicity, to unleash innovation and superior products. Customers prefer simple products and employees thrive on simple processes. Investors look for simple business models. But to make things simple has never been easy. We have to start with making the organisation structure simple, where key people have their rewards directly linked to their performance with concomitant responsibility for their acts and omissions. Simple organisations make it possible to have tailor made processes optimised for respective businesses as well.

Challenges arising from simplification

There are some complications that arise from the simplification of strategy. Let me discuss them as well.

Control – traditionally, conglomerates have thrived on complex ownership structures, allowing management control with much lower effective economic ownership. The convoluted structures have been abstruse for analysts, shareholders and regulators to analyse and understand. However, we believe that a simpler structure facilitates greater transparency, fosters superior governance and allows true democracy to mirror ownership and control. Institutional investors have choice of businesses to suit varying objectives of the funds they manage.

Size – is an edge and also a drag. All entities together have much greater size, an edge to absorb shocks or risks. A larger balance sheet wields more power. However, these advantages are outweighed by the fact that size, which is summation of parts driven by diverse forces, is a drag to speed. For instance, any new activity may require compliance and regulatory clearance of all businesses. Any shock in one business can slow down others too. Heightened risks in one business can shadow the other businesses.

Costs – are lower for many support functions when shared. However, these savings come at a hidden cost of trying to make one size or shape fit all. It may be worth the extra cost to let distinct businesses have flexibility to structure support functions, operations and technologies that best serve their respective business requirements and customers.

Reorganisation is just the beginning

Organisations like your Company, growing at a fast clip for over two decades, do tend to develop complex processes, systems, layers and control procedures. The reorganisation presents a unique opportunity. The reorganisation process will create three new organisations - simpler and nimbler than their predecessor conglomerate. They will serve distinct segments of customers, have separate management teams, varied growth trajectories and, distinct products and propositions requiring dissimilar culture and systems. The independent entities can take the simplification strategy forward to their products, processes, work flow, organisation structure, reward system and communication. Our goal is to gather speed to stay ahead of the industry.

Next year

If we get all approvals in time, you will own shares of three listed companies and will receive three annual reports next year. Our loyal shareholders would find this a bit of a compromise on the simplicity of owning one Company and reading one annual report, but I would say it's a small price to pay for a group getting ready to shift gears. We have a thrilling ride ahead as each business can scale up many times.

Thank you,

Nirmal Jain
Chairman,
IIFL Holdings Limited

Message from the Managing Director



As our business gathers speed and scale, it is important we ensure work flows are simple, secure and safe, so that we can leap forward as an organisation and build a highly customer-centric service and delivery organisation.

SPEED WITH STABILITY

Dear Shareholders,

"It is true that speed kills. In distance running, it kills anyone who does not have it."

– Brooks Johnson

The pace at which society is progressing, companies need to simplify their processes and increase speed to stay relevant. History is replete with stories of companies which have gone from domination to obscurity in a matter of years. Our organisation has witnessed speed and growth. People, Process and Platform, and the need to strengthen them, have been part of our business plan and action for years. This time, I would like to share my thoughts on the Process aspect. This, however, does not mean that People or Platforms become less important. As any organisation witnesses speedy growth in revenues and profits, it is imperative that the internal systems and processes also keep pace. As articulated in earlier annual reports, strengthening the backbone i.e. the internal organisation, leads to greater speed in the external world.

Processes are crucial to the smooth functioning of an organisation, and a conscious effort at process improvement can generate huge benefits including speed, efficiency and cost optimisation. Deriving from Henry Ford's assembly line innovation, simplification of a process is the primary contributor to generating efficiency, increasing speed and maintaining quality. As organisations become large, many processes become complex because of multiple touch points of various departments. As a result, turnaround time increases, and unknowingly bureaucratic layers are built.

Simple

We strongly believe process simplification is critical to increasing speed and reducing turnaround times for customers, which is very important in today's age. Customers are spoilt for choice and demand a seamless experience with minimum waiting time. They have no qualms about moving elsewhere if service lacks simplicity and speed.

With a keen organisational focus on improving customer experience, we are continuously looking at each process to make it simple in order to enhance customer experience. We are happy to share that speed permeates every aspect of our organisation. This is evident in the speed at which decisions are taken, the fast response time and the time to market new age products. We also engage with consultants to help us breakdown and analyse all aspects of individual workflows and identify best practice methods for streamlining the same. These activities have resulted in notable reduction in turnaround time and minimal errors. This remains a continuous process and we cannot rest on our laurels.

"Almost all quality improvement comes via simplification of design, manufacturing... layout, processes, and procedures."

– Tom Peters

A major component of process simplification is the digitisation of workflows. We have made significant enhancements to all our offerings with technological advances especially on mobile platforms. Aadhar has made KYC simple. Data availability has increased, which has helped in faster credit decisions. CIBIL and other bureau reports give relevant information at the click of a button. All these are used seamlessly to simplify the earlier cumbersome paper-driven credit appraisal process. We've consciously taken steps to make processes as paper-less as possible.

Retail Lending – Digital Delivery is the cornerstone of our business strategy. Digital delivery has simplified the process and increased speed in all our businesses.

Secure

Exposure to and dependence on technology comes with risks to cyber security and this is a sensitive risk for us in financial services. Information Security is of paramount importance to us and we leave no stone unturned to ensure that data is shared only on a need to know basis. Data is an asset and facilitates various kinds of analysis, which in turn enters the feedback loop to further fine tune the decision-making process. We are ISO 27001:2013 certified. We are upgrading our firewall to next generation with advanced threat protection controls for data centre and application layer.

Safe

With speed, it is important to ensure safety. We keep on checking work flows for possible leakages to make them as safe as possible. The safety of the entire organisation is closely linked to the robust risk management policy that we have in place. Profit earned is commensurate with risk we take and understanding of risk is critical in our business, be it credit or operations. Data analytics is being increasingly used for managing the risk. We have identified risk officers for various business lines, but that is not enough, it is important that all our people have a risk management mindset. This function cannot be outsourced to specific departments like internal audit or risk but must permeate the entire organisation. Towards this, we have made investments in training our people on various aspects of risk, including compliance.

As our business gathers speed and scale, it is important we ensure work flows are simple, secure and safe, so that we can leap forward as an organisation and build a highly customer-centric service and delivery organisation.

Thank you,

R. Venkataraman
Managing Director,
IIFL Holdings Limited

Awards & Recognitions





01

Featured in the prestigious Forbes list of India's Super 50 Companies

02

Ranked 241 in the prestigious Fortune India 500 list, up by 42 positions



03

IIFL Wealth recognised among Asia's Greatest Brands & Leaders at URS Asia One, 2018

04

Received the "Great Places to Work" Certification



05

Received the "Data Center Innovation Award" for adopting futuristic technology

06

Awarded with ET NOW Dealing Room Heroes 2017



07

Received the Best Customer Centric Company – Financial Sector at World Quality Congress & Awards, 2017

08

Received the Best Wealth Manager - India Domestic award at Asian Private Banker Awards for Distinction, 2017

09

Awarded the "Best IPO Bidding Member – Retail" at the NSE Market Achievers Awards

10

National Housing Bank recognised IIFL Housing Finance amongst the Best Performing Primary Lending Institutions under CLSS for EWS/LIG



11

Awarded as "India's Greatest CSR Brand" by Asia One magazine

12

IIFL Wealth received the BFSI Best Brands at The Economic Times Awards, 2018



13

Recognised among the 'Outlook Business Outperformers' for superior business performance

14

Recognised as provider of the Best Family Office Services, India in the Euromoney Private Banking and Wealth Management Survey, 2018



15

IIFL Estate Planning surveyed as the Best Succession Planning Advice and Trusts, India in the Euromoney Private Banking and Wealth Management Survey, 2018

16

Proactive Fraud detection analytical model – Suraksha selected for Skotch Financial Technology Awards

17

Received the Best Private Bank, India Award at The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards, 2017

Advisory Board

for the financial year 2017-2018

IIFL's Advisory Board comprised stalwarts with extensive experience and domain expertise, providing independent and informed perspective and oversight to Management.

In view of the proposed reorganisation of the group, the Advisory Board of IIFL Group has been disbanded with effect from June 2018.



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.

1



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 Limited 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 Limited & J M Financial Services Limited. 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 Private Limited, PricewaterhouseCoopers Private Limited and Indian School of Business, and a Senior Advisor to the World Gold Council, India.

2



Mr. Keki Mistry

Vice Chairman and CEO of HDFC Limited

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 in1993, 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 in 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.

3



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 the Government of India in 2011.

4



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.

5



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 during 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.

6

Board of Directors



1 MR. NIRMAL JAIN (Chairman)

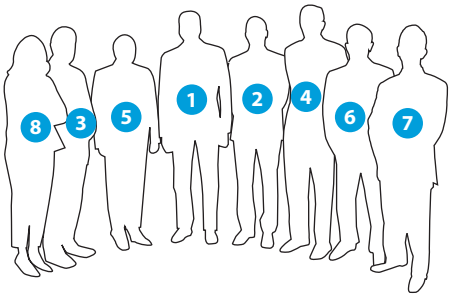
Mr. Nirmal Jain, the founder and Chairman of the Company, is a PGDM (Post Graduate Diploma in Management) from IIM (Indian Institute of Management), Ahmedabad, a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited. He founded Probity Research and Services Private Limited (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 23 years.

2 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 spearheading key initiatives of the group over the past 19 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 27 years in the financial services sector.

3 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.



4 MR. NILESH VIKAMSEY (Independent Director)

Mr. Nilesh Vikamsey is a Senior Partner at Khimji Kunverji & Co., an 82-year-old Chartered Accountants firm and member firm of HLB International. Mr. Vikamsey is the Immediate Past President of the Institute of Chartered Accountant of India (ICAI). Mr. Vikamsey is Observer on board of International Federation of Accountants (IFAC) and Member of IFAC's Technology Advisory Group. Mr. Vikamsey is on the Board of a number of companies like Federal Bank Limited, Thomas Cook (India) Limited, PNB Housing Finance Limited, SBI Life Insurance Company Limited, Navneet Education Limited, NSEIT Limited and others. Mr. Vikamsey was a member of IRDA. He was Chairman of SEBI's Qualified Audit Report Committee (QARC) and Member of Advisory Committee on Mutual Funds, Corporate Governance Committee Chaired by Mr. Uday Kotak, Primary Market Advisory Committee (PMAC) & Committee on Disclosures and Accounting Standards (SCODA).

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

Mr. Purwar is currently Chairman of Tadas Wind Energy Private Limited. 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.

6 MR. CHANDRAN RATNASWAMI (Non Executive Director)

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

7 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 modernising 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.

8 MS. GEETA MATHUR (Independent Director)

Ms. Geeta Mathur is a Chartered Accountant, specialises in the area of project, corporate and structured finance, treasury, investor relations and strategic planning. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organisations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is currently on the board of several large companies across manufacturing and services including MothersonSumi Limited, NIIT Limited, Tata Communication Transformation Services Limited and Jtekt India Limited. She is the Co-chair for the India Chapter of Women Corporate Directors Foundation, a global organisation working towards increasing the participation of women on corporate boards and board leadership position. She is a graduate in Commerce from Shriram College of Commerce, Delhi University.

Investor Conference and other events









IIFL's Enterprising India Global Investors' Conference

IIFL's ninth Enterprising India Conference was held from the 21st to 23rd of February 2018 with the theme 'Rise of the millennials'.

The event saw participation from 130 companies and 700+ investors. In addition, it featured 24 specialist speakers, including Dr Jim Walker, renowned economist; Ashish Chauhan, Managing Director, BSE Limited; Nisaba Godrej, Executive Chairperson, Godrej Consumer Products; Nikhil Ojha, Partner, Bain & Company; TN Ninan, Editorial Director, Business Standard; Anjan Ghosh, Chief Rating Officer, ICRA; and Dan Ariely, James B Duke Professor of Psychology and Behavioural Economics, Duke University.

The conference was well attended by companies from all major business sectors – Auto, Cement, Banking, FMCG, IT Services, Infrastructure, Oil & Gas, Media etc.; and validated the thoughts on strong investor sentiment among both domestic and foreign investors.

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

Express Adda

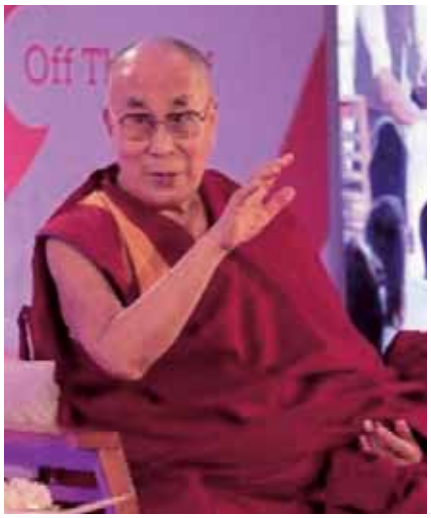
IIFL Private Wealth associated with The Indian Express to put together 'Express Adda', a series of freewheeling dialogues on contemporary issues with newsmakers in an informal setting. The events are held in New Delhi and Mumbai. Guests such as Dalai Lama, Smriti Irani, Arun Jaitley and Karan Johar have graced the platform on various occasions.





Off The Cuff

Off The Cuff (OTC), is a series of candid talk shows, organised in collaboration with NDTV. The series, launched in January 2016, is held once a month. The event is hosted as an on-ground event anchored by eminent journalist Shekhar Gupta. The conversation with a distinguished guest is in the presence of a notable, invited audience. 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. Eminent personalities have graced the OTC series including Maharashtra's Chief Minister Devendra Fadnavis, Dalai Lama, authors Vikram Seth and Amish Tripathi, actor Ranveer Singh, Union Minister Dharmendra Pradhan and New York Times columnist and author Thomas Friedman to name a few.





Value of Things

Value Of Things (VoT), 2018 was held over two chapters in Delhi and Pune with over 1,000 attendees collectively. It was a celebration of the ideals that create values, the values that represent people and the people that understand these values. We recognised four common values that drive our clients' businesses - Ambition, Passion, Innovation and Foresight. Speakers included Business futurist Patrick Schwerdtfeger, Eminent Journalist T. N. Ninan and Motivational speaker Capt. Raghu Raman.



PACT

Positive Action Changes Things (PACT) included a series of client events held in New York, London and Dubai. The event was attended by more than 500 clients collectively. Eminent speakers such as Nandan Nilekani, Mark Dzialga, Shashi Tharoor and leading fund managers from India addressed the audience over a range of topics ranging from healthcare, infrastructure development, rural development schemes to economic reforms.

Sponsored events

Born with the purpose to help build 'better leaders through education and idea exchange', YPO (Young Presidents' Organisation) is the global platform for chief executives to learn, engage and grow. EO (Entrepreneurs' Organisation), a group of young entrepreneurs, enables small and large business owners to learn from each other. We have sponsored events for YPO across 9 chapters and EO across 15 chapters.



Corporate Social Responsibility

The concept of CSR has long been used as an effective tool to examine the actions a business can take towards ensuring long-term well-being and sustainability of the communities.

KEY INITIATIVES

Changing destinies through education

IIFL Foundation is committed to create a 'literate' Rajasthan by 2030 through *'Sakhiyon ki Baadi'* (SKB) with a strong professional approach. We bring the best suited practices backed by innovation and technology. The initiative has helped empower and educate girls across 21 blocks in 12 districts of South Rajasthan including tribal districts of Rajsamand and Udaipur.







994

Schools

30,997

Beneficiaries

29,820

Girls educated

Chouras - 'Building futures'

Mission "Chouras" was recently launched through IIFL Foundation to help construction workers with their children's education. The aim is to provide access to education for these children who are otherwise without means to attend school, and contribute to their skill development in order to empower them to take up jobs in the future other than construction work thus break the vicious circle of poverty and illiteracy.

IIFL Foundation appoints a teacher for five hours each day to teach these children, when their parents are on the site. The focus is more on providing functional literacy as the engagement period is often limited as a worker typically spends four months to a year on the site. The program was launched in Noida, Gurgaon and Ghaziabad and will be expanded in future.





120

Children benefited through Chouras

















Mitra

As a financial services company, we understand our responsibility of spreading financial literacy among the masses. Financial literacy (FinLit) is one of the flagship programs of IIFL under our Financial Literacy Agenda for Mass Empowerment (FLAME) initiative.

Initiated in December 2017, Mitras' are a cadre of trained women volunteers who mobilise women clientele through awareness programs.

1,000,000

People benefited through FinLit initiative

10,000

Women empowered through MITRA

Eka

IIFL foundation as a part of CSR program for one of its group companies, IIFL Investment Managers, launched "Eka"(pronounced **एक**). This program works for young children practising sports and provides them with an international level platform to hone their skills by competing with domestic as well as international peers. Currently, Eka focusses on Chess, Tennis and Golf.

6,000

Young boys and girls mentored since 2015











DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Twenty Third Annual Report of IIFL Holdings Limited ('your Company') together with the Audited Financial Statements for the financial year ended March 31, 2018.

1. FINANCIAL RESULTS

A summary of the financial performance of your Company and its major subsidiaries, for the financial year ended March 31, 2018 is as under:

₹ in Million

Name of Company	Revenue	Profit after tax
IIFL Holdings Limited	2,530.03	2,043.48
India Infoline Finance Limited	25,051.94	3,544.97
India Infoline Housing Finance Limited	12,686.66	1,974.09
Samasta Microfinance Limited	967.83	25.83
IIFL Securities Limited (Formerly known as India Infoline Limited)	6,345.96	1,293.89
IIFL Wealth Management Limited	7,265.35	1,484.57
IIFL Wealth Finance Limited	7,829.77	1,560.20
IIFL Asset Management Limited	1,030.36	297.25
IIFL Asset Management (Mauritius) Limited	1,256.58	706.30
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Ltd.)	1,448.97	131.28
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	299.08	138.35
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	135.67	19.28
IIFL Distribution Services Limited	196.24	1.19
IIFL Capital Pte. Limited	266.35	19.02
IIFL Private Wealth Management (Dubai) Limited	78.02	7.39
IIFL Securities Pte Limited	84.78	18.44
IIFL Investment Adviser and Trustee Services Limited	382.80	102.67
IIFL Alternate Asset Advisers Limited	63.46	23.32
IIFL Private Wealth Hong Kong Limited	20.61	3.20
IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	17.83	9.50
IIFL Inc	59.71	(18.36)
India Infoline Media and Research Services Limited	163.33	111.15
IIFL Capital Inc.	141.76	13.51
IIFL Wealth (UK) Limited	94.49	5.11
Others	412.22	8.15

DIRECTORS' REPORT (Contd.)

Consolidated Financial Results

A summary of the consolidated financial performance of your Company, for the financial year ended March 31, 2018, is as under:

₹ in Million

Particulars	2017-18	2016-17
Gross total income	38,541.62	31,639.98
Profit before interest, depreciation and taxation	28,230.05	24,689.26
Interest and financial charges	18,967.68	17,793.52
Depreciation	173.05	158.72
Profit before tax (from Continuing Operations)	9,089.32	6,737.02
Taxation - Current	3,096.97	2,420.07
- Deferred	(250.24)	(186.34)
- Short or excess provision for income tax	2.74	25.77
Net profit for the year (from Continuing Operations)	**6,239.85**	**4,477.52**
Profit/(loss) before tax from Discontinuing Operation	7,587.58	5,502.90
Tax Expenses of Discontinuing Operations	2,206.66	1,758.62
Profit from Discontinuing Operations after tax	**5,380.92**	**3,744.28**
Net profit before minority interest	**11,620.77**	**8,221.80**
Less: Share of Profit to Minority Shareholders / Share of profit from Associates	2,507.53	1,360.91
Net Profit after Taxes, Minority Interest and Share of profit of Associates Companies	9,113.24	6,860.89
Less: Minority interest	(146.45)	(730.36)
Opening Adjustments	234.79	-
On account of demerger of 5Paisa Capital Ltd.	12.45	-
Less: Appropriations		
Dividend	(1,592.38)	(1,449.62)
Dividend Distribution Tax	(270.72)	(291.04)
Transfer to Special Reserve	(1,422.21)	(1,082.40)
Transfer to Debenture Redemption Reserve	(617.02)	(830.15)
Transfer to Capital Redemption Reserve	(750.00)	(1,500.00)
Deferred tax Liability	-	(14.81)
Add: Balance brought forward from the previous year	6,541.66	5,579.15
Balance to be carried forward	11,103.36	6,541.66

* 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, 2018, is as under:

₹ in Million

Particulars	2017-18	2016-17
Gross total income	1,588.09	1,428.71
Profit before interest, depreciation and taxation	1,555.22	1,408.70
Interest and financial charges	NIL	NIL
Depreciation	4.19	1.94
Profit before tax	1,551.03	1,406.76
Taxation – Current	NIL	NIL
- Deferred	NIL	NIL
- Short or excess provision for income tax	NIL	NIL
Profit/(loss) after Tax from Continuing Operations	**1,551.03**	**1,406.76**
Profit/(loss) after tax from Discontinuing Operations	**492.45**	**161.02**
Profit/(loss) for the year	**2,043.48**	**1,567.78**
Less: Appropriations		
Interim Dividend	(1,592.38)	(1,429.19)
Dividend Distribution Tax	(0.96)	(0.64)
Transfer to Debenture Redemption Reserve	(31.22)	(41.9)
Add: Balance brought forward from the previous year	2,310.18	2,214.13
On account of demerger of 5paisa Capital Limited	12.45	-
Balance to be carried forward	2,741.55	2,310.18

* 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 under review, your Company's total income, on a consolidated basis, increased to ₹ 64,376 million, up 31% year-on-year (y-o-y). Profit before tax increased to ₹ 16,677 million, up 36% y-o-y and Profit after tax before minority interest increased to ₹ 11,621 million, up 41% y-o-y.

During the year, the income from the loans and mortgages business has increased by 22% y-o-y to ₹ 38,570 million. This was driven by growth in the loan AUM by 40% from ₹ 222,810 million in FY17 to ₹ 311,336 million in FY18. The Loan book of Housing Finance Company grew robustly by 45% to ₹ 119,169 million as of March 31, 2018 as against ₹ 81,924 million in the previous year. The Company's MFI subsidiary namely Samasta Microfinance Limited has achieved a significant growth of 252% in its AUM to ₹ 8406.19 million and its branch network increased to 186. During the year, income from the wealth management business witnessed robust growth of 60% y-o-y to reach ₹ 17,378 million and assets under advice, distribution and management increased by 39% y-o-y to ₹ 1,317,617 million. The Wealth Management arm i.e. IIFL Asset Management Limited continued to be the largest AIF platform in the Country with AUM of ₹ 117,359 million Income from Capital Market related activities increased significantly by 24% y-o-y to ₹ 8,428 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

Indian Economy has regained the tag of fastest growing economy in the world in FY18, despite the two major reforms, namely GST and Demonetisation that deterred the growth rate in the short run. The growth has been mainly driven by manufacturing and construction sectors. The country posted an overall growth of 6.7% in 2017 and is expected to rise to 7.4% in 2018. The construction sector grew at 3.4% in FY18, compared with 6.3% in FY17. The agricultural sector grew at 3.4% in FY18, compared with 6.3% in FY17.

The GDP growth rate for FY18 is expected to be at 6.75% as per government estimates (Economic Survey report 2018) and between 7% and 7.5% in 2019. Production momentum in the country remaining strong, capacity utilisation and private sector capital expenditure is expected to increase in FY19. However, despite a general upside sentiment, the economy remains vulnerable to external risks, key among them is the anticipated rise in crude price and input costs.

The concerns regarding banking sector credit quality after the discovery of recent frauds have slowed down the investment pace in the country. It is expected that further re-capitalisation, as part of a broader package of financial reforms to improve the governance of public sector banks and lenders' debt recovery mechanisms, will improve the banking sector's ability to support growth.

On the NBFC front, one of the biggest challenges in FY19 is higher borrowing costs and narrowing options to raise funds, as they seek to raise ₹ 3,800 billion to ₹ 4,000 billion of debt to finance a 20% growth in loan portfolio, according to rating agency ICRA. ICRA expects the weighted average cost of funds for NBFCs to increase to about 9.3%-9.5% in FY19 compared to 8.4%-8.5% in FY18. The weighted average cost of funding for NBFCs could be higher by a minimum of about 45 basis points in FY19, based on the debt maturity profiles and incremental funding requirement.

4. DIVIDEND ON EQUITY SHARES

During the year 2017-18, Board of Directors of the Company declared and paid an interim dividend of ₹ 5/- per equity share (i.e. 2.5 times of face value of ₹ 2/- per equity share). This led to an outgo of ₹ 1592.38 million owing to dividend (excluding dividend distribution tax). Your Directors recommend that said interim dividend be considered as final. The total dividend paid during the previous financial year 2016-17 was ₹ 4.5/- per equity share.

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

5. SCHEME OF ARRANGEMENTS

Composite Scheme of Arrangement

The Board of Directors of the Company at its meeting held on January 31, 2018, approved the Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited **("IIFL M&R"),** IIFL Securities Limited **("IIFL Securities"),** IIFL Wealth Management Limited **("IIFL Wealth"),** India Infoline Finance Limited **("IIFL Finance"),** IIFL Distribution Services Limited **("IIFL Distribution"),** and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 **("Scheme")** which inter-alia, envisages the following:

DIRECTORS' REPORT (Contd.)

i. amalgamation of IIFL M&R with the Company;

ii. demerger of the Securities Business Undertaking (as defined in the Scheme) of the Company into IIFL Securities;

iii. demerger of the Wealth Business Undertaking (as defined in the Scheme) of the Company into IIFL Wealth;

iv. amalgamation of IIFL Finance with the Company; and

v. transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The share entitlement ratio under the scheme is as under:-

a. For the demerger of the Securities Business Undertaking from the Company:

For every 1 (One) fully paid equity share of ₹ 2 each held in the Company, the shareholder of the Company will get 1 (One) fully paid equity share of ₹ 2 each of IIFL Securities Limited.

b. For the demerger of the Wealth Business Undertaking from the Company:

For every 7 (Seven) fully paid equity share of ₹ 2 each held in the Company, the shareholders of the Company will get 1 (One) fully paid equity share of ₹ 2 each of IIFL Wealth Management Limited.

c. For amalgamation of India Infoline Finance Limited with the Company:

For every 100 (One hundred) fully paid equity shares of ₹ 10 each held in India Infoline Finance Limited, the shareholder of India Infoline Finance Limited will get 135 (One Hundred and Thirty Five) fully paid equity shares of ₹ 2 each of the Company.

The Appointed Date for the amalgamation of IIFL M&R with the Company is opening hours of April 1, 2017 and for all the other steps, the Appointed Date is opening hours of April 1, 2018. The Scheme will be given effect to upon receipt of requisite approvals of National Company Law Tribunal ("NCLT") and other authorities.

This will enable the Company's three dominant focused businesses i.e. loan & mortgage, securities and wealth management to list as independent entities at Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited subject to necessary approvals.

The Rationale of the Scheme is as under:

(i) Over the course of time, Company has grown into a diversified financial conglomerate with interests in loans & mortgages, wealth management services, distribution of financial products and capital market services. Each of the core businesses have acquired critical mass, requiring flexibility and independence to grow faster in the fast changing technology and innovation driven environment.

(ii) Each core business has a differentiated strategy, different industry specific risks and operate inter alia under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.

(iii) Accordingly, the Company proposes to re-organise and segregate, by way of a composite scheme of arrangement, its businesses and undertakings into three different listed verticals dealing in loans & mortgages business, wealth management services and capital market business. These listed entities will be subject to public, media, analysts and regulatory review. A clean corporate structure with no cross holdings will ensure transparency, accountability, highest standards of corporate governance and compliance. It also enhances operational flexibility and helps quick response to competitive or environmental challenges.

(iv) The proposed reorganisation pursuant to this Scheme is expected, inter alia, to result in the following benefits:

a) unlocking of value and create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of all the stakeholders; and

b) creation of listed loans & mortgages business, wealth management services and capital market business with ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;

(v) Further, each listed company can separately attract and motivate its key people with stock options such that their rewards are strongly correlated with their own and their business's performance and connect to the IIFL Group's philosophy of 'owner mindset', which believes in shared ownership and shared accountability by all team members.

The above is subject to regulatory and NCLT approval. The Company has filed the draft Scheme with exchanges, SEBI and other authorities for their approval and approval is awaited.

DIRECTORS' REPORT (Contd.)

Demerger of 5paisa digital Undertaking

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai bench had vide its order dated September 06, 2017 sanctioned the Scheme of Arrangement between IIFL Holdings Limited and 5paisa Capital Limited and their respective Shareholders ("the Scheme"). The Scheme inter alia provided for Demerger of 5paisa digital undertaking from IIFL Holdings Limited to 5paisa Capital Limited. The said order has been filed with Ministry of Corporate Affairs ("MCA") on September 30, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. October 1, 2016 in the books of accounts of the Company.

Upon the Scheme came into effect and in consideration of the transfer and vesting of the 5paisa digital Undertaking into 5paisa Capital Limited, 1,77,16,500 Equity Shares of ₹ 10/- each held by IIFL Holdings Limited in the 5paisa Capital Limited were extinguished and cancelled and in lieu of the same, the equity shareholders of IIFL Holdings Limited, whose name appeared in the Register of Members on October 18, 2017, were allotted one (1) equity share of ₹ 10/- each in 5paisa Capital Limited, credited as fully paid-up for every Twenty Five (25) equity share of ₹ 2/- each fully paid-up held by such equity shareholders in IIFL Holdings Limited. Accordingly, 1,27,39,022 equity Shares of ₹ 10/- each of 5paisa Capital Limited were issued and allotted to the eligible Shareholders of IIFL Holdings Limited on October 20, 2017. Pursuant to this, 5paisa Capital Limited ceased to be a subsidiary of the Company w.e.f. from September 30, 2017.

The equity shares of 5paisa Capital Limited so issued pursuant to the Scheme of Arrangement were listed and admitted for trading on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from November 16, 2017.

Demerger of IIFL Facilities Services Limited

During the financial year ended March 31, 2018, the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai bench had vide its order dated July 19, 2017 sanctioned the Scheme of Arrangement for demerger of Real Estate Advisory services undertaking from IIFL Facilities Services Limited, a wholly-owned-subsidiary of the Company, into another wholly-owned-subsidiary namely IIFL Management Services Limited (Erstwhile India Infoline Insurance Services Limited) in terms of the provisions of Companies Act, 2013. The said order has been filed with MCA on September 29, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. April 01, 2017 in the books of accounts of the Company.

Merger of Ayusha Dairy Private Limited

M/s Ayusha Dairy Private Limited, a wholly-owned subsidiary of Samasta Microfinance Limited ("Samasta") is in the process of merger with Samasta. The members and creditors of both the companies have approved the scheme of amalgamation in their meetings held on March 28, 2018 respectively and requisite forms have been filed with the appropriate authorities for their approval and approval is awaited.

6. KEY INITIATIVES/DEVELOPMENTS:

i. Investment Banking

Fiscal 2018 has been the best year for the Company's Investment Banking business. IIFL completed 27 transactions viz. IPOs, QIPs, right issues, private equity advisory and pre IPO placements. This included 11 IPOs and 8 follow on transactions involving listed companies. Recently, IIFL has been ranked as #1 Investment Banker for equity raising for private sector companies by PRIME Database for the financial year 2017-18 as per their Investment Banking league tables FY 2018 of private sector issuers for aggregated equity IPOs, FPOs, QIPs and InvIT IPOs by issue amount on full credit basis. Additionally, Capital Finance International ("CFI.co") has ranked IIFL as the Best IPO Lead Manager – India for 2018.

As was the case in fiscal 2017, IIFL completed a number of large Investment Banking transactions with marquee clients in fiscal 2018 as well. Some of the notable transactions completed by IIFL in the last fiscal year includes:

- The largest QIP in Indian capital markets till date (~₹150,000 million of State Bank of India)
- Largest private sector IPO over the last 9 years (~₹87,000 million IPO of HDFC Standard Life Insurance Company)
- First IPO of a Power Exchange in India (i.e. Indian Energy Exchange)
- First IPO of a General Insurance Company in India (ICICI Lombard General Insurance Company)
- First listing of an Infrastructure Investment Trust (IRB InvIT Fund)
- The first IPO of an asset management company in India (Reliance Nippon Life Asset Management)

The Company has a robust pipeline of investment banking transactions 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. The Company's efforts and investments into this business are beginning to pay off. Clients continue to value IIFL's focus and commitment and consider it as their trusted advisor.

DIRECTORS' REPORT (Contd.)

ii. Asset Management

IIFL Asset Management acts as an Investment Manager to IIFL Mutual Fund, IIFL Alternative Investment Funds and undertakes Portfolio Management Services.

The total assets managed by IIFL AMC under Mutual Fund, AIF and Portfolio Management Services has increased to ₹ 135,832 million as on March 31, 2018 vis-a-vis ₹ 92,651 million as on March 31, 2017. Under IIFL Mutual Fund Platform, the assets under management have increased from ₹ 6,252 million to ₹ 9,012 million. IIFL Capital Enhancer Fund, an annual interval mutual fund scheme was launched in April, 2018 which garnered about ₹4,600 million.

AIF assets saw a robust growth of approx. 58% on a YoY basis to ₹ 117,358.7 million as on March 2018 under its various focused scheme. IIFL AMC continued to offer various products to the investors which is beyond the mainstream investments and has been market disrupter. IIFL Special Opportunities Fund with an intent to invest in Pre-IPO and IPO opportunities garnered lots of interest and huge demand which required the AMC to launch various series under these Scheme.

1) Category II Alternative Investment Funds:
   a. IIFL Special Opportunities Fund and its series till 7
   b. India Housing Fund
2) Category III Alternative Investment Funds:
   a. Housing Advantage Fund
3) IIFL Mutual Fund
   a. IIFL Capital Enhancer Fund – Series 1

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.

iii. Real Estate Investment Trust (REIT) Initiative

IIFL Holdings Limited sponsored Real Estate Investment Trust ("REIT") namely IIFL Real Estate Investment Trust (IIFL REIT) has received approval from SEBI to undertake REIT activities. IIFL Asset Management Limited is the Investment Manager for the REIT. This would enable IIFL to launch REIT Funds through REIT IPOs in future.

iv. Slump sale of Commodities Broking Business

With a view to integrate the equity and commodities broking carried on by respective subsidiary within IIFL group and to ensure smooth operations and servicing of their clients, the commodity broking business of MCX and NCDEX carried on by IIFL Commodities Limited, a wholly owned subsidiary of the Company, is transferred to IIFL Securities Limited, another wholly owned subsidiary of the Company, pursuant to the necessary approvals and in accordance with the SEBI circular on integration of equity and commodity broking. The transfer is undertaken as per the valuation certificate received from independent Chartered Accountant, for a cash consideration of ₹ 76.9 million. The integration is expected to be implemented by July 2018.

v. Merger of Ashburton India Equity Opportunities Fund with IIFL India Equity Opportunities Fund

Ashburton Investments, the asset management arm of First Rand Group and IIFL Capital Pte. (an Asset Management Company registered in Singapore) have entered into a Binding agreement to merge Ashburton India Equity Opportunities Fund (an India focussed sub fund under Ashburton Investments SICAV, UCITS domiciled in Luxembourg) into IIFL India Equity Opportunities Fund (a sub-fund under IIFL Fund, UCITS based in Luxembourg). Ashburton India Equity Opportunities Fund has a fund size of USD124.47 million as on April 30, 2018.

Requisite applications have been filed with Commission de Surveillance du Secteur Financier (CSSF), Luxembourg and regulatory approvals are awaited post which the merger will be concluded.

vi. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee of the Board has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities which can be undertaken by the Company. The Board approved CSR Policy may be accessed from the Company's website link: https://www.iifl.com.

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

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

a) Girl child illiteracy eradication program for out of school and illiterate girls.
b) Improving the quality of education in Government schools through technological interventions.
c) Rural Transformation in Maharashtra.
d) Financial Literacy and Financial Inclusion.
e) Preventive Health.
f) Disaster Relief and Rehabilitation.
g) Integrated rural development, drought relief and water conservation
(h) Protection of culture
(i) Measures for benefit of armed forces veterans, war widows etc.

DIRECTORS' REPORT (Contd.)

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 fully utilising the required amount. At the group level, besides the Company, ten subsidiary companies came under the purview of the provisions for CSR for the year. During the fiscal year 2017-18, the group made a total deployment of ₹ 183 million into CSR activities.

vii. Investor Conference/Events

IIFL's Enterprising India Global Investors' Conference

IIFL's ninth Enterprising India Conference was held from the 21st to 23rd of February 2018 with the theme 'Rise of the millenials'.

The event saw participation from 130 companies and 700+ investors. In addition, it featured 24 specialist speakers, including Dr Jim Walker, renowned economist; Ashish Chauhan, Managing Director, BSE Limited; Nisaba Godrej, Executive Chairperson, Godrej Consumer Products; Nikhil Ojha, Partner, Bain & Company; TN Ninan, Editorial Director, Business Standard; Anjan Ghosh, Chief Rating Officer, ICRA; and Dan Ariely, James B Duke Professor of Psychology and Behavioral Economics, Duke University.

The conference was well attended by companies from all major business sectors – Auto Cement, Banking, FMCG, IT Services, Infrastructure, Oil & Gas, Media etc.; and validated the thoughts on strong investor sentiment among both domestic and foreign investors.

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

- Adda Express

  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 are held in New Delhi and Mumbai. Guests such as Dalai Lama, Smriti Irani, Arun Jaitley and Karan Johar have graced the platform on various occasions.

- Off The Cuff (OTC)

  Off The Cuff, or OTC, is a series of candid talk shows organised 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 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. Eminent personalities have graced the OTC series including Maharashtra's Chief Minister Devendra Fadnavis, Dalai Lama, authors Vikram Seth and Amish Tripathi, actor Ranveer Singh, Union Minister Dharmendra Pradhan and New York Times columnist and author Thomas Friedman to name a few.

- Value of Things (VoT)

  Value of Things 2018 was held over two chapters in Delhi and Pune with over 1000 attendees collectively. It was a celebration of the ideals that create values, the values that represent people and the people that understand these values. We recognised four common values that drive our clients' businesses - Ambition, Passion, Innovation and Foresight. Speakers included Business futurist Patrick Schwerdtfeger, Eminent Journalist T. N. Ninan & Motivational speaker Capt. Raghu Raman.

- Positive Action Changes Things (PACT)

  Positive Action Changes Things included a series of client events held in New York, London & Dubai, and was attended by more than 500 clients collectively. Eminent speakers such as Nandan Nilekani, Mark Dzialga, Shashi Tharoor and leading fund managers from India address the audience over a range of topics ranging from healthcare, infrastructure development, rural development schemes to economic reforms.

- Dhan Ki Baat

  Adding another feather to the objective of creating financial awareness, IIFL collaborated with Zee Business for a 26-episode televised series – Dhan ki Baat - the complete guide to understanding and managing personal finances. It was complemented with a financial knowledge portal www.dhankibaat.co.in containing supporting blogs to engage the viewers better.

DIRECTORS' REPORT (Contd.)

Dhan ki Baat made its TV debut on September 30, 2017 and was telecast every Monday at 10 PM for the next 25 weeks. During these weeks, the topics covered such as Mutual funds, stock market investing basics, understanding the difference between trading, investing and speculation and IPO investing. Later on, in house experts discussed topics such as margin funding/ LAS, commodity and currency trading, technical analysis for beginners, Futures and Options/ Derivatives trading, SIP for wealth creation, and fixed-income products: Bonds, FDs and NCDs. Unique insights were provided on differentiated topics such as creating of trust, investing outside India, investing in AIF etc.

viii. Awards and Recognitions

The following awards were conferred in FY18:

- IIFL was featured in the prestigious Forbes list of India's Super 50 Companies
- IIFL ranked 241 in prestigious Fortune India 500 list, up by 42 positions
- IIFL was among the seven Outlook Business Outperformers for superior business performance
- IIFL received the "Great Places to Work" Certification
- IIFL was nominated in the most promising company category at the CNBC TV18 IBLA Awards 2018
- IIFL received the "Data Center Innovation award" for adopting futuristic technology
- ET NOW Dealing Room Heroes 2017
- IIFL received the Best Customer Centric Company – Financial Sector at World Quality Congress & Awards, 2017
- Proactive Fraud detection analytical model – Suraksha selected for Skotch Financial Technology Awards
- Asset Management Company of the Year - Rising Star, India at The Asset Triple A Asset Servicing, Fund Management and Investors Awards 2017
- IIFL was awarded "Best IPO Bidding Member – Retail" at the NSE Market Achievers Awards
- National Housing Bank recognised IIFL Housing Finance amongst Best Performing Primary Lending Institutions under CLSS for EWS/LIG
- IIFL was awarded as "India's Greatest CSR Brand" by Asia One magazine
- IIFL Wealth was recognised for providing the Best Digital Wealth Management Experience, India at The Asset Triple A Digital Awards 2017
- IIFL Wealth was a recipient of the BFSI Best Brands at The Economic Times Awards, 2018
- IIFL Wealth was among Asia's Greatest Brands & Leaders at URS Asia One, 2018
- IIFL Wealth was recognised as provider of the Best Family Office Services, India in the Euromoney Private Banking and Wealth Management Survey, 2018
- IIFL Wealth was awarded for its Research and Asset Allocation Advice, India at the Euromoney Private Banking and Wealth Management Survey, 2018
- IIFL Estate Planning was surveyed as the Best Succession Planning Advice and Trusts, India in the Euromoney Private Banking and Wealth Management Survey, 2018
- Global Finance Best Private Bank Awards, 2018 honoured IIFL Wealth as the Best Private Bank in India
- IIFL Wealth was also won the Best Wealth Manager - India Domestic award at Asian Private Banker Awards for Distinction, 2017
- At Asiamoney Best Bank Awards 2017: India, IIFL Wealth won in the Best Private Bank – India category
- IIFL Wealth received the Best Private Bank, India Award at The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards, 2017

7. SHARE CAPITAL

During the period under review, the total share capital of the Company increased from ₹ 63,58,16,386/- to ₹ 63,79,58,052/- pursuant to allotment of 10,70,833 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 472,635 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, 200,000 stock options were granted to the employees during the year under the ESOS 2008.

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.

DIRECTORS' REPORT (Contd.)

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"). A certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and the resolution passed by the members would be placed at the ensuing 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 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, Sundays and Public Holidays, during business hours up to the date of the ensuing Annual General Meeting.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made, loans given, guarantees given and securities provided along with the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are given at the respective places in standalone financial statement (please refer to Note 10, 26 & 33 to the standalone financial statement).

10. SUBSIDIARY COMPANIES

As on March 31, 2018, the Company had 32 (Thirty two) subsidiaries (including step down subsidiaries)/ Associates located in India and overseas. During the year, the Company has acquired additional 50% equity shares of IIFL Asset Reconstruction Limited ("ARC") and consequently ARC became a wholly-owned subsidiary of the Company and ceased to be an associate Company. Further, India Infoline Finance Limited, the NBFC subsidiary, has acquired 100% equity shares of Clara Developers Private Limited and IIFL Wealth Management Limited has incorporated IIFL Capital (Canada) Limited as its wholly-owned subsidiary.

During the year, 5paisa Capital Limited and IIFL Properties Private Limited ceased to be subsidiaries of the Company in terms of respective schemes of arrangement approved by Court/NCLT.

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 03, 2018 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 2017-18. 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 i.e. www.iifl.com. As required by Companies Act, 2013 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. 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-1 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 and India Infoline Housing Finance Limited were the Material Subsidiaries of the Company for the financial year 2017-18 and pursuant to aforesaid regulations the same will continue to remain as such for the financial year 2018-19 as well.

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.

DIRECTORS' REPORT (Contd.)

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Directors

The Board comprises Mr. Nirmal Jain and Mr. R. Venkataraman as Executive Directors of the Company in their capacity of Chairman and Managing Director respectively. Mr. Nilesh Vikamsey, Mr. A. K. Purwar, Mr. Kranti Sinha, Dr S. Narayan and Ms. Geeta Mathur are Independent Directors and Mr. Chandran Ratnaswami is a non-executive non-independent 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. R. Venkataraman 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 the approval of Shareholders.

b. Key Managerial Personnel

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

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2018 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 Four (4) times during the year to discuss and approve various matters including financials, appointment of auditor, declaration of dividend, review of audit reports and other board businesses. For further details please refer to the report on Corporate Governance.

➢ Committees of the Board

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

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

- **Audit Committee:**

  The Audit Committee comprises Mr. Nilesh Vikamsey, Independent Director, Mr. Kranti Sinha, Independent Director, Ms. Geeta Mathur, Independent Director and Mr R. Venkataraman, Executive Director. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same along with details of committee meetings have been provided in the Corporate Governance Report. 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.

- **Nomination and Remuneration Committee:**

  The Nomination and Remuneration Committee comprises three Independent Directors with Mr. Kranti Sinha, Independent Director, Mr. Nilesh Vikamsey, Independent Director and Mr. A K Purwar, Independent Director, as members of the Committee.

  The role, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same have 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 and the details of Committee meetings 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 CSR Committee, comprises Mr. Nilesh Vikamsey, Independent Director, Mr. Nirmal Jain, Executive Director and Mr. R. Venkataraman, Executive Director. The Committee has approved CSR Policy of the Company. 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".**

DIRECTORS' REPORT (Contd.)

- **Stakeholders Relationship Committee**
  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 have been provided in the Corporate Governance Report.

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

  The details of Committee meeting and complaints are provided in the Corporate Governance Report.

- **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 Mr. A. K. Purwar, Independent Director, Mr Nilesh Vikamsey, Independent Director and Mr Nirmal Jain, Executive Director. The Committee held its meetings during the year under review and details thereof are mentioned under Corporate Governance Report.

➢ Board Effectiveness

- **Familiarisation Program for the Independent Directors**
  In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. Details of the Familiarisation 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/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by Nomination and Remuneration Committee ("NRC"). The evaluation process, manner and performance criteria for independent directors in which the evaluation has been carried out by is explained in the Corporate Governance Report.

  The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors at their meeting held on March 28, 2018 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 independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' REPORT (Contd.)

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

16. RISK MANAGEMENT

The Company has in place 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 dedicated team and 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 standalone financial statement, which contains related party disclosures. Since all related party transactions entered into by the Company were on an arm's length basis and in the ordinary course of business and the Company had not entered into any material related party contracts, Form AOC-2 disclosure is not required to be provided.

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".**

DIRECTORS' REPORT (Contd.)

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 financial year 2017-18. 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/investor-relations/corporate-governance.

24. PREVENTION OF SEXUAL HARASSMENT

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

Your Directors further state that the during the fiscal year 2017-18, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints received in the year : Nil
b) Number of complaints disposed off during the year : Nil
c) Number of cases pending 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 Companies Act, 2013 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

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder, the Members at their 22nd Annual General Meeting ("AGM") held on July 22, 2017, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of the 22nd AGM till the conclusion of the 27th AGM subject to ratification of their appointment at every AGM. Accordingly, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company, is being placed for ratification by the Members in the forthcoming AGM.

In this regard, the Company has received a certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, would be in accordance with the provisions of Section 141 of the Act. They have also

DIRECTORS' REPORT (Contd.)

confirmed that they hold a valid Peer Review Certificate issued to them by the Institute of Chartered Accountants of India ("ICAI").

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

27. REPORTING OF FRAUDS BY AUDITORS

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

28. RBI/FEMA COMPLIANCE

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

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

29. CORPORATE GOVERNANCE

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

30. GENERAL

Your Directors state that during the financial year 2017-18:

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 redeemed Non Convertible debentures of ₹ 500 million on December 30, 2017.
3. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
4. The Company has not issued any sweat equity shares during the year.
5. 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, Company's bankers and employees for the assistance, cooperation and encouragement extended to the Company.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. Our employees are instrumental in 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

Place : Mumbai
Date : May 3, 2018

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]

IIFL HOLDINGS LIMITED ANNUAL CSR REPORT 2017-18

1. OUTLINE OF CSR POLICY

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

- Growth
- Integrity
- Fairness
- Transparency
- Service Orientation

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

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

- Education
- Disaster management and support
- Protection of culture
- Measures for benefit of armed forces veterans, war widows etc.

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

2. COMPOSITION OF THE CSR COMMITTEE

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

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

3. PRESCRIBED CSR SPEND OF IIFL HOLDINGS LIMITED

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 ₹ 359,018,933/-

ii. Prescribed CSR Expenditure

The recommended CSR expenditure for IIFL Holdings Limited as per Section 135 for the financial year 2017-18 was ₹ 7,180,379/-

iii. Amount Spent

During the financial year 2017-18, IIFL Holdings Limited spent the entire budget i.e. ₹ 7,180,379/- on various social development activities.

iv. Amount unspent

Nil

4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

During FY 2017-18, IIFL Holdings Limited spent a total of ₹ 7,180,379/- on CSR projects. A breakdown of the manner in which this expenditure was made has been depicted in the table given below:

(Amount in ₹)

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	Disaster Support	Eradicating poverty & hunger	Sirohi Rajasthan	1,751,860/-	1,751,860/-	1,751,860/-	1,751,860/- Through India Infoline Foundation.
2	Disaster Support	Eradicating poverty & hunger	Gujarat	1,000,000/-	1,000,000/-	1,000,000/-	1,000,000/- Through India Infoline Foundation
3.	Protection of culture	Promotion of Art & Culture	Tamil Nadu	50,000/-	50,000/-	50,000/-	50,000/- Through India Infoline Foundation
4.	Measures for benefit of war widows	Support for education for children of martyr families	Delhi	1,500,000/-	1,500,000/-	1,500,000/-	1,500,000/- Through India Infoline Foundation
5.	Eradicating girl child illiteracy	Education	Rajasthan	2,878,519/-	2,878,519/-	2,878,519/-	2,878,519/- Through India Infoline Foundation

Annexure – I to Directors' Report (Contd.)

Brief Description of Key Projects:

1) Disaster Support – Relief & Rehabilitation: This year the deadly floods in Rajasthan & Gujarat not only killed a lot of people but made several other people homeless. Most of these were extremely poor. It was important that they are immediately provided with medical support and food and clothing. Work was undertaken in both Rajasthan & Gujarat.

2) Protection of Culture: Melathur Bhagwat Mela each year strives to protect the centuries old dance form very unique to that region.

3) Support to children of Martyrs: Financial support for continuation of education to children of martyrs who have laid their lives for the protection of our country.

4) Girl Child illiteracy eradication program: It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. India Infoline Foundation has vowed to change this in 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 1067 such schools called "Sakhiyon ki Baadi", India Infoline foundation has already brought back over 33,000 girls into the fold of education. And this is just the beginning.

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

For IIFL Holdings Limited

R.Venkataraman	**Nirmal Jain**
Managing Director	Chairman
DIN: 00011919	DIN: 00010535

Place : Mumbai
Date : May 03, 2018

Annexure – II to Directors' Report

FORM NO. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[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 - 41035000 Fax No.: 022 - 25806654
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C101,247Park, L.B.S.Marg,Vikhroli(West), Mumbai - 400083. Tel: +91 22 49186000 Fax: +91 49186060 E-mail : rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
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	84.54	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	84.54	2(87)
3	IIFL Securities Limited (Formerly 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	100.00	2(87)
4	IIFL Wealth Management Limited	IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel Mumbai- 400013	U74140MH2008PLC177884	Subsidiary	56.42	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	56.42	2(87)
6	IIFL Commodities Limited (Formerly 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	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U66010MH2005PLC154486	Subsidiary	100.00	2(87)
9	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U74140MH2000PLC129816	Subsidiary	100.00	2(87)

Annexure – II to Directors' Report (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable section
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	56.42	2(87)
12	IIFL Alternate Asset Advisors Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai - 400013 Mumbai Mumbai City MH 400013	U74120MH2011PLC219930	Step-down subsidiary	56.42	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	Subsidiary	100	2(87)
14	IIFL Distribution Services Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai - 400013 Mumbai Mumbai City MH 400013	U45201MH1995PLC228043	Step-down subsidiary	56.42	2(87)
15	IIFL Investment Adviser and Trustee Services Limited	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai - 400013 Mumbai Mumbai City MH 400013	U74990MH2010PLC211334	Step-down subsidiary	56.42	2(87)
16	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra, 400604.	U70102MH2007PLC176401	Subsidiary	100.00	2(87)
17	IIFL Wealth Finance Limited	6th Floor, IIFL Centre, Kamala City, SB Marg, Lower Parel, Mumbai-400013	U65990MH1994PLC080646	Step-down subsidiary	56.42	2(87)
18	IIFL Private Wealth Hong Kong Limited	Suite 2105, Level 21, The Center, 99 Queen's Road Central, Hong Kong	Not Applicable	Step-down subsidiary	56.42	2(87)
19	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	56.42	2(87)
20	IIFL Inc	Hippodrome, 1120 Avenue of The Americas Suite 1502,New York, NY – 10036	Not Applicable	Step-down subsidiary	56.42	2(87)
21	IIFL Wealth (UK) Limited	45 King William Street, London, EC4R 9AN, UK	Not Applicable	Subsidiary	100.00	2(87)
22	IIFL Private Wealth (Suisse) SA	3 rue de la Croix d'Or 1204 Geneva	Not Applicable	Step-down subsidiary	56.42	2(87)
23	IIFL Capital Inc.	1114 Avenue of the Americas, 34th Floor, New York,NY – 100036	Not Applicable	Subsidiary	100.00	2(87)
24	IIFL Assest Management (Mauritius) Limited	5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Republic of Mauritius	Not Applicable	Step-down subsidiary	56.42	2(87)
25	IIFL (Asia) Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	56.42	2(87)
26	IIFL Capital Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	56.42	2(87)
27	IIFL Securities Pte. Limited	6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809	Not Applicable	Step-down subsidiary	56.42	2(87)
28	Meenakshi Towers LLP	5C, EGA Trade Centre, 809, P.H.Road Kilapuk, Chennai- 600010	Not Applicable	Associate	50	2(6)
29	IIFL Capital (Canada) Limited	199 BAY STREET Suite 4000, Toronto Ontario M5l 1a9, Canada	Not Applicable	Step-down subsidiary	56.42	2(87)
30	Clara Developers Private Limited	Flat No. 621-A, 6th Floor Devika Towers, 6, Nehru Place New Delhi-110019	U70100DL2011PTC213406	Step-down subsidiary	84.54	2(87)
31	Samasta Microfinance Limited	418, 1/2A, 4th Cross, 6th Main, Wilson Garden, Bangalore KA 560027.	U65191KA1995PLC057884	Step-down subsidiary	82.32	2(87)
32	Ayusha Dairy Private Limited	418, 1/2A, 6th Main, 4th Cross, Wilson Garden, Bangalore KA 560027.	U15490KA2011PTC058468	Step-down subsidiary	82.32	2(87)

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

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

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year (As on April 01, 2017)				Shareholding at the end of the year (As on March 31, 2018)				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	88361432	0	88361432	27.7946	88361432	0	88361432	27.7013	(0.0933)
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)				0.0000					
	Persons Acting In Concert	4000000	0	4000000	1.2582	4000000	0	4000000	1.2540	(0.0042)
Sub Total (A)(1)		**92361432**	**0**	**92361432**	**29.0529**	**92361432**	**0**	**92361432**	**28.9553**	**(0.0975)**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
Sub Total (A)(2)		**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)		**92361432**	**0**	**92361432**	**29.0529**	**92361432**	**0**	**92361432**	**28.9553**	**(0.0975)**
(B)	PUBLIC SHAREHOLDING									
[1]	Institutions									
(a)	Mutual Funds / UTI	6180982	0	6180982	1.9443	7835128	0	7835128	2.4563	0.5120
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	194893	0	194893	0.0611	0.0611
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	68336591	0	68336591	21.4957	73481190	0	73481190	23.0364	1.5407
(f)	Financial Institutions / Banks	63945	0	63945	0.0201	30186	0	30186	0.0095	(0.0107)
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)								0.0000	
Sub Total (B)(1)		**74581518**	**0**	**74581518**	**23.4601**	**81541397**	**0**	**81541397**	**25.5632**	**2.1032**

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

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year (As on April 01, 2017)				Shareholding at the end of the year (As on March 31, 2018)				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	[2] Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	0	0	0	0.0000	26244	0	26244	0.0082	0.0082
Sub Total (B)(2)		**0**	**0**	**0**	**0.0000**	**26244**	**0**	**26244**	**0.0082**	**0.0082**
	[3] Non-Institutions									
	(a) Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	9411686	103050	9514736	2.9929	11030373	73050	11103423	3.4809	0.4880
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	28629416	0	28629416	9.0056	22592648	0	22592648	7.0828	(1.9228)
	(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(e) Any Other (Specify)									
	Trusts	79900	0	79900	0.0251	11999	0	11999	0.0038	(0.0214)
	Foreign Nationals	375000	0	375000	0.1180	241757	0	241757	0.0758	(0.0422)
	Hindu Undivided Family	337891	0	337891	0.1063	443729	0	443729	0.1391	0.0328
	Foreign Companies	84641445	0	84641445	26.6245	84641445	0	84641445	26.5351	(0.0894)
	Non Resident Indians (Non Repat)	6062914	0	6062914	1.9071	6056444	0	6056444	1.8987	(0.0084)
	Non Resident Indians (Repat)	16725618	225000	16950618	5.3319	16823710	225000	17048710	5.3448	0.0129
	Office Bearers	695150	0	695150	0.2187	72000	0	72000	0.0226	(0.1961)
	Foreign Portfolio Investor (Individual)	18750	0	18750	0.0059	0	0	0	0.0000	(0.0059)
	Clearing Member	1322291	0	1322291	0.4159	150647	0	150647	0.0472	(0.3687)
	Bodies Corporate	2337132	0	2337132	0.7352	2612151	0	2612151	0.8189	0.0838
	Sub Total (B)(3)	150637193	328050	150965243	47.4871	144676903	298050	144974953	45.4604	(2.0267)
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	225218711	328050	225546761	70.9471	226244544	298050	226542594	71.0212	0.0740
	Total (A)+(B)	317580143	328050	317908193	100.0000	318605976	298050	318904026	99.9765	(0.0235)
(C)	**NON PROMOTER - NON PUBLIC**				0.0000					
	[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	75000	0	75000	0.0235	0.0235
Total (A)+(B)+(C)		**317580143**	**328050**	**317908193**	**100.0000**	**318680976**	**298050**	**318979026**	**100.0000**	**0.0000**

Annexure – II to Directors' Report (Contd.)

ii) Shareholding of Promoters:-

Sr No.	Shareholder's Name	Shareholding at the beginning of the year(As on April 01, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in shareholding during the year*
		No. of Shares Held	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Nirmal Bhanwarlal Jain	51252000	16.1216	0.0000	47952000	15.0330	0.0000	(1.0886)
2	Venkataraman Rajamani	19909432	6.2626	0.0000	10909432	3.4201	0.0000	(2.8425)
3	Madhu N Jain	17000000	5.3475	0.0000	13700000	4.2950	0.0000	(1.0525)
4	Ardent Impex Pvt Ltd	2700000	0.8493	0.0000	2700000	0.8465	0.0000	(0.0028)
5	Orpheus Trading Pvt Ltd	1300000	0.4089	0.0000	1300000	0.4076	0.0000	(0.0013)
6	Aditi Athavankar	200000	0.0629	0.0000	200000	0.0627	0.0000	(0.0002)
7	Aditi Avinash Athavankar (In her capacity as Trustee of Kalki Family Private Trust)	0	0.0000	0.0000	9000000	2.8215	0.0000	2.8215
8	Ms. Harshita Jain & Mr. Mansukhlal Jain (In their capacity as Trustee of Nirmal Madhu Family Private Trust)	0	0.0000	0.0000	6600000	2.0691	0.0000	2.0691
Total		**92361432**	**29.0529**	**0.0000**	**92361432**	**28.9553**	**0.0000**	**(0.0975)**

iii) Change in Promoters Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2017)		Transactions during the year		Cumulative Shareholding at the end of the (As on March 31, 2018)	
		No.of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company*
1	Nirmal Bhanwarlal Jain	51252000	16.1216				
	Transfer to Nirmal Madhu Family Private Trust			19 Jan 2018	(3300000)		
	At the end of the year					47952000	15.0330
2	Madhu N Jain	17000000	5.3475				
	Transfer to Nirmal Madhu Family Private Trust			19 Jan 2018	(3300000)		
	At the end of the year					13700000	4.2950
3	Venkataraman Rajamani	19909432	6.2626				
	Transfer to Kalki Family Private Trust			22 Sep 2017	(9000000)		
	At the end of the year					10909432	3.4201
4	Aditi Avinash Athavankar (In her capacity as Trustee of Kalki Family Private Trust)	0	0.0000				
	Transfer from Venkataraman Rajamani			22 Sep 2017	9000000		
	At the end of the year					9000000	2.8215
5	Ms. Harshita Jain & Mr. Mansukhlal Jain (In their capacity as Trustees of Nirmal Madhu Family Private Trust)	0	0.0000				
	Transfer from Mr. Nirmal Bhanwarlal Jain & Madhu N Jain			19 Jan 2018	6600000		
	At the end of the year					6600000	2.0691
6	Ardent Impex Pvt Ltd	2700000	0.8493				
	At the end of the year					2700000	0.8465
7	Orpheus Trading Pvt Ltd	1300000	0.4089				
	At the end of the year					1300000	0.4076
8	Aditi Athavankar	200000	0.0629				
	At the end of the year					200000	0.0627

Note:- *There is no change in total shareholdings of promoters between April 01, 2017 to March 31, 2018. The decrease in % of total shares during the year is due to allotment of shares under Employees Stock Option Scheme to employees and due to inter-se transfer of shares within the promoters group by way of gift to private Trust.

Annexure – II to Directors' Report (Contd.)

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2018)	
		No.of shares held	% of total shares of the Company	Date of transaction	No. of Shares	No of Shares Held	% of total Shares of The Company*
1	FIH Mauritius Investments Ltd	84641445	26.6244				
	At the end of the year					84641445	26.5351
2	HWIC Asia Fund Class A Shares	27910000	8.7792				
	Purchase			16 Jun 2017	452530		
	At the end of the year					28362530	8.8917
3	Bharat H Parajia	15386778	4.8400				
	Sell			09 Mar 2018	(55000)		
	At the end of the year					15331778	4.8065
4	Bank Muscat India Fund	12598222	3.9628				
	At the end of the year					12598222	3.9495
5	WF Asian Reconnaissance Fund Limited	6606330	2.0780				
	At the end of the year					6606330	2.0711
6	Satpal Khattar	6171528	1.9412				
	At the end of the year					6171528	1.9348
7	L and T Mutual Fund Trustee Ltd. -L and T India Prudence Fund	1722226	0.5417				
	Purchase			28 Apr 2017	121782	1844008	0.5781
	Purchase			26 May 2017	2993	1847001	0.5790
	Purchase			02 Jun 2017	12707	1859708	0.5830
	Purchase			30 Jun 2017	103447	1963155	0.6154
	Purchase			07 Jul 2017	19844	1982999	0.6217
	Purchase			21 Jul 2017	5423	1988422	0.6234
	Purchase			28 Jul 2017	100000	2088422	0.6547
	Purchase			04 Aug 2017	5000	2093422	0.6563
	Purchase			18 Aug 2017	5076	2098498	0.6579
	Purchase			25 Aug 2017	19924	2118422	0.6641
	Purchase			01 Sep 2017	164016	2282438	0.7155
	Purchase			08 Sep 2017	200000	2482438	0.7782
	Purchase			15 Sep 2017	41866	2524304	0.7914
	Purchase			22 Sep 2017	155027	2679331	0.8400
	Purchase			06 Oct 2017	98305	2777636	0.8708
	Purchase			13 Oct 2017	76062	2853698	0.8946
	Sell			03 Nov 2017	(172000)	2681698	0.8407
	Purchase			17 Nov 2017	50300	2731998	0.8565
	Purchase			24 Nov 2017	344856	3076854	0.9646
	Purchase			08 Dec 2017	53528	3130382	0.9814
	Sell			12 Jan 2018	(400000)	2730382	0.8560
	Purchase			09 Feb 2018	516375	3246757	1.0179
	Purchase			16 Feb 2018	70000	3316757	1.0398
	Sell			23 Mar 2018	(196)	3316561	1.0397
	At the end of the year					3316561	1.0397
8	Dimensional Emerging Markets Value Fund	2917360	0.9177				
	Sell			16 Jun 2017	(5520)	2911840	0.9129
	Sell			23 Jun 2017	(10372)	2901468	0.9096
	Sell			30 Jun 2017	(8971)	2892497	0.9068
	Sell			07 Jul 2017	(29760)	2862737	0.8975
	Sell			14 Jul 2017	(10651)	2852086	0.8941
	Sell			21 Jul 2017	(6519)	2845567	0.8921
	Sell			18 Aug 2017	(2186)	2843381	0.8914
	Sell			25 Aug 2017	(2462)	2840919	0.8906
	Sell			01 Sep 2017	(11665)	2829254	0.8870
	Sell			15 Sep 2017	(16959)	2812295	0.8817
	Sell			22 Sep 2017	(2188)	2810107	0.8810
	Sell			29 Sep 2017	(8164)	2801943	0.8784
	Sell			13 Oct 2017	(4856)	2797087	0.8769
	Sell			20 Oct 2017	(4084)	2793003	0.8756
	At the end of the year					2793003	0.8756

Annexure – II to Directors' Report (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 01, 2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on March 31, 2018)	
		No.of shares held	% of total shares of the Company	Date of transaction	No. of Shares	No of Shares Held	% of total Shares of The Company*
9	Prabodh Agrawal	2071019	0.6515				
	Allotment upon exercise of ESOPs			25 Aug 2017	300000	2371019	0.7433
	Allotment upon exercise of ESOPs			31 Mar 2018	360000	2731019	0.8562
	At the end of the year					2731019	0.8562
10	Mansuklal Jain	2675124	0.8414				
	Sell			26 Jan 2018	(350000)		
	At the end of the year					2325124	0.7289

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

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year (As on April 01, 2017)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (As on March 31, 2018)	
		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	16.1216	0	33,00,000	47,952,000	15.0330
2.	Mr. R. Venkataraman**	19,909,432	6.2626	0	90,00,000	10,909,432	3.4201
3.	Mr. Nilesh Vikamsey*	165,000	0.0519	0	0	165,000	0.0517
4	Mr. Kranti R Sinha*	1,15,000	0.0361	0	0	1,15,000	0.0360
5.	Mr. Arun Kumar Purwar*	1,00,000	0.0314	0	5,000	95,000	0.0297
6.	Mr. Prabodh Agrawal*	2071019	0.6514	6,60,000	0	27,31,019	0.8562
7.	Mr. Gajendra Thakur*	1000	0.0003	0	0	1000	0.0003

*The decrease in % of total shares is due to allotment of shares under Employee Stock Option Scheme to employees and purchase /sell made by them during the year.

**The decrease in % of total shares is due to allotment of shares under Employee Stock Option Scheme to employees and also due to inter-se transfer of shares within the promoters group by way of gift to the Trust.

V. INDEBTEDNESS

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

(Amount in ₹)

		Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of year as on April 01, 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**
Changes in Indebtedness during the year					
Addition (interest)		49,829,781	Nil	Nil	**49,829,781**
Reduction		(676,376,500)	Nil	Nil	**(676,376,500)**
Net Change		(626,546,719)	Nil	Nil	**(626,546,719)**
Indebtedness at the end of the financial year as on March 31, 2018					
(I)	Principal amount	Nil	Nil	Nil	**Nil**
(ii)	Int. due but not paid	Nil	Nil	Nil	**Nil**
(iii)	Int. accrued but not due	Nil	Nil	Nil	**Nil**
Total (i+ii+iii)		Nil	**Nil**	**Nil**	**Nil**

Annexure – II to Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Particulars of Remuneration		Name of MD/WTD/ Manager		Total Amount (₹)
Name of MD/WTD/Manager		*Mr. Nirmal Jain	*Mr. R. Venkataraman	
Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	54,328,131	38,125,006	92,453,137
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	39,600	39,600
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
	Stock Option	0	0	0
	Sweat Equity	0	0	0
	Commission	0	0	0
	- as % of profit	0	0	0
	-others, specify	0	0	0
	Others[Company's contribution towards PF, pension fund and NPS]	21,600	321,600	343,200
Total (A)		**54,349,731**	**38,486,206**	**92,835,937**
Ceiling as per the Act		₹ 180,652,869/- being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.		

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

B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors						Total Amount (₹)
Name of Director	Mr. A. K. Purwar	Mr. Nilesh Vikamsey	Mr. Kranti Sinha	Dr. S Narayan	Ms. Geeta Mathur	Mr. Chandran Ratnaswami	
Independent Directors							
- Fees for attending board/ committee meetings	180,000	225,000	345,000	120,000	3,60,000	N.A.	1,230,000
- 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	NIL	NIL
Total (1)	**1,180,000**	**1,225,000**	**1,345,000**	**1,120,000**	**1,360,000**	**N.A.**	**6,230,000**
Other Non-Executive Directors - Fees for attending board/ committee meetings - Commission - Othe`	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	NIL
Total (2)	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**NIL**	**NIL**
Total (B)=(1+2)	**1,180,000**	**1,225,000**	**1,345,000**	**1,120,000**	**1,360,000**	**N.A.**	**6,230,000**
Total Managerial Remuneration							**99,065,937***
Overall Ceiling as per the Act	₹ 198,718,156/- being 11% of the net profit of the Company calculated as per Section 198 of the Companies, 2013.						

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

Annexure – II to Directors' Report (Contd.)

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

(Amount in ₹)

Particulars of Remuneration		Name of the Key Managerial Persons		Total
Name of Key Management Personnel		Mr. Prabodh Agrawal (Chief Financial Officer)	Mr. Gajendra Thakur (Company Secretary)	
Gross Salary				
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18,802,165	4,787,209	**235,89,374**
b.	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	19,800	-	**19,800**
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]		--	224,712	**224,712**
Total		**18,821,965**	**5,011,921**	**23,833,886**

^ There were no options granted to Key Managerial Personnel during the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place : Mumbai
Date : May 03, 2018

Annexure – III to Directors' Report

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended on March 31, 2018

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

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

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2018 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 applicable upto December 30, 2017;

  (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 same.

Annexure – III to Directors' Report (Contd.)

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

We further report that:

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

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

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

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

We further report that during the audit period under review, following event / action having major bearing on the Company's affairs has taken place:

a) The Company has received approval of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 06.09.2017 for the Scheme of Arrangement involving Demerger of 5paisa Digital Undertaking division of the Company with 5Paisa Capital limited. The said scheme was made effective w.e.f. 30.09.2017 consequent upon filing of eForm INC 28 with the Registrar of Companies, Mumbai;

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

Place: Mumbai
Date : May 03, 2018

'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

Place: Mumbai
Date : May 03, 2018

Annexure – IV to Directors' Report

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

Conservation of Energy

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

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

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

Technology absorption and innovation:

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.
- 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 worked to economise operations by rationalising the partner/vendor ecosystem, in-house development and shifting towards open source platforms.
- 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.

  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 has 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: Nil

b) The foreign exchange expenditure: Nil

Research and Development (R & D)

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

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2018	March 31, 2017
Capital	Nil	Nil
Revenue	Nil	Nil

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN:-00010535

Place: Mumbai
Date : May 03, 2018

Annexure – V to Directors' Report

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

Sr. No.	Requirement	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	*Executive Chairman – Mr. Nirmal Jain	31.97x
		*Managing Director – Mr. R Venkataraman	22.64x
		Non Executive Director	
		Mr. Nilesh Vikamsey	0.59x
		Dr. S Narayan	0.59x
		Ms. Geeta Mathur	0.59x
		Mr. Kranti Sinha	0.59x
		Mr. A. K. Purwar	0.59x
		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	Nil
		CS	10%
		Non Executive Director	
		Mr. Nilesh Vikamsey	Nil
		Dr. S Narayan	Nil
		Ms. Geeta Mathur	Nil
		Mr. Kranti Sinha	Nil
		Mr. A. K. Purwar	Nil
		Mr. Chandran Ratnaswami	Nil
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 10%. 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 52 employees on the rolls as on March 31, 2018	
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 India Infoline Finance Limited, subsidiary of the Company.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN:-00010535

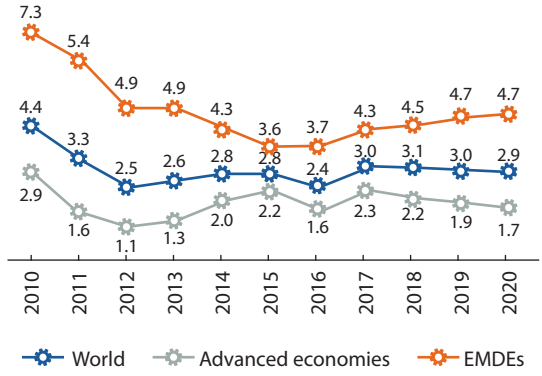
Place: Mumbai
Date : May 03, 2018

Management Discussion and Analysis

GLOBAL ECONOMY OVERVIEW

After a prolonged period of economic stagnation, 2017 saw a strong upswing in economic activity. Global economic growth was recorded at 3%, an improvement of 60 basis points over the 2.4% recorded in 2016 and the highest achieved since 2012. (Source: World Bank)

Overall Growth (%)



Source : World Bank

World Output (%)	2016	2017	Projections 2018	Projections 2019
World Output	**3.1**	**3.8**	**3.9**	**3.9**
Advanced Economies	**1.7**	**2.3**	**2.5**	**2.2**
United States	1.6	2.3	2.9	2.7
Euro Area	1.7	2.3	2.4	2.0
United Kingdom	1.8	1.8	1.6	1.5
Emerging markets and Developing economies	**4.1**	**4.8**	**4.9**	**5.1**
Emerging and developing Asia	**6.4**	**6.5**	**6.5**	**6.6**
- China	6.7	6.9	6.6	6.4
- India	6.8	6.7	7.4	7.8
- ASEAN-5	4.9	5.3	5.3	5.4
Emerging and developing Europe	**3.0**	**5.8**	**4.3**	**3.7**

Source: IMF, April 2018, World Economic Outlook

USA and Euro region saw significant improvement in output growth, achieving 2.3% each in 2017 over 1.6% and 1.7% in 2016, respectively. China sustained its growth at 6.9% in 2017 over 6.7% last year and emerging and developing economies recorded a growth of 70 basis points over the previous year to post 4.8% output growth (Source: IMF).

The growth spurt in the United States was driven by stronger than expected economic activity in 2017, higher projected external demand and the expected macroeconomic impact of tax reforms. The major changes of reduction in corporate tax rates and temporary allowance for full expensing of investments in the new tax reforms are expected to add to growth through 2020.

The European region saw a turnaround owing to rising wages, low inflation and high employment levels on the domestic front, and strong corporate profitability, confidence amongst investors and rising investments on the global front.

Brexit continues to be a dampener with uncertainties looming large. UK's growth output is projected to slow to 1.6% in 2018 and 1.5% in 2019.

China managed to sustain its growth level mainly owing to recovery of global economic activity and increase in export revenue over international demand, and a rebound in the domestic real estate sector.

Overall global growth momentum is expected to continue and sustain at 3.9% through 2019. USA is expected to grow marginally at 2.9% in 2018, EU to sustain at 2.4%, China to moderate gradually to 6.6%, and Emerging economies to grow at 4.9%. Asia will continue to be the fastest growing region, and India is expected to be a major contributor with a growth projection of 7.4% for 2018.

INDIAN ECONOMY OVERVIEW

Indian economy continues to be one of the fastest growing economies around the world, despite the two major reforms, namely GST and Demonetisation that deterred the growth rate in the short run. With a policy change such as GST, which is of a huge scale, scope, and complexity, the transition unsurprisingly encountered challenges of policy, law, and information technology systems, which especially affected the informal sector in the country. In the second half of the year, the economy witnessed signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports. The GST implementation also brought about a 50% increase in unique indirect taxpayers.

The country posted an overall growth of 6.7% in 2017 and is expected to rise to 7.4% in 2018.

The GDP growth rate for FY18 is expected to be at 6.75% as per government estimates (Economic Survey report 2018) and between 7% and 7.5% in FY19. The Consumer Price Index (CPI) based headline inflation was at 3.7% for FY18.

In a major validation to the governments' initiatives to improve business environment, the World Bank's Ease of Doing Business rankings promoted India by 30 spots over the previous year, and the international ratings agency Moody's upgraded India's sovereign bond ratings to Baa2 from Baa3, with a stable outlook, for the first time in 14 years.

FINANCIAL SERVICES INDUSTRY

The financial services sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

Management Discussion and Analysis (Contd.)

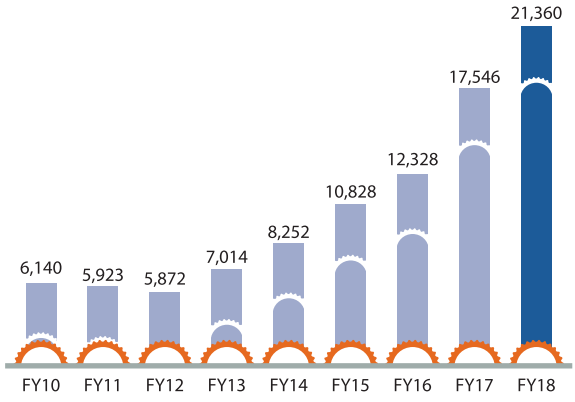
India has a diversified financial sector undergoing rapid expansion with many new entities entering the market along with the existing financial services firms. The sector comprises commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Reserve Bank of India (RBI) recently allowed new entities such as payments banks and small finance banks to commence operations, focussed on specific segments of transactional banking and small-ticket lending respectively.

The Government and RBI have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for micro and small enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). In 2017, a new portal named 'Udyami Mitra' has been launched by the Small Industries Development Bank of India (SIDBI) with the aim of improving credit availability to MSMEs.

Due to the joint efforts by both government and the private sector, India has undoubtedly one of the world's most vibrant capital markets. Reforms implemented by Securities and Exchange Board of India (SEBI) have played a very important role in protecting shareholders' rights.

From the year 2017, the Mutual Fund (MF) industry in India has seen rapid growth in total Assets Under Management (AUM). Total AUM of the industry increased 22 % y-o-y to hit a record ₹ 21,360 billion at the end of March 2018.

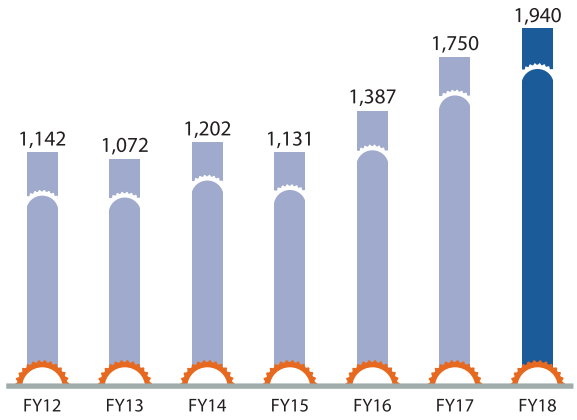
Total Mutual Fund AUM (₹ in Billion)



Source: AMFI, CEIC, IIFL Research

Another crucial component of India's financial sector is the insurance industry. The insurance industry has been expanding at a fast pace. The total first year premium of life insurance companies grew by 11 % y-o-y to ₹ 1,940 billion in FY18 from ₹ 1,750 billion in FY17.

First Year Life Insurance Premium (₹ in Billion)

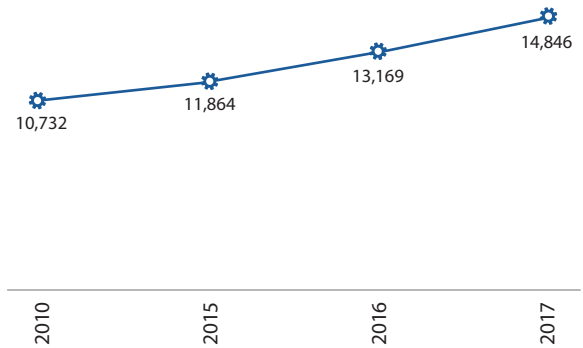


Source: IRDA

Furthermore, India's leading bourse Bombay Stock Exchange (BSE) will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform.

The amount of loans advanced by NBFCs rose to ₹ 14,846 Billion in FY17, growing at a robust 12.7%, from ₹ 13,169 Billion in FY16, according to an RBI report. Such rise has helped bridge the credit gap in the country and reduced the dependence on banking institutions.

Loans and Advances by NBFCs (₹ in Billion)



Source: RBI

The RBI's revised framework for the resolution of large stressed assets has the potential to bring a big change in the approach of banks for monitoring of exposures and resolution of non-performing assets (NPAs), and thereby strengthening the banking system in India. Directions by the RBI such as mandating weekly information on large delinquent accounts, scripting of a resolution plan immediately after default, and setting up of stringent timelines (180 days from default) for referring an account to the Insolvency and Bankruptcy Code

Management Discussion and Analysis (Contd.)

process, is establishing an ecosystem where NPAs would get recognised on time and their resolutions are structurally quicker than before.

Further, independent credit evaluation of the residual debt in resolution plans, and minimum investment grade rating for any upgrade of NPA cases, will improve investor and other stakeholder confidence over the long-term.

Other Government initiatives

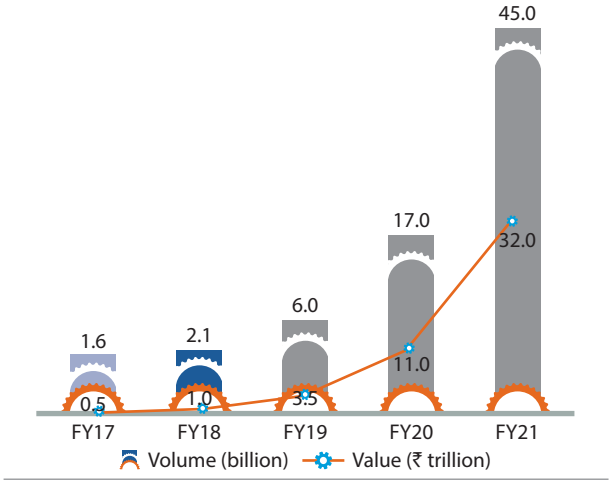
- In order to promote the financial service system in the country, the Government of India is likely to allow 100 % foreign direct investment (FDI) in cash and ATM management companies. Also, these companies are not required to comply with the Private Securities Agencies Regulations Act (PSARA).
- Exchanges in India have been allowed by SEBI to provide both equity and commodity trading facility simultaneously, starting from October 2018, as opposed to the bifurcation of platforms required currently. The convergence will help individuals to trade through a single account for all asset classes
- SEBI has relaxed norms for registered foreign portfolio investors (FPIs) in India. These investors now no longer require any additional documentation or prior approval process to operate through the International Financial Services Centre (IFSC).
- The hike in agriculture credit by 10% to ₹11,000 billion for FY19 and in minimum support prices of all crops at 1.5X of production costs, as proposed in the Budget 2018, is expected to lead to better rural incomes and spending. This should benefit banks through improved credit offtake as well as an improvement in asset quality in the agriculture segment. Regional Rural Banks (RRBs) can now support credit flow to the rural sector after the proposal to allow them to raise market capital gets passed. The proposals to review the refinancing norms for NBFCs under MUDRA and receivable discounting by PSBs would improve credit supply to MSMEs and support the credit growth of banks and NBFCs.

Going Forward

The Association of Mutual Funds in India (AMFI) is targeting nearly five fold growth in assets under management (AUM) to ₹ 95,000 billion and a more than three times growth in investor accounts to 130 million by 2025.

On the digital financial services front, India's mobile wallet industry is estimated to grow at a compound annual growth rate of 150% by 2022 while mobile wallet transactions are forecast to touch ₹ 32 trillion by FY22 from the current level of ₹ 0.5 trillion in FY17. (Source: RBI)

Value and Volume Forecast for the Mobile Wallet Industry (FY17-21)



Source: RBI, ASSOCHAM India

OPPORTUNITY

Changing trend towards financial savings

Traditionally in India, savings were primarily into physical assets such as real-estate and gold. Financial savings such as mutual fund products and insurance plans were less known or understood by most households. From the year FY17, the trend changed in favour of financial savings. Ten years of regulatory work on making the product hard to miss, a massive investor outreach by mutual funds to educate, the 'Mutual Funds Sahi Hai' campaign by AMFI and the good work done by independent financial advisers (IFAs) over the years all came together and resulted in the systematic investment plan (SIP) book touching an all time high of ₹ 71 billion in the month of March 2018. This shows that there is a gradual shift in the mindset of people towards savings in the country, inclining more towards financial savings in the years ahead.

Growth of Digital Financial Services

Although financial services have been computerised for decades, with segments such as retail brokerages using digital channels for some 20 years, a more radical transformation of the industry was delayed due to the dependency of customers on traditional financial services providers, low digital and internet penetration in the country, regulatory barriers to entry in banking and insurance, and supervisory approaches that required internalising all or most of the value chain.

In recent times though, we have seen tremendous expansion in digital channels owing to evolving needs of customers, greater accessibility to internet services and a marked change in regulatory environment. This has led to a proliferation of Fintech companies. Fintechs operate separately from and

Management Discussion and Analysis (Contd.)

compete directly with banks and also offer solutions to banks and NBFCs. Banks and NBFCs will be dragged into this age of reconfiguration by market forces and, in some cases, by government interoperability mandates.

The digital transformation of financial services is likely to result in more competition, with significant portions of products and profitability at risk for traditional service providers. Cloud infrastructure and mobile channels mean that the provision of financial services no longer requires high fixed-cost mainframe data centres and branch networks, so costs are more variable. This poses a surge of opportunities for NBFCs to adapt to these technological changes in the digital era and increase their efficiency.

Major FinTech trends going ahead:

Blockchain

NITI Aayog is creating India's largest blockchain network, called 'IndiaChain'. It aims to reduce fraud, speed up contract enforcement, and increase transparency. Blockchain is so crucial in today's environment that the value addition by its adoption cannot be ignored. Several major players have already begun pilot projects to measure the feasibility of adopting blockchain into their ecosystems. As blockchain is virtually un-hackable due to time stamps that mark a data entry in a distributed ledger, financial service providers will explore options to leverage the power of blockchain to transform backend operations.

Artificial Intelligence (AI)

With the help of embedded AI aiding the backend operations of financial service providers, they will be able to enhance customer offerings in terms of speed and accuracy of solutions, quickly identify bottlenecks in their operation workflows and bring in significant improvements in process efficiencies. Financial service providers are slowing moving towards AI powered solutions to provide personalised financial advice based on predefined algorithms. It also does predictive 'what if' assessments and portfolio recommendations, ushering in a new era in financial services.

Credit gaps in Eastern India

Despite contributing to 47 % of India's GDP, rural India's share in total credit outstanding was just 10% in FY16, indicating very low penetration of banking credit in rural areas. Banking credits and deposits are largely concentrated in the Southern (38% of total credit) and Western (25%) regions of India. Credit penetration has been significantly lower in the Eastern region, according to a report by KPMG in January 2018. Banking retail-credit income per capita is also the lowest in the Eastern states at 20% of that in Southern states.

Low banking credit penetration points towards a large area without access to banking services, often dependent on informal sources of credit. Government initiatives for financial inclusion and the steady rise of digitisation are expected to create analytics, operational and business synergies for NBFCs and MFIs that can then capture these markets through operationally efficient and cost-effective models.

MSME Credit

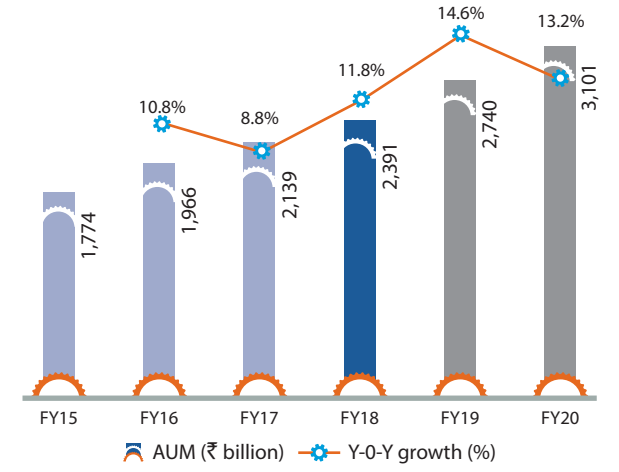
MSME financing is a very promising segment in the credit industry, with estimates of unmet credit demand amounting to ₹ 25,000 billion in FY17 according to a report by FICCI-CMSME. The unmet credit demand is likely to increase going forward.

NBFCs share in the MSME credit pie is expected to expand to 22-23% by March 2022 compared to 16% in March 2017 [Source: ICRA]. NBFCs with their niche positioning, differentiated product offering and good market knowledge would be able grow at a healthy rate vis-a-vis banks.

Gold Demand

The World Gold Council estimates that average demand in the country for gold would go up to around 850 to 950 tonnes per annum by 2020 from 727 tonne in 2017, with two-thirds of this demand coming from the rural market. The gold credit market is estimated to grow at 13.7% to ₹ 3,101 billion through FY20 from ₹ 2,139 billion in FY17, according to a report by KPMG. This presents a huge opportunity for gold loan lenders in the formal sector comprising banks, NBFCs and cooperatives.

Organised Gold Loan Market Projection (%)



Source: KPMG

Management Discussion and Analysis (Contd.)

THREATS

- Technology can help banks and other financial institutions address industry issues such as promoting growth and sustaining profitability in an environment with low interest rates, rebuilding asset quality and strengthening capital positions, increasing the business value of customer relationships, especially when customers have become more demanding, competing with aggressive, innovative non-traditional competitors, incorporating a risk management culture into daily operations etc. However, keeping up with technological innovation presents a huge challenge to the financial service industry. According to the 20th PwC CEO Survey 2017, nearly 60% of industry leaders view the speed of technological change as a threat to their growth prospects.
- Cyber Security – The PwC CEO Survey found that more than 70% of industry leaders believe cyber insecurity is a threat to growth. The ongoing news reports of data breaches at retailers highlight the risks all businesses face.
- Uncertainty in the global markets, owing to slow growth in the advanced economies and increased strain in certain emerging economies can result in volatile capital inflows and currency fluctuations. Increased restrictions on migration and global trade could hurt productivity and incomes and take an immediate toll on market sentiment. In Indian context, slow implementation of regulatory reforms and lack of consensus on important legislations can further delay growth.
- Notable risks to global economy include a possible shift towards inward-looking policies and protectionism, a sharper than expected tightening in global financial conditions that could interact with balance sheet weaknesses in parts of the euro area and in some emerging market economies, increased geopolitical tensions, and a more severe slowdown in China.
- Any adverse change in the regulatory and policy environment affecting the financial services industry.

SEGMENT OVERVIEW

NBFC

A big reason for the success of NBFCs in India of late has been their unique value proposition. Most NBFCs, whether online or offline, leverage alternative and tech-driven credit appraisal methodologies to gauge the credit worthiness of prospective borrowers.

This differentiated and unique approach allows them to meet loan requirements of individuals and businesses left traditionally underserved by banks. With the introduction of e-KYC and digital loan agreements making borrowing an instant and hassle-free experience, NBFC lenders are already offering the right financial product to consumers and small businesses in a closely customised manner. The use of technology to optimise business processes also keeps cost overheads to a minimum, enabling credit to be availed at highly competitive interest rates.

Moreover, NBFCs often have deep regional reach, which they leverage to build robust relationships with their target customer bases. Many new-age NBFCs have started investing in analytics and AI capabilities to connect to their customers in a hyper-personalised manner to serve their credit needs better.

PE Investors

Private equity (PE) investment into the NBFC sector in the past few years has changed the way these firms progress and grow. PE firms provide not only financial support to NBFCs for growth, but also enable the creation of world-class financial organisations with a focus on industry developments around the world.

The value addition of PE firms does not stop at just financial support. Corporate governance requirements and standards of PE firms protect investee NBFCs from future regulatory risks, fraud, and other losses. PE firms' history and experience can also provide early visibility to sector losses, affording an opportunity to NBFCs to correct the problem in a timely manner.

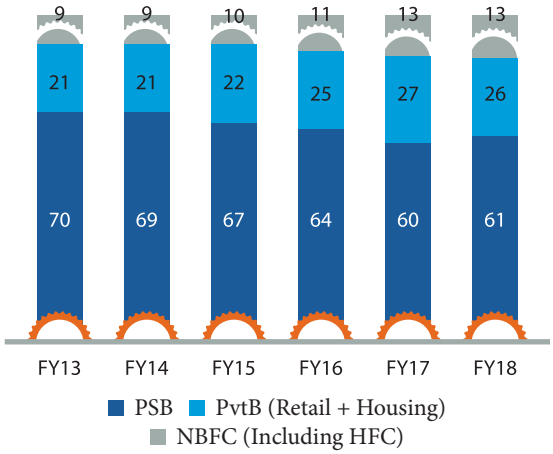
PE firms also provide access to a wide business network, facilitating strategic partnerships, and other business opportunities. Collaboration opportunities unlocked through common investors allow NBFCs - whether online, offline, or hybrid – to work towards mutual goals of enabling seamless access to credit. This approach of co-opetition, or collaborative competition, helps the broader NBFC sector to strengthen its standing in the Indian financial sector, allowing it to truly stand strong when the banking sector is stumbling due to numerous frauds and rising NPAs.

Going Forward

NBFCs, including HFCs, have been steadily increasing their share in the total credit market. As per an analysis done by IIFL Research, the share of NBFCs in total system credit increased from 10% in FY15 to 13% in FY18. During this period, the share of private banks increased from 22% to 26% and that of public sector banks (PSBs) reduced from 67% to 61%.

Management Discussion and Analysis (Contd.)

Market Share in Overall Credit Amongst Different Sources (%)



Note: The analysis is based on aggregate data for 15 large NBFCs and 14 HFCs

Source: IIFL Research

Further according to rating agency CRISIL, NBFCs in India are expected to see an 18% compounded annual growth rate (CAGR) for the next two and a half years and raise their share in total credit to 19% by 2020. PSBs will see a further shrinking of their share to 47% by 2020 as they battle with capital constraints.

The home loans segment, the second largest business segment for NBFCs, is expected to grow at a steady CAGR of 18% over the next three years starting from 2018 as they focus on self-employed customers and lower ticket size loans. NBFCs are also expected to increase their market share in the wholesale finance business from 12% in 2014 to 19% in 2020. They had a market share of 12% of the total real estate and structured credit segment in 2017, which is expected to increase to 14% in 2020, as per CRISIL.

With the expected quantum of growth in the future, NBFCs need to have stricter underwriting practices and closely monitor client repayment. The most significant driver of growth will be the ability to create innovative products, delivered efficiently through the use of technology.

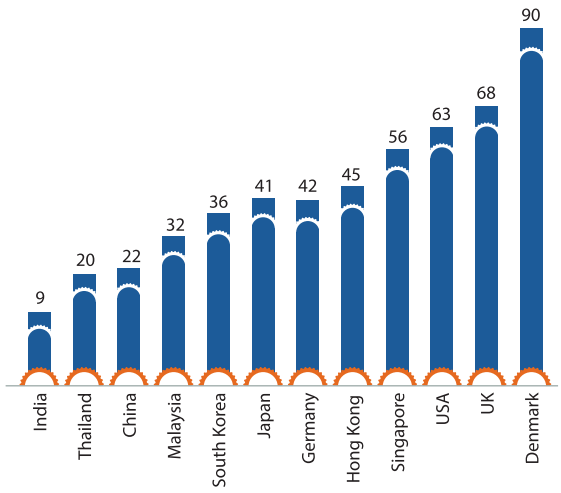
Regulatory Updates: Ombudsman Scheme

With a view to providing customers of NBFCs with a cost-free and expeditious grievance redressal mechanism, it has been decided to introduce an Ombudsman Scheme for NBFCs. The scheme will cover all deposit taking NBFCs and those with customer interface having asset-size of Rupees one billion and above.

Home Finance

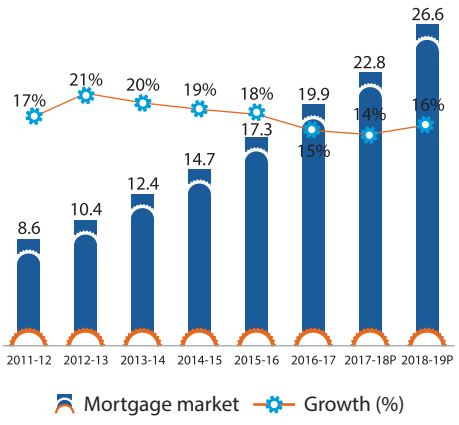
India's housing finance sector has remained relatively underpenetrated compared to its peers as evident by the low mortgage-to-GDP ratio of less than 10% as at the end of FY17.

Mortgages as a % of GDP around the world



The Indian housing finance market has grown rapidly, with mortgage lending significantly contributing to growth in construction and demand for housing. Loans by Housing finance companies (HFC) have outpaced those by banks between FY11 and FY18. As per CRISIL Research estimates, HFCs have been at the forefront, achieving a CAGR of approximately 22% in loan outstanding between FY12 and FY17 vis-a-vis the industry's (bank housing loan + HFCs) 18-19%. This is due to higher growth in non-metro cities supported by government's support, rising finance penetration, increasing demand from Tier-II cities as well as improved transparency and higher focus by HFCs.

Mortgage Market Growth (₹ in Trillion)



Note : Includes the overall portfolio of HFC and only housing loans and developer loans of banks

Source: CRISIL Research

Management Discussion and Analysis (Contd.)

Housing finance is the second-largest portfolio after infrastructure for NBFC. Several NBFCs have shifted focus to secured lending post global slowdown in 2008-09, when delinquencies on unsecured loans soared. The shift in focus can be gauged from the fact that a large number of players started full-fledged housing finance divisions as a result of which loan outstanding by HFCs accelerated. The change in focus to secured assets helped de-risk the loan books of NBFCs and HFCs and resulted in continuous improvement in asset quality.

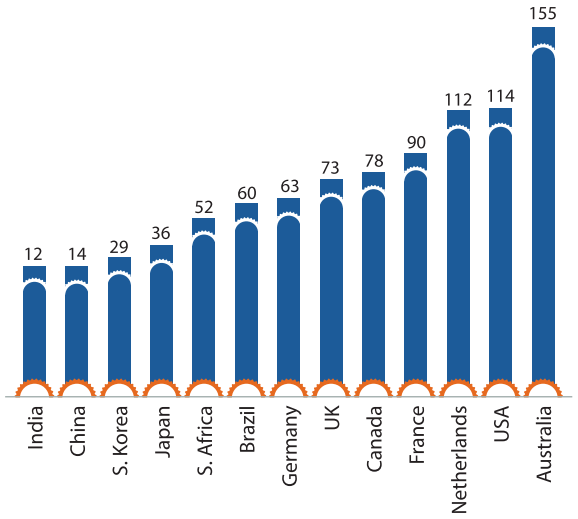
Since the Pradhan Mantri Awas Yojana provides home buyers with a Credit Linked Subsidy Scheme, the effective rate of interest payment falls below rental yields. This improves the conditions for buying affordable housing property, enabling HFCs to begin investing more in this segment. With regulations and government policy pushing developers to focus on the affordable housing market, there is potential for growth by investing in and financing these properties for HFCs.

HFCs' loan outstanding is projected to clock 17-19% CAGR from ₹ 7.8 trillion in 2016-17 to ₹ 10.8 trillion in 2018-19, aided by higher finance penetration and demand for affordable housing.

Capital Markets

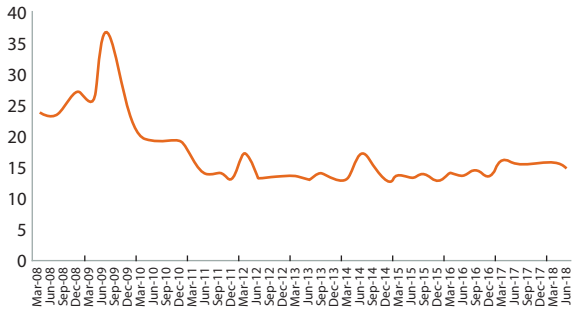
Capital markets have been buoyant and both primary and secondary markets have seen healthy growth in activities over the last one year. Corporates raised a record ₹ 2 trillion from primary markets via IPOs, QIP, rights issue etc. in FY17. The domestic investors are now a dominant player in equity markets even as foreign portfolio flows have decelerated. Investments in mutual funds via 'Systematic Investment Plan' or SIPs have gained significant traction and collections via SIPs have more than doubled in the last two years. AMFI also contributed to the popularisation of mutual fund investments, majorly through its nationwide campaign over the years of "Mutual Fund sahi hai". However, mutual fund AUM as a percentage of GDP is low in India as compared to its peers. Driven by rise in domestic investments and an optimistic outlook for earnings growth, Indian equity indices hit all-time highs in early 2018.

Mutual Fund AUM as a % of GDP (FY17)



Buoyant markets have helped push trading volumes. Average daily cash trading volumes went up ~38% Y-o-Y to ₹ 338 billion/day in FY18 from ₹ 244 billion/day in FY17. Also the share of institutions (FII + DII) in cash trading segment edged up to 31.9% in FY18 from 29.7% in the previous year.

Cash Market Volume (% of Market Capitalisation)



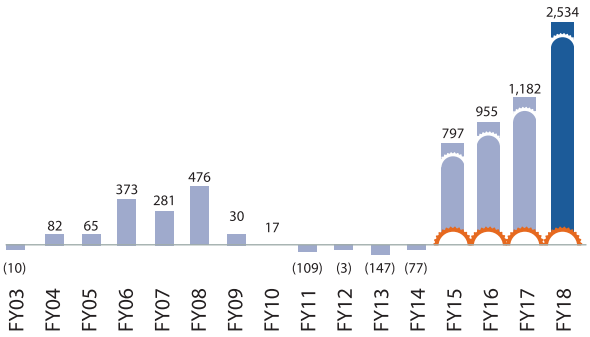
Source: Bloomberg, IIFL Research

Note: Calculated as a sum of cash volumes in a quarter to average market capitalization of the same quarter.

Management Discussion and Analysis (Contd.)

The net mutual fund equity collection hit an all time high in FY18.

Net Mutual Fund Equity Collection (₹ in Billion)



Note: Includes collections under 'Growth/Equity', 'ELSS', 'Other ETF' and 65% of 'Balanced Funds' category

Source: CEIC, IIFL Research

However rise in transaction volumes has been offset by steadily falling broking commission rates or yields. Yields have been declining over the past few years due to multiple factors including i) rise of passive investment, ii) rising participation of domestic funds that have lower yields and iii) the European and UK regulators have introduced Markets in Financial Instruments Directive or MIFID II norms from January 2018. Under MIFID investors need to separately account for execution and research instead of the bundled cost model followed so far.

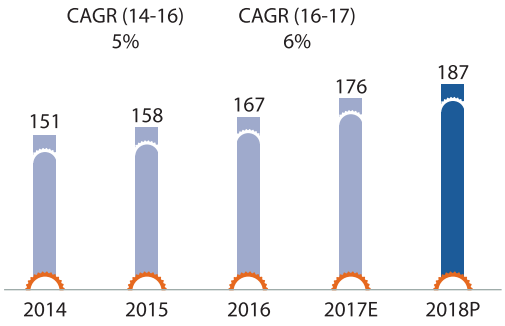
Despite disruptions caused by structural reforms, IPO activities remained strongly buoyant in FY18. Investments in IPO activities will continue to remain stronger amid strengthening investor sentiment. We will see more primary issues from companies in the BFSI space including companies from insurance sector, Asset management companies, small banks, HFCs and NBFCs.

WEALTH

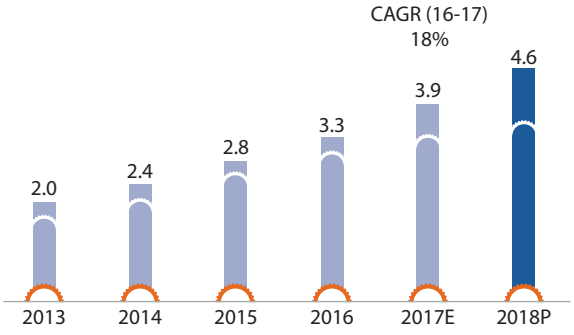
Wealth Management

The global wealth management industry, estimated at $ 176 trillion in client assets, as of 2017, grew at ~6% as opposed to the 4-5% growth seen in the previous couple of years. This acceleration of growth in assets under management has been driven by the strong performance of the equity markets in many parts of the world, over 2016 and 2017, with Asia Pacific being the key driver, posting near double digit growth over the last two years. India and China continue to be the key drivers of the APAC region, with ~18% and ~10% growth respectively. (Source: Oliver Wyman Report, Rise of Global Asset Managers in China)

Global Wealth Assets ($ Trillion)



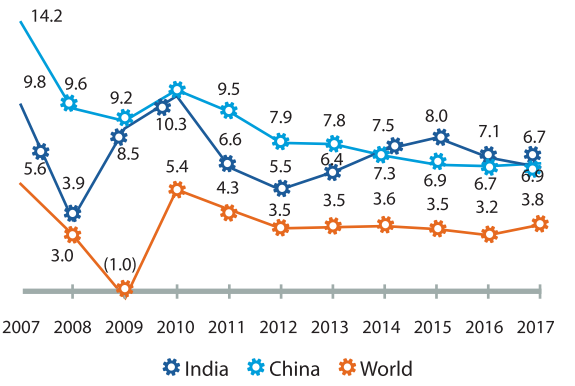
India Wealth Assets ($ Trillion)



Source: BCG Global Wealth reports 2015-17. IIFL Wealth Estimates and triangulation. (E) for Estimates. (P) for Projected

Given the statistics above, India is one of the fastest growing wealth management markets in the world and is primarily driven by a rapidly expanding economy, with Real GDP averaging an annual growth of 7.3% over the last 4 years, ahead of China at 6.9% and global GDP expansion at 3.5% for the same period.

Real Annual GDP Growth (%)



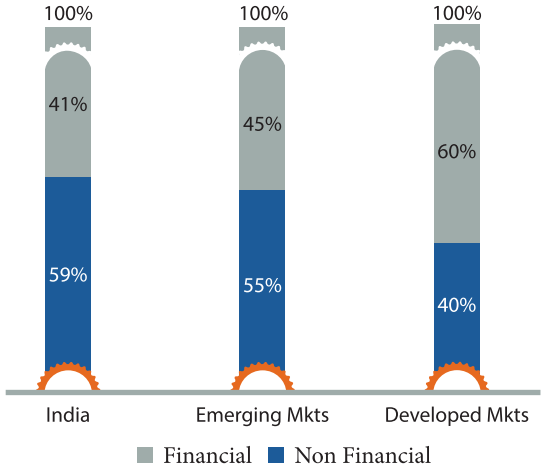
Source: IMF

Management Discussion and Analysis (Contd.)

This sustained economic expansion over the last 10-years, well-above global growth averages, has created pools of wealth in India, which have traditionally been held in assets classes like gold and real estate.

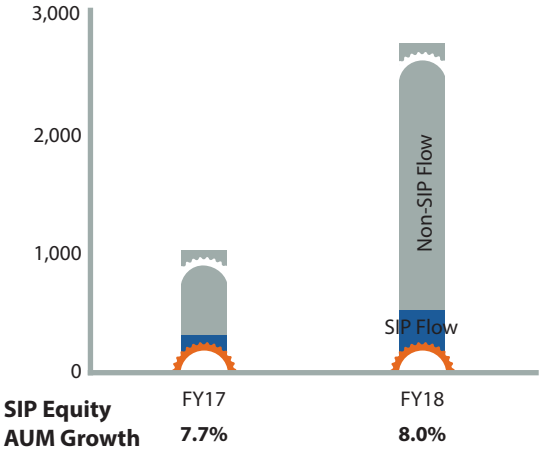
This over-indexation to non-financial asset classes vis-à-vis global benchmarks has begun to change rapidly due to primarily two factors. Firstly, the prolonged slump in these traditional asset classes and secondly, driven by the emergence of SIP as a disciplined investment product, being adopted by many households, and the emergence of newer instruments like AIFs.

Asset Mix (%)



Credit Suisse Report: Indian AMCs Coming of Age: Initiating Coverage, May 23, 2018. Source: NSE DHRP

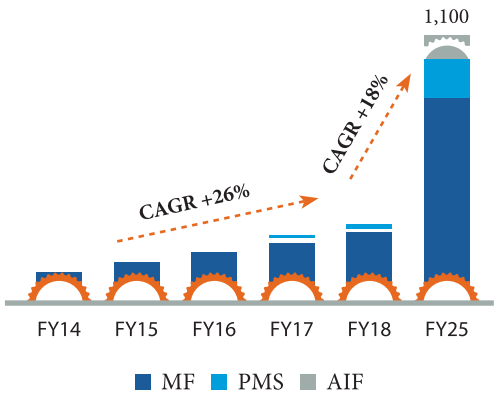
AMC Equity AUM Flow (₹ Billion)



Credit Suisse report: Source AMFI, Company Data, Credit Suisse estimates

Wealth managers typically grow their book of business, by offering a broader, and a more sophisticated range of products to their clients. In this regard, wealth managers typically rely on asset management companies (AMCs) to create some of these product offerings. The AMC AUM in India has been growing at a scorching 26% CAGR over the past 5-years and is expected to continue growing at an 18% CAGR till FY25 to reach $1.1 trillion in AUM, driven primarily by MF, topped-up additionally by higher adoption of PMS and AIF. Asset managers expect the affinity towards riskier assets, like equities, is likely to continue albeit at a slightly slower pace, given the past performance of the equity markets is unlikely to be repeated in the next few quarters.

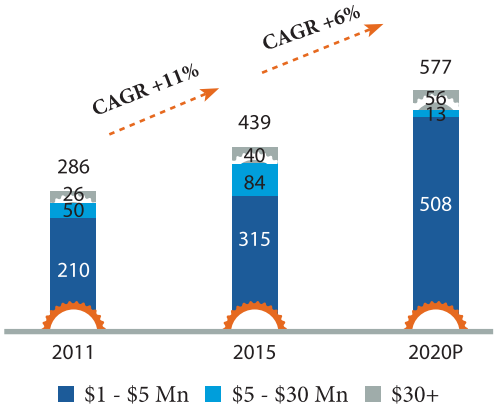
India AMC AUM ($ Billion)



Credit Suisse report: Source: SEBI, AMFI, Credit Suisse estimates

A fundamental underlying driver for growth of the wealth management industry in India is the number of High Net Worth Individuals (HNWI). This number, is expected to continue growing at a ~6% CAGR through 2020, to an estimated 577,000 households with net-worth above USD 1 million.

HNWI Population in India ('000)



Source: IBEF, Deloitte

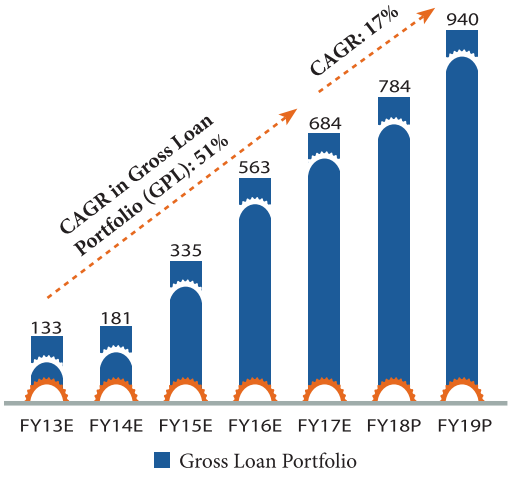
Management Discussion and Analysis (Contd.)

Thus, driven by robust economic growth outlook, an increasing proclivity for financial assets, a rapidly expanding product offering, and steady growth in the HNWI population, the wealth management industry in India is expected to continue surging ahead through to the next decade.

Micro Finance

Micro Finance is very significant to the process of attaining financial inclusion in India. There is a huge gap in demand and supply in micro credit in India and that a large part of gap is serviced by informal sources including money lenders. This represents an attractive business opportunity for MFIs in India. The Reserve Bank of India (RBI) has undertaken various initiatives to promote financial inclusion such as the 'no frills accounts' (2005) and the business correspondent model (2010). Under-penetration of banking facilities in India, especially in the Eastern region, has pushed the customers to avail options that are of higher risk such as chit funds, which has led to several scams that has duped retail investors. Thus MFIs may encash on this opportunity to provide small scale loans and financial services to individuals primarily in rural and semi-urban areas that have been traditionally excluded from the formal financial system due to multiple constraints including geographical presence, unavailability of financial history etc. The microfinance industry in India has grown at a CAGR of 51% over FY13-17 to ₹ 684 billion in FY17 (Source: CRISIL Research).

Growth in Microfinance Industry in India (₹ Billion)



Source: CRISIL research

COMPANY OVERVIEW

IIFL Holdings Limited (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, 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 number of marquee institutional investors including Fairfax Group, General Atlantic and CDC Group Plc. The Group's subsidiaries are led by highly qualified and experienced management team who promote a culture of growth, entrepreneurship and innovation among the huge talent pool of more than 15,000 people. IIFL Group has a strong geographic footprint in India with nearly 2,500 business locations, besides an extensive global presence with offices in London, New York, Geneva, Singapore, Hong Kong, Dubai, Mauritius and Toronto.

Founded in 1995 as a research firm, IIFL has consistently innovated, reinvented and adapted itself to the dynamic business environment without losing focus on its domain of financial services. Today, IIFL has diversified into a full range of financial services, serving over 5 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's strong presence across various customer segments (retail, affluent, institutional) and wide network encompassing branches, franchisees, sub-brokers, online and mobile platforms help in catering to the financial needs of aspiring and growing India.

Group Reorganisation

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

During the quarter ended March 31, 2018, the draft scheme has been filed with the exchanges/SEBI and approval of the same is awaited.

BUSINESS OVERVIEW

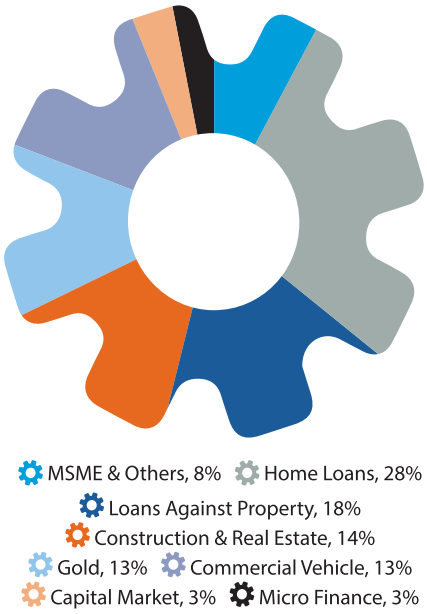
Financing

NBFC

India Infoline Finance Limited (IIFL Finance), the Group's NBFC business, continued to strengthen its position with a diverse suite of products comprising home loan, loan against property, commercial vehicle loan, gold loan, SME loan, digital finance, capital market finance and micro finance. During the year, AUM has grown by 40%Y-o-Y to ₹ 311,336 million.

Management Discussion and Analysis (Contd.)

AUM Break-Up (%)



We believe that the overall portfolio risk is on the decline as our portfolio mix continues to become more granular with greater share of small ticket home loans, SME loans and microfinance loans. The increasing granularity is driving down portfolio risk while at the same time helps us derive better yields versus large ticket lending. Retail loans including consumer loans and small business finance constitutes nearly 85% of our loan book.

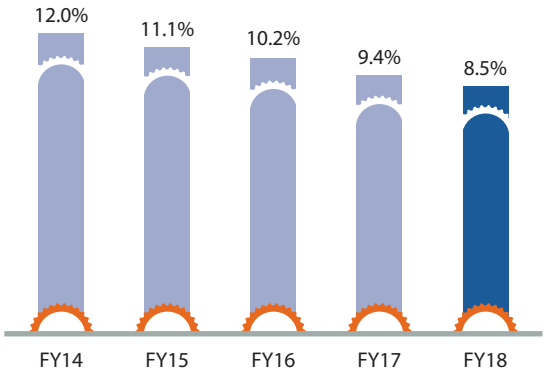
Another strong characteristic of our loan book is the large portion of loans that are compliant with RBIs priority sector lending (PSL) norms. About 45% of our home loans, 60% of loan against property, 90% of commercial vehicle loans, 40% of SME and nearly all of our micro-finance loans are PSL compliant. In aggregate nearly 40% of our loans are PSL compliant, which we can sell-down to banks. The share of securitised book currently stands at 11% of our AuM.

Medium and high yielding assets currently constitute 51% of our AUM versus 46% at the end of March 2017. These include microfinance loan, SME loan, gold, commercial vehicle and construction finance loans. The other half of AUM consists of relatively lower yielding assets including home loans, loan against property and capital market loans. We believe our AUM mix is well balanced with some scope for the share of high yielding assets to go up.

With a pan India network of 1,378 branches, IIFL Finance is well placed to cater to the retail loan demand across India.

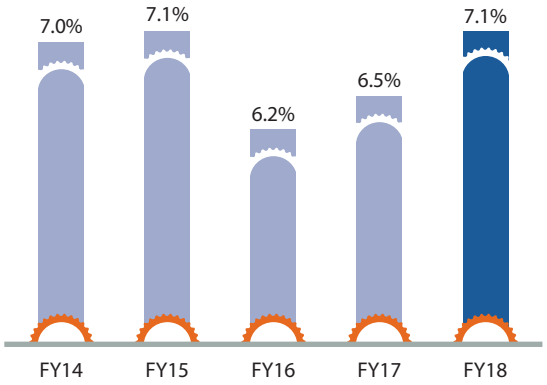
Our average cost of borrowing declined by 90 basis points Y-o-Y to 8.5%. Availability of funds has considerably tightened over the past few months and there is a corresponding rise in the cost of borrowings. We are resorting to borrow a mix of term loans and banks and bonds with an endeavour to lock in longer tenure funds at fixed rates.

Cost of Funds (%)



Our NIM was at 7.1% for FY18. Lower borrowing cost and rising share of high yielding SME, gold and micro-finance loans helped support our NIMs partially offset by higher share of lower yielding retail home loans.

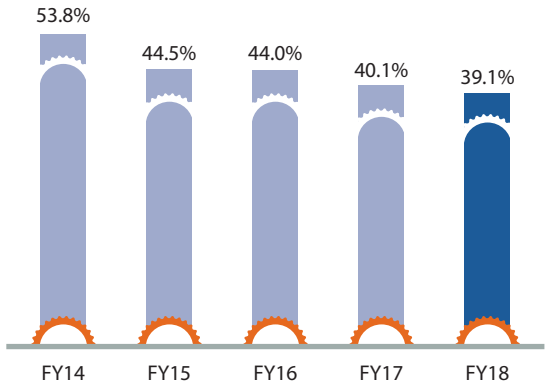
Net Interest Margin (%)



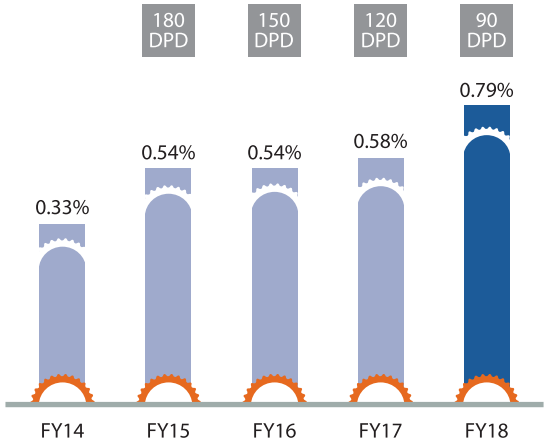
Our cost-to-income ratio was at 39.1% for FY18. Many of our small ticket loan products are operating expenses intensive, including Gold, MSME and micro-finance. As the share of these products rises, it puts an upward pressure on our operating costs. Still we believe that we can contain the cost ratios on the back of operating leverage and digitisation benefits.

Management Discussion and Analysis (Contd.)

Cost to Income (%)

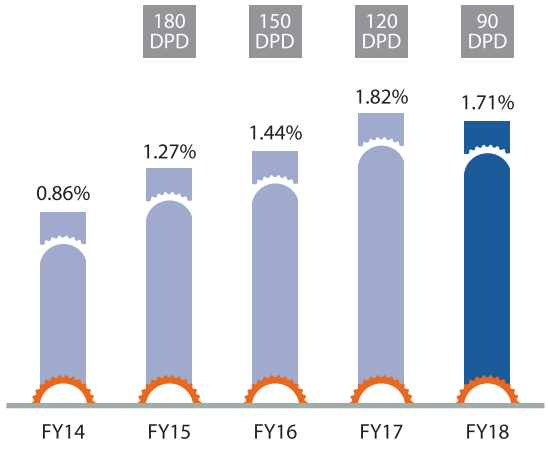


Net NPA (%)



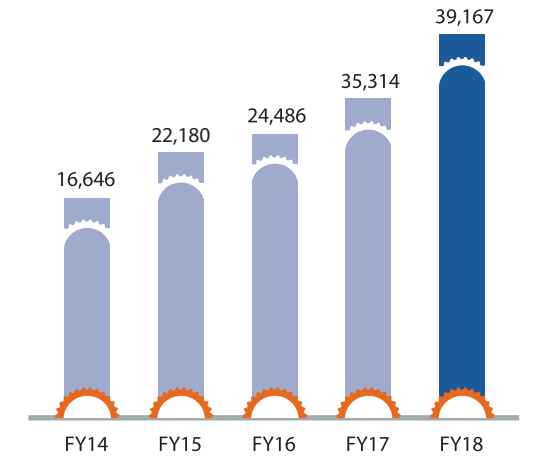
Our GNPAs were at 1.7% of loans and NNPAs were at 0.8% of loans. During the last three years, we successfully moved from 180+dpd to 90+dpd NPA recognition norm, without any undue rise in NPA levels. This was due to a combination of constant improvement in credit underwriting standards and concerted collection efforts.

Gross NPA (%)



The NBFC consolidated net worth is ₹ 39,167 million. Our Tier I CAR stands at 14.84% and total CAR at 16.32%

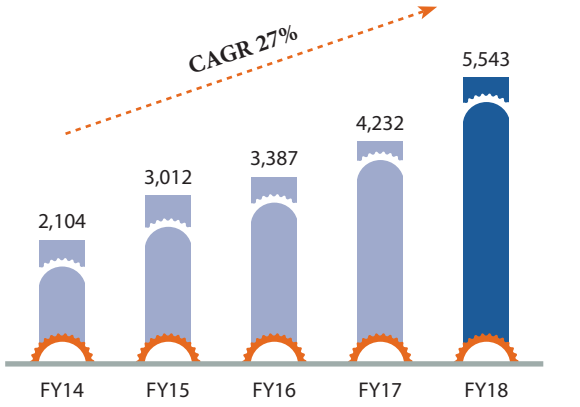
Net Worth (₹ in Million)



Management Discussion and Analysis (Contd.)

Profit after tax has grown 31% Y-o-Y to ₹ 5,543 million.

Net Profit (₹ in Million)



Home Finance

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 Limited (IIHFL), a wholly owned subsidiary of India Infoline Finance Limited, 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.

The fastest growing segment in home loans is the affordable home segment, or Swaraj loans, with average ticket size of ₹ 1.3 million. Swaraj loans accounted for 22% of our home loan disbursements in Q4FY18 and 12% of closing home loan AUM. Our Swaraj product is especially designed to support the informal income segment in fulfilling their dream of owning a house.

Within construction and real-estate finance, the mix continues to change towards construction finance for small-ticket housing projects. As on March 31, 2018, we had over 6,200 approved housing projects, up nearly 1.6x from 3,900+ approved projects a year back. All our construction finance loans and 50% of home loans were made through these approved projects. We expect that this approach will reduce our operating and credit costs going forward, for our housing finance company.

After recent changes in the environment including RERA, Bankruptcy code etc, we are now more confident of growing our construction finance book. RERA has provided confidence to end customers and lenders on expected transparency. Information and documents uploaded by builders with RERA such as approved building plans, title deeds, encumbrance, construction stage update, inventory, timeline of completion of projects, escrow account towards payment etc. give us better control and comfort for speedy disbursals to individual customers.

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, decisioning, operations, collections and customer service to provide a seamless customer experience.

We continue to focus on digitisation of our loan process with 40% of our loans being on-boarded and sanctioned on tablet application available with our sales team. The underwriting is automated on Tab to give an instant sanction decision. Called the "Jhatpat loans", this initiative has also led to enhancement in productivity of support teams and enabled IIFL to handle greater volumes of retail home loans in the future.

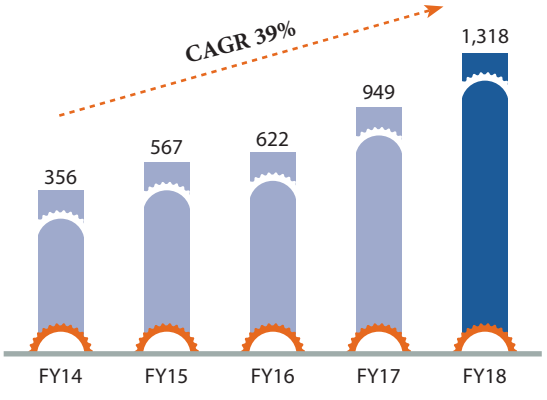
Wealth Management

IIFL Wealth Management Limited (IIFLW) is the leading wealth management company in India. The company has catapulted itself to become the largest private wealth management firm in India in less than a decade since its inception. Today, it actively manages assets of more than 10,000 High Net Worth Individuals (HNWI) and Ultra HNWI families in India and abroad. Headquartered in Mumbai, IIFL Wealth has more than 800 employees and a presence in 23 locations in India and across major global financial hubs.

General Atlantic Singapore Fund Pte. Limited (GA), a leading global growth equity firm, holds a stake of 22.64% in the equity of IIFLW.

During the year, 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 39% y-o-y growth to reach ₹ 1,318 billion as on March 31, 2018.

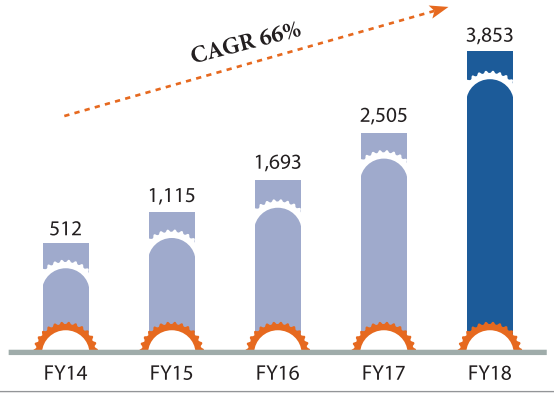
Total Assets (₹ Billion)



Management Discussion and Analysis (Contd.)

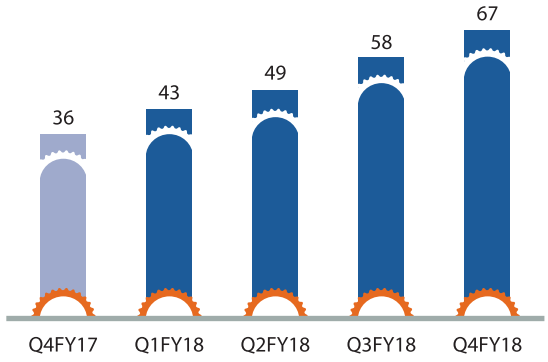
IIFL Wealth's PAT grew at 54% Y-o-Y to ₹ 3,853 million.

Profit After Tax (₹ Million)



IIFL Wealth Finance, which offers primarily loan against securities and margin funding to high networth individuals, grew its loan book 85% Y-o-Y to ₹ 67 billion

Wealth NBFC assets (₹ Billion)



AMC:

IIFL Asset Management acts as an Investment Manager to IIFL Mutual Fund, IIFL Alternative Investment Funds and Portfolio Management Services.

The total assets managed by IIFL AMC under Mutual Fund, AIF and Portfolio Management Services has increased to ₹ 1,35,832 million as on March 31, 2018 vis-a-vis ₹ 92,651 million as on March 31, 2017. Under IIFL Mutual Fund Platform, the assets under management have increased from ₹ 6,252 million to ₹ 9,012 million. IIFL Capital Enhancer Fund, an annual interval mutual fund scheme was launched which garnered approx. 4,600 million.

AIF assets saw a growth of 52% Y-o-Y to ₹ 117 billion as on March 2018. IIFL AMC offers various products to investors, which are beyond the mainstream investments and has been a market disrupter. IIFL Special Opportunities Fund, which invests in Pre-IPO and IPO opportunities, garnered a lot of interest and huge demand of over ₹ 84 billion, which required the AMC to launch various series under this Scheme.

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 it to significantly enhance its reach and distribution. The Company has also significantly strengthened its sales and mid-office team in order to service investors better.

Capital Markets

IIFL is a key player in both retail and institutional segments of the capital market, and category I merchant banker. We have close to 1,200 service locations comprising a wide branch and sub-broker network and providing unparalleled research coverage on over 500 companies. The business has recorded a robust performance despite volatility in the market.

Our mobile trading app, 'IIFL Markets' continues to be the highest rated (4.3) on Android amongst peers with over 1.5 million downloads. There has been a steady increase in number of clients trading through the mobile platform; during the quarter 41% of retail customers have traded through the app. IIFL's Mutual Fund App crossed 270,000 downloads with a 4 star rating on Android, and is steadily building on its customer base.

Besides the broking platform, IIFL offers a varied product suite to its customers, including mutual funds, insurance, portfolio management services and structured products. Also, fresh SIP book grew by 52% in FY18, monthly fresh business has crossed $1 billion in FY18. The present trend of clients investing through mutual fund route has been steadily increasing the retail participation in capital market.

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

Institutional Equities

Market volumes in the institutional segment witnessed a large increase in FY18 principally due to the sharp rise in inflows into domestic mutual funds and AIFs. The segment's cash segment volumes were up 25% Y-o-Y in FY18 in line with the market growth. Higher share of volumes from domestic MFs / DMA was a drag on the yields. On the derivatives side, the segment's volumes were up almost 3.3x thanks to the renewed thrust on the business. IIFL's institutional equities research remained well regarded for its in-depth and thematic reports.

Management Discussion and Analysis (Contd.)

Investment Banking

FY18 has been the best year for investment banking in IIFL since the Company's inception. IIFL Holdings Limited completed 27 transactions viz. IPOs, QIPs, right issues, private equity advisory and pre IPO placements. This included 11 IPOs and 8 follow on transactions involving listed companies.

As was the case in FY17, IIFL completed a number of large transactions with marquee clients in FY18 as well. Some of the notable transactions completed by the Company in FY18 include:

The largest QIP in Indian capital markets till date (~₹150 billion QIP of State Bank of India)

Largest private sector IPO over the last 9 years (~₹87 billion IPO of HDFC Standard Life Insurance Company)

First IPO of a Power Exchange in India (i.e. Indian Energy Exchange)

First IPO of a General Insurance Company in India (ICICI Lombard General Insurance Company)

First listing of an Infrastructure Investment Trust (IRB InvIT Fund)

The first IPO of an asset management company in India (Reliance Nippon Life Asset Management)

IIFL has a robust pipeline of investment banking transactions 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.

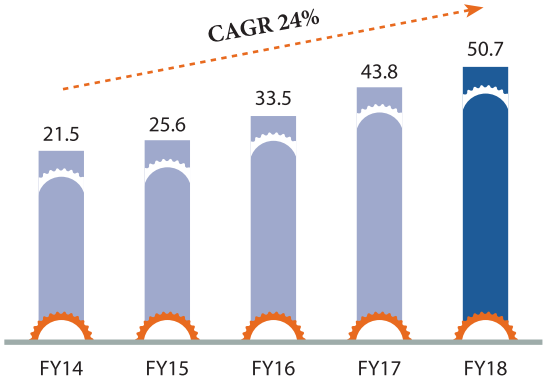
FINANCIAL REVIEW

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.

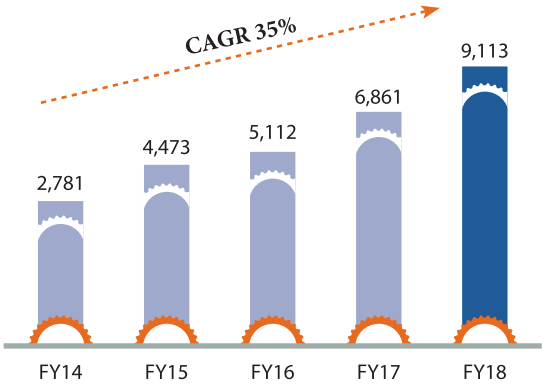
Group net profit for FY18 grew 41% Y-o-Y to ₹ 11,621 million. and net profit after minority interest has grown 33% Y-o-Y to ₹ 9,113 million. All the three segments of the company that is NBFC, Wealth and Capital market contributed to this strong growth.

The net worth of the Company (excluding minority interest) has reached ₹ 50.7 billion from ₹ 43.8 billion in FY17.

Net-worth (₹ Billion)



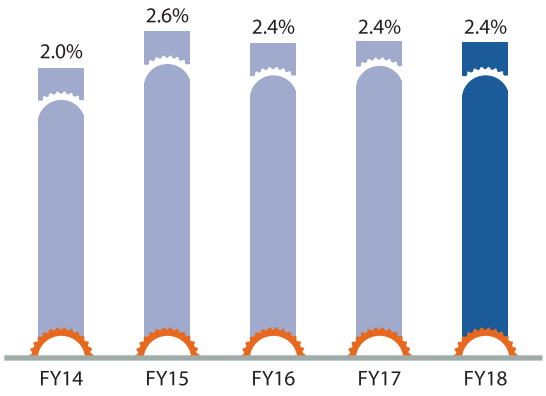
Profit Aftet Tax (₹ Billion)



Return on Equity (ROE) improved 160 bps y-o-y from 17.7% in FY17 to 19.3% in FY18. The ROE has mainly improved as the there is a sharp jump in net profits and also as the capital infused in FY17 is put to use. Return on Assets (ROA) was stable at 2.4%.

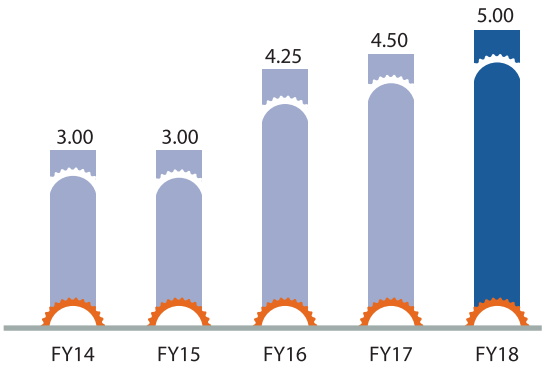
Management Discussion and Analysis (Contd.)

Return on Assets (%)



The company paid a dividend per share of ₹ 5.00 for FY18, up from ₹ 4.50 per share in the previous year.

Dividend Per Share (₹)



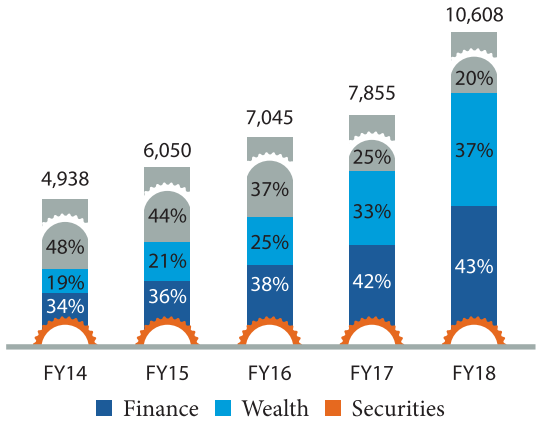
COSTS

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

Employee Costs

Employee costs increased by 35% y-o-y from ₹ 7,855 million in FY17 to ₹ 1,0608 million in FY18, largely due to increment in salary, increase in employee count 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.

Employee Expenses by Segment (₹ in Million)



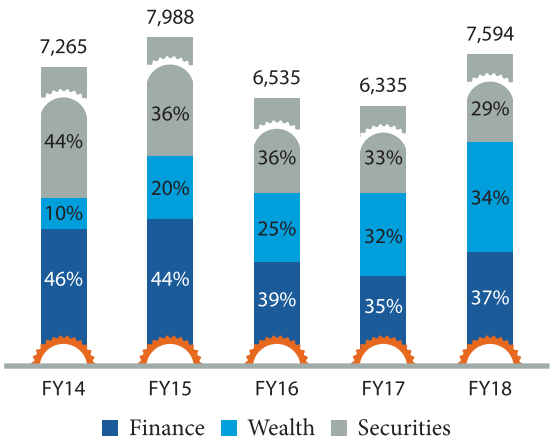
Finance Costs

Finance costs increased by 24% y-o-y from ₹ 20,921 million in FY17 to ₹ 25,954 million in FY18. The increase was majorly driven by increase in borrowings to fund the growth in loan book. The average cost of borrowings declined 90 bps y-o-y to 8.5% for the NBFC business.

Other Operating Expenses

Other operating expenses increased by 19.9% y-o-y to ₹ 7,594 million in FY18 from ₹ 6,335 million in FY17. There has been a declining trend in the share of capital markets expenses. Depreciation expense increased from ₹ 540 million in FY17 to ₹ 671 million in FY18. The company depreciates assets on straight line method based on the useful life of fixed assets as estimated by the management

Other Operating expense by segment (₹ in Million)



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 ₹ 1,896 million to ₹ 3,543 million, mainly due to increase in overall loan book size.

Management Discussion and Analysis (Contd.)

SOURCES OF FUNDS

Share Capital

The Company's share capital has increased from ₹ 635.82 million in FY17 to ₹ 637.96 million in FY18. This was because of allotment of 1,070,833 equity shares of ₹ 2 each to employees upon exercise of ESOPs under the Company's employee stock options schemes.

(₹in Millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Equity Shares (No.)	₹Million	Equity Shares (No.)	₹ Million
Share Capital at the beginning of the year (paid up ₹ 2 per share)	**317,908,193**	**635.82**	**316,536,853**	**633.07**
ESOPs exercised	1,070,833	2.14	1,371,340	2.75
Share Capital at the end of the year	**318,979,026**	**637.96**	**317,908,193**	**635.82**

Reserves and Surplus

The Company's net worth (excluding minority interest) was up from ₹ 43,816 millions in FY17 to ₹ 50,661 million in FY18, primarily due to increase in retained earnings. Book value per share increased from ₹ 138 in the previous fiscal year to ₹ 159 (excluding minority interest). A summary of the reserves and surplus is provided in the table below:

(₹ in Millions)

Particulars	Balance as at March 31, 2017	Additions	Deductions/ Adjustments	Balance as at March 31, 2018
Securities Premium Account	25,292.67	671.92	(292.72)	25,671.87
General Reserve	1,933.41	130.43	(464.55)	1,599.29
Special Reserve I	2,950.97	1,027.21	(11.09)	3,967.09
Special Reserve II	504.92	395.00	(0.72)	899.20
Foreign Exchange Fluctuation Reserve	294.74	(26.45)	(0.10)	321.09
Capital Reserve	433.70	-	(433.70)	-
Capital Redemption Reserve	1,319.30	750.00	(1.58)	2,067.72
Debenture Redemption Reserve	3,907.00	617.02	(134.87)	4,389.15
Surplus / (Deficit) in Statement of Profit and Loss	6,541.66	9,360.48	(4,798.78)	11,103.36

Resource Mobilisation

Secured loans outstanding as on March 31, 2018 was ₹ 214,201 million, compared to ₹ 103,369 million 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.

Out of the total, 37% of the funding was through commercial paper, 24% through cash credit and term loan, 38% was through NCDs and 1% was through CBLO. The Company's unsecured loans as on March 31, 2018 stood at ₹ 169,798 million vis-à-vis ₹ 81,322 million 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 comprising 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, BKC and Andheri), Thane, Delhi, and Chennai. A statement of movement in fixed assets is given below:

Management Discussion and Analysis (Contd.)

(₹ in Millions)

Particulars	FY17	FY18	Growth (%)
Land/ Leasehold Land	1,832.07	1,828.29	0%
Buildings (Including Land)	3,616.66	4,102.54	13%
Computers	824.68	661.16	-20%
Electrical Equipment	660.25	551.56	-16%
Furniture & Fixture	1,730.90	1,505.66	-13%
Office Equipment	701.28	477.61	-32%
Vehicles	49.62	51.58	4%
Gross Block	**9,415.46**	**9,178.40**	**-3%**
Less: Accumulated Depreciation	4,065.96	3,152.82	-22%
Net Block	**5,349.50**	**6,025.60**	**13%**
Add: Capital in progress	709.93	1,102.71	55%
Add: Intangible assets	66.94	122.37	83%
Add: Goodwill	636.49	648.61	2%
Net Fixed Assets	**6,762.49**	**7,899.29**	**17%**

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 ₹ 34,205 million in end FY18, compared with ₹ 42,030 million in end FY17. Of the total, 43% was deployed in NCDs, 17% in government securities, 13% in other funds (AIFs/PEs/VCF), 13% in bonds, 6% in Mutual Funds, 1% in equity of various companies and 7% in other investments.

Cash and Cash Equivalents

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

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents (As per AS-3 Cash flow statement)		
Cash on hand	236.40	141.03
Cheques in hand*	92.83	216.32
Balance with Banks		
-In current accounts	6,138.80	17,645.07
- In client Account	3,984.17	1,290.54
In Deposit Accounts (Less than three months)	4,881.43	2,988.68
Cash and cash equivalents (As per AS-3 Cash flow statement) (A)	**15,333.63**	**22,281.64**
Other Bank Balances		
In Earmarked Accounts		
-Unclaimed Dividend Accounts	8.24	6.79
-Unclaimed NCD dues	238.01	242.73
In Deposit Account (Maturity more than 3 months to 12 months) (Refer Note 21.1)	13,951.29	15,381.98
Subtotal (B)	**14,197.54**	**15,631.50**
Total (A+B)	**29,531.17**	**37,913.14**

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 ₹1,776 million as at FY18, compared with ₹1,579 million as at FY17.

RISK MANAGEMENT and GOVERNANCE

Risk management is a key element of IIFL's business strategy and is integrated seamlessly across all of its business operations. The objective of IIFL's risk management process is to optimise the risk-return equation and ensure meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities.

IIFL seeks to foster a strong and disciplined risk management culture across all of its business entities and at all levels of employees. IIFL takes a holistic view of risk management and undertakes an enterprise-wide risk management approach under the Enterprise Risk Management (ERM) Framework. IIFL believes that ERM provides a sound foundation to ensure that the risk-taking activities across the Group are in line with the business strategy, the risk appetite approved by the Board and regulatory requirements.

Management Discussion and Analysis (Contd.)

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 carried on under separate units/ entity and is regulated by the respective regulator. IIFL is registered and regulated by SEBI for merchant banking, stock broking, depository participant, commodity broking, portfolio management, advisory, asset management, mutual fund, and alternate investment fund businesses. India Infoline Finance Limited is an NBFC registered with RBI, and the housing finance subsidiary namely India Infoline Housing Finance Limited is registered with National Housing Bank. The insurance broking subsidiary is registered with IRDA. Besides, the foreign subsidiaries are registered with respective overseas regulatory authorities.

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, not just in letter but also in spirit. The risk management discipline is centrally initiated but implemented at across business entity level. Each of the main businesses viz. NBFC, HFC, Wealth Management and AMC, Capital Markets, have a dedicated risk management teams in place. IIFL Wealth has also formed a central Risk Management department led by a Chief Risk Officer. This ensures that each of the operating subsidiaries is fully responsible for the initiation, management, measurement, and mitigation of all risk-taking activities within the business unit, and for meticulous compliance to all regulatory guidelines pertaining to the 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 and further grow exponentially using Do-It-Yourself model in a seamless manner with the 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.

The diversified financial services at IIFL are exposed to various risks that are either inherent to the business or exposed to the changes in external environment. In order to maintain financial soundness of the Company, it seeks to promote a strong risk culture throughout the organisation. All major risk classes viz Credit Risk, Market Risk, Operational Risk, Fraud Risk, Liquidity Risk, Business Risk and Reputational Risk are managed via well defined risk management processes.

Risk	Risk Response Strategies
Credit, Liquidity and Finance Risk	• IIFL has a separate multi-level Credit and Investment Committee consisting of Directors of the Board / Head of the Departments for each of the entities: India Infoline Finance Limited, IIFL Wealth Finance Limited and India Infoline Housing Finance Limited, to consider medium to large credit proposals. However, smaller proposals are decided at appropriate level as per the approval matrix. • The Group has in place Risk Management Committee and Asset Liability Management Committee (ALCO), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. The Risk Management Committee reviews the risk management processes, covering credit and underwriting controls, operations, technology and compliance risks. • IIFL Wealth now has a central Risk Management department led by a Chief Risk Officer in order to provide a central, organisation–wide view of Risk Management and advise the Board and senior management on risks and mitigating actions required to be taken, • Also in place are product specific lending policies, credit approval committees and regular monitoring of exposures. • In the housing finance business, every policy and procedure is approved jointly by CEO, CRO and policy head in consultation with concerned functional heads.

Management Discussion and Analysis (Contd.)

Risk	Risk Response Strategies
Technology Risk	• Management periodically reviews various Technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc. • Company has put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting. • Audit logs are reviewed for any anomalies and pattern deviations on a periodic basis • This year 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 2018. During the year, many processes are automated to reduce the risk of manual error and frauds.
Compliance Risk	• The Company has a full-fledged compliance department manned by knowledgeable and well-experienced professionals in compliance, corporate, legal and audit functions. The department guides the businesses/support functions on all regulatory compliances and monitors implementation of extant regulations/circulars, ensuring all the regulatory compliances, governance and reporting of the 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 US-IRS under the Foreign Account Tax Compliance Act (FATCA), wherever applicable, in compliance with regulatory requirements. • The Company has instituted special purpose audits for multiple functions such as credit audit, verification audit, broking systems audit, portfolio management audit and asset management function, among others. • The company has implemented business-specific Compliance Manuals, limit monitoring systems and AML/ KYC policies and enhanced risk based supervision systems • In the year, compliance with corporate acts, including Companies Act, SEBI 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, heads of all businesses/zones/area offices and departments across businesses/entities submit 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 & risk management systems and has implemented Graded Surveillance Measures implemented by Exchanges. Further, it is also in the process of implementing enhanced risk based supervision as stipulated by SEBI.
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 MNC 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 on all compliance related trainings. • The HR function also 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 for relevant personnel.

Management Discussion and Analysis (Contd.)

Risk	Risk Response Strategies
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 and in line with the values of the organisation.
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.
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 & 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 • There are Fraud Risk Management Policies at an IIFL Wealth level and at an IIFL Wealth Finance level, which lay down the areas vulnerable to fraud, the mitigating controls and the procedures to be followed when an instance of fraud comes to light. 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.
Security Risk	• In the NBFC business under India Infoline Finance, the Company has installed electronic surveillance systems at all gold loan branches. • These are monitored based on predefined triggers / alerts by external specialised agencies who are experts in the field.
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 also engages in diversified borrowing through multiple sources like working capital from banks, term loans, non-convertible debentures, commercial papers etc.

Management Discussion and Analysis (Contd.)

HUMAN RESOURCES

IIFL's human resource department has been constantly striving to align with business, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. The Group continued to put in place people-friendly policies and practices in the past year and continues to focus on adopting best practices for its HR policies.

Strong Management Team

The Company continues to attract professional and experienced talent from various sectors including, BFSI, Technology, Software and Start-ups. This has created a transparent, meritocratic and performance driven culture. With the right leadership at the helm, we are able to attract and create a professional team driven by a sense of purpose.

Technology Enablement

The group uses Adrenalin as a one stop employee interface for all their human resources related requirements. This system is easily accessible 24X7 through intranet and as a mobile app. We have this year implemented our recruitment solution – Hirecraft and integrated the same with Adrenalinwhich has facilitated our employees to access all features and activities from from on-boarding to exit through a single system.

Training & Development

The Group has a dedicated training and development team which caters to areas of providing knowledge, building skills and supporting in areas of functional and technical development. With a strong focus on digital learning, our learning interventions right from Induction to functional training and refresher courses, have been developed and deployed online, supported by technology enablers to enhance the user experience of anytime anywhere learning. The group is using multiple learning methodologies like e-learning modules, video based modules, simulation learning, mobile based micro learning etc. to support our employees on the quest for professional development.

Sensitivity towards driving a compliant business is ensured through learning aids/ modules covering topics such as mandatory courses on Anti Money Laundering, Information Security, Prevention of Sexual Harassment, Anti Corruption andBribery are also being assigned to employees through our Learning Management System. A mobile App is being developed to cater to learning requirements of remote employees who are part of the organisation.

Encouraging Performance

IIFL, as an organisation, holds performance and potential to determine employee growth and promotions. Individual Performance Measures (IPMs) for employees is IIFL's very own way of setting expectations across clearly demarcated parameters. Thereafter an effective feedback mechanism from time to time helps the employees to improve their skills. This helps in alignment of the organisational objectives and employees personal goals. An effective PMS helped Group in recognition and rewarding people's performance.

Fast Track Career Path

In line with our meritocratic culture we have introduced the 'Role Elevation Panel Process' to fast track careers of high-performers through a fair and transparent panel process. This has encouraged employees to perform their best and grow rapidly in their career within the organisation.

Management Connect

Considering the importance of management interaction, our Chairman has a periodic live connect session with all employees through Facebook @ Work. During this session the management discusses the Company overview, goals and future plans, opportunities and challenges etc. The sessions are also opened to live questions from employees which are answered by the management. These sessions have enabled all employees to be aligned with the group's vision, get clarification or bring to the management's notice any concerns and helped enhance management connect across hierarchy.

Employee Engagement

IIFL believes in engaging its work force 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.

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

Monthly, Quarterly and Annual Rewards and Recognition programs are conducted to not only appreciate the exemplary contributions of performing employees, but also to make it aspirational for the others to leverage their potential.

Other engaging events like sports, cultural and festive celebrations, contests, etc are regularly conducted which enable employees to de-stress, improve team bonding and bring about a new spurt of exuberance within the employees. The Company had a strong workforce of 15,921 employees as at the year ended March 2018.

INTERNAL CONTROLS

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check on leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations. Moreover, the Company successfully re-audited ISO 27001:2013 certificate

Management Discussion and Analysis (Contd.)

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 has put in place enhanced risk based supervision systems and ensures continuous monitoring. 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

The outlook for Indian economy also remains optimistic as the economy seems to be finally recovering from the twin shocks of demonetisation and implementation of GST. Most high frequency indicators are suggesting acceleration in growth, even as headline inflation remains benign. Strong growth in domestic air traffic, personal vehicle sales and rise in personal credit growth suggest that urban consumption is on a strong footing. Also drivers for capex cycle recovery are falling in place and we should see gradual increase in private sector capex over the coming quarters. PAT growth, one of the key factors for private sector capex decisions has seen a sharp improvement over last couple of quarters and this growth is likely to sustain. Recent improvement in capacity utilisation is also a positive for capex cycle. Also the overhang of unproductive assets is receding as share of capital work in progress in total assets has come off over last couple of years.

That said, the economy faces multiple risks especially on macro-economic stability that we have achieved in last few years. Rising commodity prices, especially of crude, could widen current account deficit and for the first time in four years, foreign direct investments would not be able to cover the deficit. Dependency on the more volatile foreign portfolio flows to cover the current account deficit would exert pressure on INR. While the decision to hike MSPs to 1.5 times the cost could provide support to rural consumption, it could also lead to acceleration in inflation and derail urban consumption. Also we have elections due in many large states during the course of the year followed by general elections in early next year. The uncertainty around election outcomes could make investors jittery. Investors prefer status quo and any change of government post elections could hurt investor sentiment, at least in the short run.

Our company in past few years has made substantial investments in people, processes and technology and continues to focus on delivering steady performance. We are cognizant of the changes in the financial services sector and well prepared to overcome challenges and sustain performance.

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place : Mumbai
Date : May 3, 2018

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
3.	**Registered Address**	IIFL House, Sun Infotech, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Park,Thane, Maharashtra - 400604
4.	**Website**	www.iifl.com
5.	**E-mail id**	shareholders@iifl.com
6.	**Financial Year Reported**	April 01, 2017- March 31, 2018
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 major5)	IIFL Holdings Limited has subsidiaries/step down subsidiaries in 8 international locations. The major locations are in Mauritius, Dubai, Switzerland, Singapore, United Kingdom and United States.
	(b) Number of National Locations	IIFL Holdings Limited has its Registered Office at Thane and Corporate Office in Mumbai in the state of Maharashtra and its subsidiaries have pan-India presence through a network of branches
10.	**Markets served by the Company –Local/State/ National/International**	IIFL Group serves its customers in national and international locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid up Capital(INR)**	₹ 637.96 million
2.	**Total Turnover*(INR)**	₹ 62,781.23 million (Consolidated), ₹ 2,530.02 million (Standalone).
3.	**Total profit after taxes(INR)**	₹ 11,620.77 million (Consolidated), ₹ 2,043.48 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.

* Aggregate of Continuing and Discontinuing Operations.

SECTION C: OTHER DETAILS

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

   Yes– IIFL Holdings Limited has 31 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)**

   The subsidiaries participated in the BR initiatives of the Company and in the financial year 2017-18, 10 (ten) 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 than60%]**

   No

Business Responsibility Report (Contd.)

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 4249 9000
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 well being of all employees

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

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

Business Responsibility Report (Contd.)

The principle wise responses are as follows:

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

P 2 The Company complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability. Sr. No. 3 and 6 - The India Infoline Foundation aims to alleviate poverty and facilitate social & economic development through focused and need based programmes. The Company has a Corporate Social Responsibility Policy which is available on the website of the Company i.e. www.iifl.com. The initiatives undertaken by India Infoline Foundation can be viewed on the 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, whistle blower mechanism, prevention of sexual harassment policy and code of conduct for employees at the workplace as per applicable laws. Sr. No 6- These policies can be accessible online by the employees of the Company only.

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

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

Business Responsibility Report (Contd.)

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

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 1year

Reviewed annually

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

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2017-18. The same will also be available on the website of the Company i.e. www.iifl.com.

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle1

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 these are ingrained into its practices across the organisation.

The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the 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 total number of complaints received from shareholders in F.Y. 2017-18 was twelve (12) and four (4) Complaints were pending as on March 31, 2018.

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.

Business Responsibility Report (Contd.)

Principle 2

1. List upto3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

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. It caters to the investors/ customers spread across the country as well as global investors. IIFL undertaken several initiatives for investor education, financial awareness campaigns etc. contributing to the financial inclusion.

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

(i) Housing Finance

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

(ii) Microfinance

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

(iii) SME Loans

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

(iv) Gold Loans

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

(v) Commercial Vehicle Finance

In the Commercial Vehicle segment, we finance first time buyer and small fleet owners of commercial vehicles, providing access to finance to such small-scale operators, mostly facing challenges with bank funding, and enabling them to set up/expand their services.

(vi) Retail Broking / Financial Product Distribution

In the evolving economic environment, it is increasingly critical for people to be investing in financial assets. Apart from savings' investments, socially essential financial products like insurance also form part of investment plans. With our widespread network, broad range of products under an open platform, and dedicated professional investment advisors, we are able to provide customers greater access to essential financial services and thereby enable them to manage their personal investments better.

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

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

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

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

N.A.

ii. Reduction during usage by consumers(energy, water) has been achieved since the previous year?
Please refer to the response under Principle 6.

Business Responsibility Report (Contd.)

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

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

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

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

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

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

Principle 3

1. Please indicate the Total number of employees.

   The Company and its subsidiaries had 15,921 employees (including contractual employees) as on March 31, 2018.

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

   The Company and its subsidiaries had 488 employees as on March 31, 2018 on contractual basis.

3. Please indicate the Number of permanent women employees.

   The Company and its subsidiaries had 2,953 women employees as on March 31, 2018.

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 recognised by management.

   No

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

   N.A.

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

   Five cases of sexual harassment were reported in IIFL group during the financial year 2017-18 and all were disposed off after due verification/investigation and appropriate actions initiated, if any. No complaints were received in other areas.

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

   (a) Permanent Employees

   (b) Permanent Women Employees

   (c) Casual/Temporary/Contractual Employees

   (d) Employees with Disabilities

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

1. Fire and Safety Training

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

2. Information Security Awareness

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

3. Prevention against Sexual Harassment at Work place

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

Business Responsibility Report (Contd.)

4. Health and Insurance Safety

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

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

5. Safety against indulging in Insider trading activities

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

6. Work Process Adherence and Safety

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

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

7. 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 stake holders?

   Yes

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

   Yes

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

   The Company under its CSR Policy and through India Info line 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 hyper link for web page 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

Business Responsibility Report (Contd.)

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 hyper link 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, FIDC etc.

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

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

   Yes – educating the illiterate or semi-literate and schooling the unschooled is the key program under which we work by starting community schools in remote locations to facilitate education opportunities for 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 organisation?

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

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

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

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects under taken?

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

Business Responsibility Report (Contd.)

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

   Yes. All the community school programs are implemented with the community at the centre. At the beginning of the program a SICOM (school inspiration committee) is constituted with community members at the helm. All the decisions regarding the school such as location, teacher appointment, school timing etc. are taken by the SICOM. This ensures that the community owns the program and 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 the end of financial year. As regards subsidiaries, in their normal course of business they resolve / reply to the customer grievances within the given timelines. As on March 31, 2018, the numbers of pending complaints are negligible i.e. less than 1% of the total complaints received during the year and the same have since been resolved/ replied.

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

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

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices,irresponsible advertising and/or anti -competitive behaviour during the last five years and pending as one and 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 endeavour to maintain cordial relationship with its clients and attach utmost importance to verify/investigate the matters and arrive at an amicable settlement but in some cases where it is not possible, the Company pursues legal resolution for the same.

4. Did your Company carry out any consumer survey/ consumerists faction trends?

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

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place : Mumbai
Date : May 3, 2018

Corporate Governance Report

This Corporate Governance Report relating to the year ended on March 31, 2018 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, 2018:

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 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 Private Limited (later renamed India Infoline Limited) in 1995; one of the first independent equity research companies in India. He was instrumental in steering the group's 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 23 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 19 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 27 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.

Corporate Governance Report (Contd.)

- MR. NILESH VIKAMSEY (Independent Director)

  Mr. Nilesh Vikamsey is a Senior Partner at Khimji Kunverji & Co., an 82-year-old Chartered Accountants firm and member firm of HLB International. Mr. Vikamsey is the Immediate Past President of the Institute of Chartered Accountant of India (ICAI). Mr. Vikamsey is Observer on board of International Federation of Accountants (IFAC) and Member of IFAC's Technology Advisory Group. Mr. Vikamsey is on the Board of a number of companies like Federal Bank Limited, Thomas Cook (India) Limited, PNB Housing Finance Limited, SBI Life Insurance Company Limited, Navneet Education Limited, NSEIT Limited and others. Mr. Vikamsey was a member of IRDA. He was Chairman of SEBI's Qualified Audit Report Committee (QARC) and Member of Advisory Committee on Mutual Funds, Corporate Governance Committee Chaired by Mr. Uday Kotak, Primary Market Advisory Committee (PMAC) & Committee on Disclosures and Accounting Standards (SCODA)

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

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

- 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 modernising 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 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 organisations 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 Limited and Jtekt India Limited She is the Co-chair for the India Chapter of Women Corporate Directors Foundation, a global organisation working towards increasing the participation of women on corporate boards and board leadership position. She is a graduate in Commerce from Shriram College of Commerce, Delhi University.

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

Four (4) Board Meetings were held during the year 2017-18 on the following dates: May 04, 2017, July 22, 2017, October 31, 2017, and January 31, 2018.

Corporate Governance Report (Contd.)

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) 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, 2018. 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(s) 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)	
						Member	Chairman
Mr. Nirmal Jain (DIN:00010535)	18/10/1995	Executive Chairman	4	Yes	04	02	00
Mr. R. Venkataraman (DIN: 00011919)	05/07/1999	Managing Director	4	Yes	05	05	00
Mr. Kranti Sinha (DIN: 00001643)	27/01/2005	Independent Director	4	Yes	05	02	04
Mr. Nilesh Vikamsey (DIN: 00031213)	11/02/2005	Independent Director	2	Yes	10	08	02
Mr. A. K. Purwar (DIN: 00026383)	10/03/2008	Independent Director	4	Yes	08	04	02
Mr. Chandran Ratnaswami (DIN: 00109215)	15/05/2012	Non-Executive Director	3	No	07	03	00
Dr. S. Narayan (DIN: 00094081)	01/08/2012	Independent Director	3	Yes	07	03	02
Ms. Geeta Mathur (DIN: 02139552)	18/09/2014	Independent Director	4	Yes	09	07	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, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors):

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

Corporate Governance Report (Contd.)

best practices from his / her experience, adherence to the code of conduct.

For Board as a whole:

The criteria for evaluation of the Board/ Committees 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 28, 2018, 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) Familiarisation programme for Independent Directors:

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

Corporate Governance Report (Contd.)

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.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of material nature of investments, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- 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 (3) Independent Directors (Mr. Nilesh Vikamsey, Mr. Kranti Sinha & Ms. Geeta Mathur) and one (1) 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;

Corporate Governance Report (Contd.)

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinions in the draft audit report.

5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8) Approval or any subsequent modification of transactions of the Company with related parties;

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 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;

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 Four (4) times during the last financial year on May 04, 2017, July 22, 2017, October 31, 2017, and January 31, 2018. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than four (4) months.

Corporate Governance Report (Contd.)

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, 2018 given below:

Name of the members	Designation	Non-Executive/ Independent	No. of committee meetings held	Committee meeting attended
Mr. Kranti Sinha	Chairman	Independent Director	04	04
Mr. Nilesh Vikamsey	Member	Independent Director	04	02
Mr. R Venkataraman	Member	Executive Director	04	04
Ms. Geeta Mathur	Member	Independent Director	04	04

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 22, 2017.

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 three (3) 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 administers 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 May 04, 2017 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 2017-18, 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 22, 2017.

Corporate Governance Report (Contd.)

The Board of Directors of the Company has approved Nomination and Remuneration Policy of the Company, which sets out the guiding principles for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of Nomination and 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 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 2017-18 and details of number of shares held by Directors as on March 31, 2018 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	54,328,131	-	-	21,600	-	47,952,000
Mr. R. Venkataraman*	Managing Director	38,164,606	-	-	321,600	-	10,909,432
Mr. Kranti Sinha	Independent Director	-	1,000,000	345,000	-	-	115,000
Mr. Nilesh Vikamsey	Independent Director	-	1,000,000	225,000	-	-	165,000
Mr. A. K. Purwar	Independent Director	-	1,000,000	180,000	-	-	95,000
Dr. S. Narayan	Independent Director	-	1,000,000	120,000	-	-	-
Ms. Geeta Mathur	Independent Director	-	1,000,000	360,000	-	-	-
Mr. Chandran Ratnaswami	Non-Executive Director	-	-	-	-	-	-

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

Corporate Governance Report (Contd.)

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 2017-18, the Independent Directors were paid ₹ 30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each Board Meeting and Audit Committee Meeting and ₹ 15,000/- (Rupees Fifteen Thousand only) towards attending each of the other committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprise Mr. A.K. Purwar, Independent Director as the Chairperson and Mr. Nirmal Jain and Mr. R. Venkataraman, Executive Directors as on March 31, 2018 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 dematerialisation 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 2017-18, the Company received 12 complaints from investors including complaints received through SEBI's SCORES portal. Complaints were redressed to the satisfaction of the shareholders. 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	12
3	Investor complaints disposed of during the year	08
4	Investor complaints remaining unresolved at the end of the year	04

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on July 22, 2017.

No pledge has been created over the Equity Shares held by the promoters as on March 31, 2018.

Corporate Governance Report (Contd.)

The constitution of the Stakeholders Relationship Committee and details of attendance of each member of the committee at the meeting of Committee held on May 04, 2017 & October 31, 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	2	2
Mr. Nirmal Jain	Member	Executive Director	2	2
Mr. R. Venkataraman	Member	Executive Director	2	2
Mr. A.K. Purwar*	Chairman	Independent Director	-	-

* During the year 2017-18, Stakeholders Relationship Committee was reconstituted and Mr. A.K. Purwar was appointed as member and designated as chairman of the Committee w.e.f. December 06, 2017 in place of Ms. Geeta Mathur.

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 4060 9049
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 and Rules made there under, the CSR Committee of the Board of Directors of the Company was constituted on March 29, 2014.

The constitution of the Corporate Social Responsibility Committee and details of attendance of each member of the committee at the Meeting of Committee held on March 28, 2018 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	0
Mr. Nilesh Vikamsey	Member	Independent Director	1	1
Mr. R. Venkataraman	Member	Executive Director	1	1

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

1. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR policy of the Company may be accessed on the website of the company 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 May 8, 2017 & January 31, 2018 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	2	2
Mr. Nilesh Vikamsey	Member	Independent Director	2	1
Mr. A. K. Purwar	Member	Independent Director	2	2

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.

Corporate Governance Report (Contd.)

8. FINANCE COMMITTEE

The Finance Committee comprise 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 22, 2017	Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	4:30 pm	Yes. 1 Special Resolution was 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 Resolutions were passed.

11. DISCLOSURES

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

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

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 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 2015-2016, 2016-2017 & 2017-18.

(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

Corporate Governance Report (Contd.)

Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimisation of Whistle Blower who avails of such mechanism and provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers 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 later 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 9,780 Equity Shares in the "India Infoline-Unclaimed Securities Suspense Account" in the name of 21 shareholders at the beginning of the FY 2017-18. 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 had sent individual notice(s) to shareholders at their registered address whose shares were liable to be transferred to IEPF advising to claim before May 31, 2017 after which the Company has transferred 375 number of Equity shares to the eligible shareholder after proper verification from the aforesaid account and remaining equity shares has been transferred to Investor Education and Protection Fund Account ("IEPF"). As on March 31, 2018, the status is as under.

Particulars	Number of Shareholders	Shares
Opening Balance as on April 1 , 2017	21	9,780
Additions, if any, during FY 2017-18	0	0
Less: Claims received and shares transferred	1	375
Less: Transferred to IEPF	20	9405
Closing Balance as on March 31, 2018	NIL	NIL

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 will accordingly, transfer ₹ 1,432,077/- being the unpaid and unclaimed dividend amount pertaining to Interim Dividend declared in financial year 2010-2011 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.

Corporate Governance Report (Contd.)

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

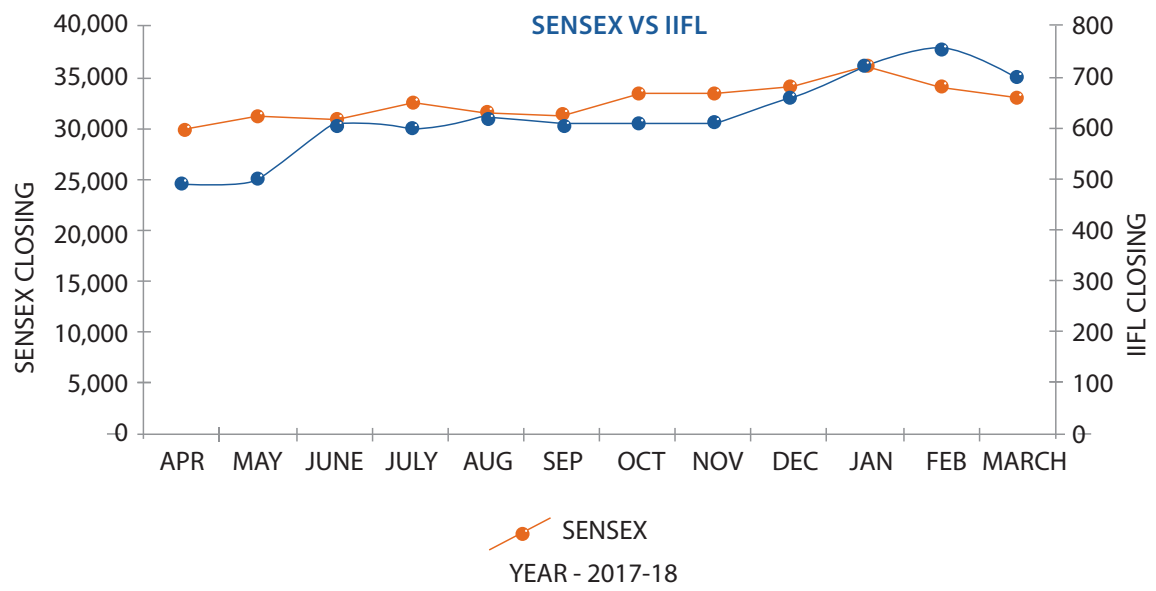
13. GENERAL SHAREHOLDERS' INFORMATION

1.	**Annual General Meeting**	Tuesday, July 31, 2018 at 4.30 PM. Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.
2.	**Financial calendar (2018-19)**	April 1, 2018 to March 31, 2019
		Results for the quarter ended June 30, 2018 – within 45 days from the end of the quarter
		Results for the quarter ended September 30, 2018 – within 45 days from the end of the quarter
		Results for the quarter ended December 31, 2018 – within 45 days from the end of the quarter
		Results for the quarter and year ended March 31, 2019 – within 60 days from the end of the quarter
3.	**Book closure date**	July 25, 2018 to July 31, 2018.
4.	**Interim dividend**	During FY 2017-18, your Company has on January 31, 2018 declared and paid interim dividend of ₹ 5/- 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, 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 2018-19 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, 2018.

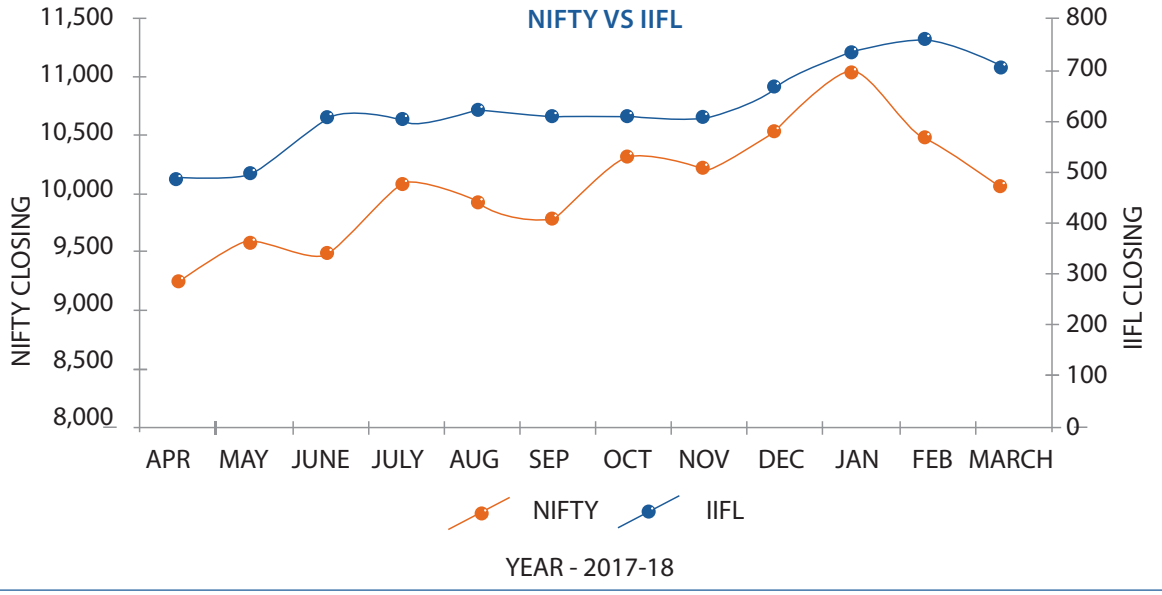
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Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2017	515.45	395.30	648,011	514.60	393.65	4,380,706
May, 2017	525.50	441.75	3,066,751	524.80	441.25	7,035,849
June, 2017	629.00	495.20	2,312,377	630.00	494.55	8,745,147
July, 2017	618.75	578.20	358,807	619.90	507.25	3,406,136
August, 2017	643.00	552.55	248,584	642.70	555.00	3,530,059
September, 2017	738.80	587.00	671,274	740.00	586.05	7,817,156
October, 2017	647.85	561.65	377,669	647.80	556.00	3,523,639
November, 2017	674.60	532.00	1,202,672	676.15	576.00	3,693,771
December, 2017	674.65	569.00	181,710	674.70	569.10	2,703,346
January, 2018	758.90	637.00	362,021	758.00	636.00	3,905,690
February, 2018	864.95	690.00	922,588	869.70	687.80	7,634,014
March, 2018	872.70	688.25	895,684	874.00	685.00	12,263,256

IIFL Holdings Limited share price versus the BSE Sensex



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



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 dematerialised 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.	**Dematerialisation of shares**	As on March 31, 2018, 99.93% of the paid-up share capital of the Company was in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
12.	**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
13.	**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**	The Company does not have any outstanding GDRs/ADRs/Warrants/ Convertible Instruments as on date. The Company has outstanding unexercised ESOPs (vested or not vested) of 1,205,392 stock options as on March 31, 2018 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.	**Correspondence for dematerialisation, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company**	**Link Intime 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. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on March 31, 2018:

Category	Number of equity shares held	Percentage of holding
Clearing Members	150,647	0.0472
Other Bodies Corporate	2,612,151	0.8189
Directors (Other than Promoter Directors)	375,000	0.1176
Foreign Company	84,641,445	26.5351
Financial Institutions	28,285	0.0089
Foreign Inst. Investor	58,858	0.0185
Government Companies	26,244	0.0082
Hindu Undivided Family	443,729	0.1391
Mutual Funds	7,835,128	2.4563
Nationalised Banks	450	0.0001
Non Nationalised Banks	1,451	0.0005
Foreign Nationals	241,757	0.0758
Non Resident Indians	17,048,710	5.3448
Non Resident (Non Repatriable)	6,056,444	1.8987
Office Bearers	72,000	0.0226
Persons Acting In Concert	4,000,000	1.2540

Corporate Governance Report (Contd.)

Category	Number of equity shares held	Percentage of holding
Public	33,321,071	10.4462
Promoters	88,361,432	27.7013
Trusts	11,999	0.0038
Employee Welfare Trust / ESOPs	75,000	0.0235
Foreign Portfolio Investors (Corporate)	73,422,332	23.0179
Alternate Investment Funds	194,893	0.0611
Grand Total	**318,979,026**	**100.0000**

15. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018

No. of equity shares held (range)	No. of shareholders	% of shareholders	No. of shares	% of share holdings
1 to 500	38,381	90.5639	3,995,299	1.2525
501 to 1000	1,946	4.5918	1,460,598	0.4579
1001 to 2000	846	1.9962	1,242,204	0.3894
2001 to 3000	296	0.6984	748,733	0.2347
3001 to 4000	160	0.3775	569,728	0.1786
4001 to 5000	116	0.2737	540,718	0.1695
5001 to 10000	241	0.5687	1,785,147	0.5596
10001 and more	394	0.9297	308,636,599	96.7576
Total	**42,380**	**100.0000**	**318,979,026**	**100.0000**

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 2017-18.

17. SUBSIDIARY COMPANIES

For the financial year 2017-2018 your Company had four Material Indian Subsidiaries i.e. India Infoline Finance Limited, IIFL Wealth Management Limited, IIFL Wealth Finance Limited and India Infoline Housing 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 and IIFL Wealth Management Limited. Further, Mr. S. Narayan and Mr. Kranti Sinha Independent Directors on the Board of the Holding Company are also Independent Directors on the Board of IIFL Wealth Finance Limited and India Infoline Housing Finance Limited respectively. As for the financial year 2018-19, 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.

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 at www.iifl.com

For IIFL Holdings Limited

Nirmal Jain
Chairman
DIN: 00010535

Place: Mumbai
Date: May 03, 2018

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, 2018 and that to the best of our knowledge and belief;

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

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

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

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

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

(i) Significant changes in internal control 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 3, 2018

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, 2018, 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 03, 2018

Independent Auditors' Certificate on Corporate Governance

To
The Members of
IIFL Holdings Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. PG/4365 dated 05 September 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **IIFL HOLDINGS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

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

Auditors' Responsibility

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

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

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's registration no.117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Place : Mumbai
Date : May 03, 2018

Independent Auditor's 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, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matters

The standalone financial statements of the Company for the year ended March 31, 2017, were audited by M/s. Sharp and Tannan Associates, the predecessor auditor, who expressed an unmodified opinion on those standalone financial statements on May 4, 2017.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report (Contd.)

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place : Mumbai
Dated : May 3, 2018

ANNEXURE "A" To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IIFL HOLDINGS LIMITED** ("the Company") as of March 31, 2018 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A" To The Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place : Mumbai
Dated: May 3, 2018

ANNEXURE "B" To The Independent Auditor's Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Services Tax, Profession Tax and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in Millions)	Amount Deposited under protest (₹ in Millions)
Income Tax Act, 1961	Disallowance on account of 14A and ESOP	ITAT	AY 2009-10	-	58.55
Income Tax Act, 1961	Disallowance on account of 14A , ESOP & Transfer Pricing	CIT(A)	AY 2010-11	21.95	42.63
Income Tax Act, 1961	Disallowance on account of 14A , ESOP & Transfer Pricing	CIT(A)	AY 2011-12	25.39	17.12
Income Tax Act, 1961	Disallowance on account of 14A , ESOP & Transfer Pricing	CIT(A)	AY 2012-13	80.28	42.44
Income Tax Act, 1961	Disallowance on account of 14A , ESOP & Transfer Pricing	CIT(A)	AY 2013-14	9.55	42.70
Profession Tax	Non-Payment of Professional Tax of Employees	Commissioner of Sales Tax(Appeal)	AY 2007- 08	1.09	0.47

ANNEXURE "B" To The Independent Auditor's Report (Contd.)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in Millions)	Amount Deposited under protest (₹ in Millions)
Service Tax Act, 1994	Service Tax on transaction charges. Appeal before Commissioner appeals	Commissioner Appeal	April 2007 to March 2012	1.10	0.04
Service Tax Act, 1994	Service Tax on Transaction charges. Appeal before CESTAT	CESTAT	April 2007 to May 2008	57.94	2.15
Service Tax Act, 1994	Service Tax on Delayed Payment charges. Appeal to be filed before CESTAT	CESTAT	July 2012 to March 2014	90.36	-
Service Tax Act, 1994	Service Tax on Non-Compete Fees. Appeal to be filed before CESTAT	CESTAT	April 2008 to March 2012	254.47	-
Service Tax Act, 1994	Cenvat credit reversal on arbitrage trading. Appeal to be filed before CESTAT	CESTAT	April 2007 to March 2013	24.23	-

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) As per the Reserve Bank of India's Circular "DNBR.PD.001/03.10.119/2016-17", dated August 25, 2016, the Company is exempted from registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place : Mumbai
Dated: May 3, 2018

Standalone Balance Sheet
as at March 31, 2018

(₹ in Millions)

Particulars	Notes No.	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	3	637.96	635.82
(b) Reserves and surplus	4	13,917.72	14,359.11
Sub-Total		**14,555.68**	**14,994.93**
(2) Share application money pending allotment	5	4.16	1.46
(3) Non-current liabilities			
(a) Long-term provisions	6	14.94	11.08
Sub-Total		**14.94**	**11.08**
(4) Current liabilities			
(a) Trade payables	7		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		13.32	11.05
(b) Other current liabilities	8		
- Current maturity of long term borrowings		-	500.00
- Others		95.46	147.60
(c) Short-term provisions	6	41.47	43.50
Sub-Total		**150.25**	**702.15**
TOTAL		**14,725.03**	**15,709.62**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		14.82	7.88
(ii) Intangible assets		8.32	12.76
Sub-Total		**23.14**	**20.64**
(b) Non-current investments	10	14,090.47	14,438.41
(c) Deferred tax assets (Net)	11	106.77	132.99
(d) Long-term loans and advances	12	256.64	227.15
Sub-Total		**14,453.88**	**14,798.55**
(2) Current assets			
(a) Current investments	13	-	780.00
(b) Trade receivables	14	23.04	10.93
(c) Cash and cash equivalents	15	208.41	85.32
(d) Short-term loans and advances	12	14.47	6.78
(e) Other current assets	16	2.09	7.40
Sub-Total		**248.01**	**890.43**
TOTAL		**14,725.03**	**15,709.62**
See accompanying notes forming part of the standalone financial statements	1 - 37		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Standalone Statement of Profit and Loss
for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note No.	2017-18	2016-17
(A) CONTINUING OPERATIONS			
1. INCOME			
a. Revenue from operations	17	1,587.64	1,426.05
b. Other income	18	0.45	2.66
Total income		**1,588.09**	**1,428.71**
2. EXPENDITURE			
a. Employee benefit expenses	19	3.06	2.61
b. Depreciation and Amortisation expenses	20	4.19	1.94
c. Administration and other expenses	21	29.81	17.40
Total expenses		**37.06**	**21.95**
3. Profit before tax from continuing operations (1 - 2)		**1,551.03**	**1,406.76**
4. Tax expenses :			
Current Tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
5. Profit for the year from continuing operations (3 - 4)		**1,551.03**	**1,406.76**
(B) DISCONTINUING OPERATIONS			
6. Profit before tax from discontinuing operations	32	**775.13**	**300.70**
7. Tax expenses of discontinuing operations	32	**282.68**	**139.68**
8. Profit after tax from discontinuing operations (6 - 7)	32	**492.45**	**161.02**
(C) TOTAL OPERATIONS			
9. Profit for the year (5 + 8)		**2,043.48**	**1,567.78**
Earnings per share (Face Value ₹ 2)			
Basic (In ₹)	22		
Continuing operations		4.87	4.44
Total operations		6.42	4.94
Diluted (In ₹)	22		
Continuing operations		4.86	4.41
Total operations		6.40	4.92
See accompanying notes forming part of the standalone financial statements	1 - 37		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2018

(₹ in Millions)

	Particulars	Note No.	2017-18		2016-17	
(A)	**CASH FLOW FROM CONTINUING OPERATIONS**					
	Cash flows from operating activities					
	Profit before taxation			1,551.03		1,406.76
	Adjustments for:					
	Depreciation and Amortisation	20	4.18		1.94	
	Gratutiy expense	19	0.91		0.12	
	Leave encashment expense		0.26		0.17	
	Provision on other loan and advances	21	2.44		-	
	Dividend income	17	(1,587.64)	(1,579.85)	(1,426.06)	(1,423.83)
	Operating loss before working capital changes			**(28.82)**		**(17.07)**
	Decrease in current and non-current assets		(7.50)		(4.15)	
	Increase / (Decrease) in current and non-current liabilities		75.72	68.22	(3.27)	(7.42)
	Cash generated from / (used in) operations			**39.40**		**(24.49)**
	Tax (Paid) / Refund			(21.36)		26.99
	Net cash from operating activities (a)			**18.04**		**2.50**
	Cash flows from investing activities					
	Purchase of fixed assets (includes intangible assets)		(10.20)		(0.15)	
	Investment in subsidiaries		(1,560.35)		(879.99)	
	Redemption of investment in a subsidiary		750.00		500.00	
	Dividend income	17	1,587.64		1,426.06	
	Net cash from investing activities (b)			**767.09**		**1,045.92**
	Cash flows from financing activities					
	Proceeds from issuance of share capital		96.59		98.06	
	Proceeds from share application money pending allotment		2.70		1.46	
	Dividend paid (including dividend distribution tax)		(1,593.34)		(1,429.82)	
	Net cash used in financing activities (c)			**(1,494.05)**		**(1,330.30)**
	Net decrease in cash and cash equivalents from continuing operations - I (a+b+c)			**(708.92)**		**(281.88)**
(B)	**CASH FLOW FROM DISCONTINUING OPERATIONS**					
	Net cash from operating activities (i)			451.16		864.06
	Net cash from/(used in) investing activities (ii)			1,054.29		(529.05)
	Net cash used in financing activities (iii)			(676.38)		(4.79)
	Net increase in cash and cash equivalents from discontinuing operations - II (i+ii+iii)			**829.07**		**330.22**
	Net increase in cash and cash equivalents (I + II)			**120.15**		**48.34**
	Cash and cash equivalents at beginning of the year			77.53		29.19
	Cash and cash equivalents at end of the year			**197.68**		**77.53**
	Add : Earmarked balances with banks	15		8.24		6.79
	Add : Fixed deposits considered in Investing activities	15		2.49		1.00
	Cash and cash equivalents as at the end of the year	15		**208.41**		**85.32**
See accompanying notes forming part of the standalone financial statements		1-37				

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

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, 2018

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's business consists 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 of the Company have been prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (IGAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates:

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

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.4 Cash flow statement

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

2.5 Fixed Assets, Depreciation and Amortisation:

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.

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.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.6 Foreign currency transaction and translation

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

All other assets and liabilities of are translated at the year-end rates.

2.7 Revenue Recognition:

Revenue is recognised 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 recognised.

(a) Income related to advisory activities, Investment banking, Merchant banking is accounted on accrual basis.

(b) Dividend income is recognised when the right to receive payment is established.

(c) Capital Gain/Loss on sale of Investments is recognised on the date of trade.

(d) Interest Income is recognised on accrual basis.

2.8 Employee Benefits:

Defined contribution plans

The Company's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.9 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 recognised as deferred employee compensation.

2.10 Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

2.11 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

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.12 Operating Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct cost incurred specifically for operating leases are recognised as expense in the Statement of Profit and Loss in the year in which they are incurred.

2.13 Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

2.15 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.

2.16 Impairment of assets

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance Sheet date, there is an indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Operating Cycle

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

2.18 Segment reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. merchant banking. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Accounting Standard 17 on 'Segment Reporting'.

NOTE 3. SHARE CAPITAL

(a) The Authorised, Issued, Subscribed and fully paid up share capital:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Share Capital		
600,000,000 (Previous Year - 600,000,000) Equity Shares of ₹ 2 each	1,200.00	1,200.00
Issued , Subscribed and Paid Up Share Capital		
318,979,026 (Previous Year – 317,908,193) Equity Shares of ₹ 2 each fully paid – up with voting rights	637.96	635.82
Total	**637.96**	**635.82**

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ In Millions	No. of Shares	₹ In Millions
At the beginning of the year	317,908,193	635.82	316,536,853	633.07
Add:- Stock option exercised [refer Note 28]	1,070,833	2.14	1,371,340	2.75
Outstanding at the end of the year	**318,979,026**	**637.96**	**317,908,193**	**635.82**

(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, 2018, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.00 (Previous Year ₹ 4.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

(d) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	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	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A Shares	28,362,530	8.89	27,910,000	8.78
Venkataraman Rajamani*	10,909,432	3.42	19,909,432	6.26
Madhu N Jain*	13,700,000	4.29	17,000,000	5.35

* Position as on March 31, 2018 is given as they were shareholders with more than 5% shareholding as on March 31, 2017.

(e) During the period of five years immediately preceding the Balance sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer note no 28 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

NOTE 4. RESERVES AND SURPLUS

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Reserve [Refer 4.1]		
Opening balance	597.70	597.70
Utilisation during the year [refer note 31]	597.70	-
Closing balance	**-**	**597.70**
Capital Redemption Reserve [Refer 4.2]		
Opening balance	51.11	51.11
Closing balance	**51.11**	**51.11**
Securities Premium Account		
Opening Balance	10,461.64	10,366.32
Addition On account of ESOP's exercised during the year	94.45	95.32
Closing balance	**10,556.09**	**10,461.64**
Debenture Redemption Reserve (DRR) [Refer 4.4]		
Opening balance	84.48	42.58
Additions during the year	31.22	41.90
Transfer to General Reserve	115.70	-
Closing balance	**-**	**84.48**
General Reserve		
Opening balance	854.00	854.00
Transfer from Debenture Redemption Reserve	115.70	-
Utilisation during the year [refer note 31]	400.73	-
Closing balance	**568.97**	**854.00**
Surplus in the Statement of Profit and Loss		
Opening balance	2,310.18	2,214.13
Addition: Profit for the year	2,043.48	1,567.78
On account of demerger of 5paisa Capital Limited [Refer 4.3]	12.45	-
Less:- Appropriations		
Interim dividend	1,592.38	1,429.19
Dividend distribution tax	0.96	0.64
Debenture Redemption Reserve	31.22	41.90
Closing balance	**2,741.55**	**2,310.18**
Total Reserve and Surplus	**13,917.72**	**14,359.11**

4.1. Capital Reserve was created in respect of share warrants lapsed in previous years.

4.2. Capital Redemption Reserve was created on buy back of equity shares and on amalgamation with India Infoline Marketing Services Limited in previous years.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

4.3. The Company has received NCLT approval for demerger of 5paisa Capital Limited w.e.f October 01, 2016, on September 30, 2017. All expenses incurred for 5paisa digital undertaking from October 01, 2016 were reimbursed by 5paisa Capital Limited on the demerger order being effective. Expenses incurred from to October 01, 2016 to March 31, 2017 aggregating to ₹ 12.45 million have been credited to surplus in the Statement of Profit and Loss.

4.4. Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through Private issue and Public issue. Accordingly, an amount of ₹ 31.22 million (Previous year ₹ 41.90 million) has been transferred to Debenture Redemption Reserve Account. During the year an amount of ₹ 115.70 million (Previous year ₹ NIL) has been transferred from Debenture Redemption Reserve account to General Reserve on account of redemption of Debentures.

NOTE 5. SHARE APPLICATION MONEY PENDING ALLOTMENT:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Share application money pending allotment [Refer 5.1]	4.16	1.46
Total	**4.16**	**1.46**

5.1 The Company has received ₹ 4.16 million (Previous Year ₹ 1.46 million) towards share application money on account of exercise of 23,645 (Previous Year 8,070) ESOP options which has resulted into allotment of 23,645 (Previous Year 8,070) equity shares, having face value of ₹ 2 each, allotted on April 17, 2018 (Previous Year April 13, 2017). Out of total proceeds, ₹ 4.11 million (Previous Year ₹ 1.44 million) was received towards Securities Premium.

NOTE 6. PROVISIONS

(₹ in Millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Provision for compensated absences	2.32	0.34	1.71	0.48
Provision For gratuity [refer to Note 19.1]	12.62	0.15	9.37	1.14
Provision for bonus	-	21.71	-	28.29
Provision for tax [Net of Advance Tax and TDS ₹ 306.73 million (Previous Year ₹ 212.27 million)]	-	19.27	-	13.59
Total	**14.94**	**41.47**	**11.08**	**43.50**

NOTE 7. TRADE PAYABLE

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for expenses	0.66	0.63
- Accrued salaries and benefits	0.52	2.42
- Provision for expenses	12.11	8.00
- Other payables@	0.03	0.00
Total	**13.32**	**11.05**

@ Amount less then ₹ 0.01 million hence shown as ₹ 0.00 million wherever applicable

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

7.1: Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Millions)

Particulars	2017-2018	2016-2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually pa id to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

NOTE 8. OTHER CURRENT LIABILITIES:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturity of long term borrowings		
Non-Convertible debentures	-	500.00
Sub-total (A)	**-**	**500.00**
Others		
Temporary overdrawn bank balance as per books@	-	0.00
Statutory remittances	87.22	14.26
Unclaimed dividend (Refer 8.1)	8.24	6.79
Interest accrued but not due on borrowings	-	126.55
Sub-total (B)	**95.46**	**147.60**
Total (A) + (B)	**95.46**	**647.60**

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

8.1 No amount was required to be transferred in Investor Education Protection Fund account as per Section 125 of Companies Act, 2013.

NOTE 9. FIXED ASSETS:

(₹ in Millions)

Particulars	Tangible assets					Intangible assets (For own use other than internally generated)	Grand Total
	Buildings	Computers	Office Equipment	Vehicles	Total	Software	
At cost							
As at April 1, 2017	14.08	0.07	0.97	-	15.12	17.71	32.83
Addition	-	0.04	-	9.90	9.94	1.60	11.54
Transfer out due to Demerger [refer note 31]	-	-	(0.68)	-	(0.68)	-	(0.68)
As at March 31, 2018	**14.08**	**0.11**	**0.29**	**9.90**	**24.38**	**19.31**	**43.69**
Depreciation							
As at April 1, 2017	6.87	0.01	0.36	-	7.24	4.95	12.19
Depreciation For the year Continuing operations	-	0.03	0.04	1.82	1.89	2.30	4.19
Depreciation For the year Discontinuing operations	0.70	-	0.02	-	0.72	3.74	4.46
Disposal	-	-	(0.29)	-	(0.29)	-	(0.29)
Up to March 31,2018	**7.57**	**0.04**	**0.13**	**1.82**	**9.56**	**10.99**	**20.55**
Net block as at March 31, 2018	**6.51**	**0.07**	**0.16**	**8.08**	**14.82**	**8.32**	**23.14**

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 9. FIXED ASSETS: (PREVIOUS YEAR)

(₹ in Millions)

Particulars	Tangible assets				Intangible assets (For own use other than internally generated)	Grand Total
	Buildings	Computers	Office Equipment	Total	Software	
At cost						
As at April 1, 2016	14.08	-	0.97	15.05	0.50	15.55
Addition	-	0.07	-	0.07	17.21	17.28
Deductions/Adjustments during the year	-	-	-	-	-	-
As at March 31, 2017	**14.08**	**0.07**	**0.97**	**15.12**	**17.71**	**32.83**
Depreciation						
As at April 1, 2016	6.16	-	0.17	6.33	0.03	6.36
Depreciation For the year Continuing operations	-	0.01	0.04	0.05	1.89	1.94
Depreciation For the year Discontinuing operations	0.71	-	0.16	0.86	3.03	3.89
Up to March 31, 2017	**6.87**	**0.01**	**0.36**	**7.24**	**4.95**	**12.19**
Net block as at March 31, 2017	**7.21**	**0.06**	**0.61**	**7.88**	**12.76**	**20.64**

NOTE 10. NON-CURRENT INVESTMENTS

Particulars	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Trade Investments (valued at cost unless stated otherwise)						
Investments in Equity Shares of Subsidiaries (Fully Paid) (Unquoted) :						
Equity Instruments :						
India Infoline Finance Limited	₹ 10	237,345,278	10,189.71	₹ 10	237,154,030	10,152.99
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	₹ 10	9,000,000	321.40	₹ 10	9,000,000	605.18
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	₹ 10	313,500	20.00	₹ 10	313,500	20.00
IIFL Wealth Management Limited	₹ 2	45,000,000	225.00	₹ 2	45,000,000	225.00
India Infoline Media and Research Services Limited	₹ 10	50,000	0.50	₹ 10	50,000	0.50
5Paisa Capital Limited	-	-	-	₹ 10	17,716,500	1,000.49
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	₹ 10	500,000	33.41	₹ 10	500,000	33.40
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	₹ 10	280,630	10.00	₹ 10	280,630	10.00
IIFL Securities Limited (Formerly known as India Infoline Limited)	₹ 10	18,718,281	2,453.13	₹ 10	16,900,100	953.13
IIFL Wealth (UK) Limited	£1	150,000	11.20	£1	150,000	11.20
IIFL Capital Inc	$0.01	1,000	40.29	$0.01	1000	40.29
IIFL Asset Reconstruction Limited*	₹ 10	4,100,000	44.13	-	-	-
Sub Total (A)			**13,348.77**			**13,052.18**
Investments in Equity Shares of Associate : (Fully Paid) (Unquoted) :						
IIFL Asset Reconstruction Limited *	-	-	-	₹ 10	2,050,000	20.50
Sub Total (B)			**-**			**20.50**
Investment in Preference Shares of subsidiaries (Fully Paid) (Unquoted) :						

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 10. NON-CURRENT INVESTMENTS (CONTD.)

Particulars	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited) (0.1% Redeemable Non-Convertible Non-Cumulative preference shares)	₹ 10	90,000	283.78	-	-	-
India Infoline Finance Limited (8% Non-Convertible Redeemable preference share)	-	-	-	₹ 10	75,000,000	750.00
Sub Total (C)			**283.78**			**750.00**
Non Trade Investments (valued at cost unless stated otherwise)						
Investment in Alternate Investment Fund (Fully paid) (unquoted)						
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 II- AIF Class S	-	-	-	₹ 0.7693	5,000,000.00	6.60
IIFL Income Opportunities – Special Situation Class S	₹ 4.6570	13,597,048.96	70.65	₹ 7.7648	13,597,048.96	108.83
IIFL Real Estate Fund (Domestic) – Series 2 Class S	₹ 7.5929	46,956,551.45	386.97	₹ 10.000	46,956,551.45	500.00
Sub Total (D)			**457.92**			**615.73**
Grand total (A)+(B)+(C)+(D)			**14,090.47**			**14,438.41**

* IIFL Holdings Limited (IIFLHL) was holding 50% paid-up share capital of IIFL Asset Reconstruction Limited (IIFL ARC) till May 08, 2017, there after IIFLHL has acquired balance 50% share of IIFL ARC from its shareholders during May 09, 2017 to May 24, 2017 and thereafter it became wholly own subsidiary of IIFLHL.

The Scheme of Arrangement between IIFL Facilities Services Limited and IIFL Management Services Limited was approved by National Company Law Tribunal, Mumbai Bench("NCLT") vide its order dated on September 08, 2017. The certified true copy of the order was duly filed with Registrar of Companies, Mumbai and the Scheme was effective from September 29, 2017. Pursuant to order of NCLT, Mumbai Bench, the Real Estate Advisory Services Undertaking (the undertaking) on going concern basis was vested from IIFL Facilities Services Limited to IIFL Management Services Limited w.e.f. the appointed date i.e. April 01, 2017.

Real Estate Advisory Services Undertaking includes the entire real estate advisory services rendered by IIFL Facilities Services Limited relating to providing broking and advisory services with respect to real estate business along with all related assets, liabilities and employees.

In accordance with the said Scheme of Arrangement whole of the Real Estate Advisory Services Undertaking including all assets and liabilities of the undertaking were transferred to and vested by IIFL Facilities Services Limited to IIFL Management Services Limited at respective book values from April 01, 2017 and in consideration 0.1% Redeemable Non-Convertible Non-Cumulative preference shares were issued by IIFL Management Services Limited to IIFL Holdings Limited.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 11. DEFERRED TAX ASSETS (NET)

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' as notified under the Companies (Accounting Standard) Rules, 2014, the Company has taken a charge of ₹ 26.22 million (Previous Year ₹ 13.93 million) in the Statement of Profit and Loss towards deferred tax asset on account of timing differences.

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
On Depreciation	(1.35)	(2.58)
Tax effect of items constituting deferred tax assets		
On Employee Benefits	4.53	3.00
On brought forward Long Term Capital Loss	32.54	32.22
On brought forward Short Term Capital Loss	71.05	100.35
Total	**106.77**	**132.99**

NOTE 12. LOANS AND ADVANCES

(₹ in Millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Advance Income Tax [Net of Provision for income tax ₹ 2,966.77 million (Previous year ₹ 3,106.16 million)]	253.88	-	226.83	-
Advances recoverable in cash or in kind or for value to be received	-	8.88	-	0.64
Capital Advance	-	-	-	0.10
Prepaid Expenses	0.57	4.96	0.28	3.04
Deposits with government authorities	2.19	-	0.04	-
Receivable from a Subsidiary Company	-	0.58	-	-
Others	-	0.05	-	3.00
Total	**256.64**	**14.47**	**227.15**	**6.78**

NOTE 13. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE)

Particulars	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		Number	₹ In Millions		Number	₹ In Millions
Non-Traded Investments						
Investment in Mutual Fund (unquoted)						
Kotak Liquid Direct Plan Growth	-	-	-	₹ 1,000	236,612	780.00
Total			**-**			**780.00**
Aggregate Cost of unquoted mutual funds units		-	-		-	780.00
Aggregate Market value as unquoted mutual funds units*		-	-		-	780.22

*Market value of investments in unquoted mutual fund units represents the repurchase price of the units issued by the mutual funds.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 14. TRADE RECEIVABLE

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Trade receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	23.04	10.93
- Considered doubtful	-	-
Total	**23.04**	**10.93**

NOTE 15. CASH AND CASH EQUIVALENTS

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents :		
Cash on hand	0.05	-
Cheque on hand	1.47	4.61
Balances with Bank:		
- In current accounts	196.16	72.92
Total Cash & Cash Equivalent (a) (As per AS – 3 Cash flow statement)	**197.68**	**77.53**
Other Balances		
In earmarked account	8.24	6.79
In Deposit account (Original Maturity more than 3 months but less 12 Months) #	2.49	1.00
Total Other Balances (b)	**10.73**	**7.79**
Total (a) + (b)	**208.41**	**85.32**

Balance with Bank Includes deposit under lien of ₹ 1.49 million (Previous Year – NIL) towards Bank guarantee for getting letter of undertaking as required under GST law.

NOTE 16. OTHER CURRENT ASSETS

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unamortised debenture issue expenses	-	0.37
Income Receivable	1.54	6.98
Interest Accrued on fixed deposits @	0.00	0.00
Deposits	0.55	0.05
Total	**2.09**	**7.40**

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

NOTE 17. REVENUE FROM OPERATIONS

(₹ in Millions)

Particulars	2017-2018	2016-2017
Dividend from subsidiaries (Refer to Note 34)	1,587.64	1,426.05
Total	**1,587.64**	**1,426.05**

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 18. OTHER INCOME

(₹ in Millions)

Particulars	2017-2018	2016-2017
Interest on Income Tax Refund	0.45	2.66
Total	**0.45**	**2.66**

NOTE 19. EMPLOYEE COST

(₹ in Millions)

Particulars	2017-2018	2016-2017
Salaries and bonus	2.11	2.48
Gratuity [Refer 19.1]	0.91	0.12
Staff Welfare Expenses	0.04	0.01
Total	**3.06**	**2.61**

19.1. Disclosure pursuant to Accounting Standard (AS) 15 on "Employee Benefits"

(₹ in Millions)

Particulars	2017-2018	2016-2017
Assumptions		
Discount rate	7.78%	6.77%
Salary Escalation	8.00%	5.00%
Attrition rate	For service 4 years and below 15%p.a. & thereafter 1% p.a	For service 4 years and below25% p.a.& thereafter 10% p.a
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Change in Benefit Obligation		
Liability at the beginning of the year	10.51	6.66
Interest Cost	0.71	0.52
Current Service Cost	1.32	0.83
Past Service cost	(2.37)	-
Liability Transferred out	(1.79)	(0.08)
Liability Transferred in	2.88	1.91
Actuarial Loss on obligations	1.51	0.67
Liability at the end of the year	**12.77**	**10.51**
Amount Recognised in the Balance Sheet		
Present value of benefit obligation at end of year	(12.77)	(10.51)
Funded Status {surplus/(deficit)}	-	-
Net (liability) Recognised in the Balance Sheet	**(12.77)**	**(10.51)**
Expenses Recognised in the statement of Profit and loss		
Current Service cost	1.32	0.83
Past Service Cost	(2.37)	-
Interest Cost	0.71	0.52
Actuarial Losses	1.51	0.67
Expense Recognised in the statement of Profit and loss under " Employee benefits expenses" from Continuing operation	**0.91**	**0.12**
Expense Recognised in the statement of Profit and loss under " Employee benefits expenses" from discontinuing operation	**0.26**	**1.90**

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

19.1. Disclosure pursuant to Accounting Standard (AS) 15 on "Employee Benefits" (Contd.)

(₹ in Millions)

Particulars	2017-2018	2016-2017
Balance Sheet reconciliation		
Opening Net liability	10.51	6.66
Expense recognised in the statement of Profit and loss	1.17	2.02
Net liability Transfer in	2.88	1.91
Net liability Transfer Out	(1.79)	(0.08)
Net liability recognised in Balance Sheet	**12.77**	**10.51**

(₹ in Millions)

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Experience Adjustment:					
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.51)	0.10	2.38	(0.38)	0.12
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-

The estimate of future salary increase, considered in the actuarial valuation takes into account inflation, seniority, promotion, increments and other relevant factors.

NOTE 20. DEPRECIATION

(₹ in Millions)

Particulars	2017-2018	2016-2017
Depreciation on tangible assets	1.89	0.05
Depreciation on Intangible assets	2.30	1.89
Total	**4.19**	**1.94**

NOTE 21. ADMINISTRATION AND OTHER EXPENSES

(₹ in Millions)

Particulars	2017-2018	2016-2017
Advertisement @	-	0.00
Brokerage related Expenses @	0.27	0.00
Exchange and statutory Charges	1.08	0.31
Marketing and commission expenses	0.31	0.03
Commission to non-executive directors	5.00	5.00
Sitting fees to non-executive directors	1.28	1.30
Bank Charges @	0.00	0.01
Communication @	0.00	0.20
Legal and professional charges	8.88	2.41
Corporate Social Responsibility Expenses [Refer note 30]	7.18	5.02
Office expenses	0.16	0.25
Meeting seminar and Subscription	0.34	0.86
Postage and courier	0.01	0.02
Printing and stationery	0.01	0.12
Insurance	0.25	-
Rates and taxes	0.04	0.03
Remuneration to Auditors :		
- As auditors - statutory audit	0.73	1.05
- Certification work and other matters	1.49	0.12
- Out of pocket expenses	0.06	0.06
Software Charges	0.02	0.06
Travelling and conveyance	0.26	0.51
Provision for doubtful advances	2.44	-
Miscellaneous expenses @	0.00	0.04
Total	**29.81**	**17.40**

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

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 22. BASIC AND DILUTED EARNINGS PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD (AS)-20

Particulars		2017-2018	2016-2017
Face value of equity shares in ₹ fully paid up		2	2
Basic EPS :			
Profit after tax as per Statement of Profit and Loss (Continuing Operations) (₹ in million)	A	1,551.03	1,406.76
Profit after tax as per Statement of Profit and Loss (Total Operations) (₹ in million)	B	2,043.48	1,567.78
Weighted Average Number of equity shares outstanding (Basic)	C	318,293,090	317,084,627
Basic EPS (₹) Continuing Operations	**A/C**	**4.87**	**4.44**
Basic EPS (₹) Total Operations	**B/C**	**6.42**	**4.94**
Diluted EPS :			
Weighted average number of equity shares for computation of Basic EPS		318,293,090	317,084,627
Add : Potential Equity Shares on account of conversion of Employee Stock Option		949,739	1,799,506
Weighted average number of equity shares for computation of Diluted EPS	D	319,242,829	318,884,133
Diluted EPS (₹) Continuing Operations	**A/D**	**4.86**	**4.41**
Diluted EPS (₹) Total Operations	**B/D**	**6.40**	**4.92**

NOTE 23. CONTINGENT LIABILITIES:

(₹ in Millions)

Sr. No.	Name of the Statute	As at March 31, 2018	As at March 31, 2017
(i)	In respect of Income Tax Demands (see note 1)	340.60	366.47
(ii)	In respect of Profession Tax Demands (see note 2)	1.55	1.55
(iii)	In respect of Service Tax Demands (see note 3)	430.28	1.14

Notes :

1) Amount paid under protest with respect to income tax demand ₹ 203.44 million.
2) Amount paid under protest with respect to professional tax demand ₹ 0.47 million.
3) Amount paid under protest with respect to service tax demand ₹ 2.19 million.

NOTE 24. There are no pending litigations by and on the Company as on the Balance Sheet date.

NOTE 25. CAPITAL AND OTHER COMMITMENTS AS AT BALANCE SHEET DATE

There were outstanding commitments for others to the tune of ₹ NIL/- (previous year for investments ₹ 10.45/- million) of the total contractual obligations entered during the year.

NOTE 26. 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	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	1,250.00
		(1,250.00)
2	India Infoline Finance Limited	29,350.00
		(35,850.00)
3	India Infoline Housing Finance Limited	28,080.00
		(25,030.00)
4	5paisa Capital Limited (Formerly known as IIFL Capital Limited)	-
		(500.00)
5	IIFL Securities Limited (Formerly known as India Infoline Limited)	1,550.00
		(5,750.00)

(Figure in bracket represents previous year figures)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 27. 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 ₹ 1,150.00 million, Previous Year : ₹ 430.00 million)

b) ₹ NIL (Previous year ₹ NIL) due from IIFL Wealth Management Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 330.00 million)

c) ₹ NIL (Previous year ₹ NIL) due from IIFL Securities Limited (Formerly Known as India Infoline Limited) (maximum amount outstanding during the year ₹ 1,100.00 million, Previous Year : ₹ NIL)

d) ₹ NIL (Previous year ₹ NIL) due from IIFL Insurance Broker Limited (Formerly known as India Infoline Insurance Broker Limited) (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 316.50 million)

e) ₹ NIL (Previous year ₹ NIL) due from IIFL Management Services Limited (Formerly Known as India Infoline Insurance Services Limited) (maximum amount outstanding during the year ₹ 183.00 million, Previous Year: ₹ 2.50 million)

f) ₹ NIL (Previous year ₹ NIL) due from 5paisa Capital Limited (maximum amount outstanding during the year ₹ 250.00 million, Previous Year : ₹ 36.50 million)

g) ₹ NIL (Previous year ₹ NIL) due from IIFL Facilities Services Limited. (Formerly Known as IIFL Real Estate Limited) (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 200.00 million)

h) ₹ NIL (Previous year ₹ NIL) due from India Infoline Media and Research Services Limited (maximum amount outstanding during the year ₹ 165.00 million, Previous Year : ₹ 513.00 million)

i) ₹ NIL (Previous year ₹ NIL) due from IIFL Assets Reconstruction Limited (maximum amount outstanding during the year ₹ NIL, Previous Year : ₹ 0.50 million)

NOTE 28. The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

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

Particulars	ESOP 2008
Method of accounting	Intrinsic Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options
Exercise Period	Seven years from the date of grant

b) (i) Movement of options during the year ended March 31, 2018

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2017	2,548,860	56.60 – 181.55	117.66	3.68
Granted during the year	200,000	468.67	468.67	
Forfeited during the year	(312,355)	175.75 - 480.00	330.47	
Expired during the year	(160,280)	66.54 - 181.55	104.24	
Exercised during the year	(1,070,833)	55.26 – 181.55	90.20	
Outstanding as on March 31, 2018	**1,205,392**	**55.26 – 468.67**	**142.27**	**4.03**
Exercisable as on March 31, 2018	**565,939**	**55.26 - 177.27**	**88.48**	**3.07**

b) (ii) Movement of options during year ended March 31, 2017

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2016	4,670,000	45.90 – 188.40	107.75	3.70
Granted during the year	-	-	-	
Forfeited during the year	(69,800)	180.00 - 181.55	181.00	
Expired during the year	(680,000)	68.15 - 188.40	135.72	
Exercised during the year	(1,371,340)	45.90 – 181.55	71.51	
Outstanding as on March 31, 2017	**2,548,860**	**56.60 – 181.55**	**117.66**	**3.68**
Exercisable as on March 31, 2017	**1,317,630**	**56.60 - 181.55**	**82.68**	**2.17**

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

c) Pro-forma Profit after Tax:

Particulars	2017-2018	2016-2017
Net profit (as reported) (₹ in million)	2,043.48	1,567.78
Add: Intrinsic Value Compensation Cost	-	-
Less: Stock based compensation expenses determined under fair value method (pro-forma) (₹ in million)	(20.97)	(35.03)
Net Profit (pro-forma) (₹ in million)	**2,022.51**	**1,532.75**
Basic earnings per share (as reported) - Total operations	6.42	4.94
Basic earnings per share (pro-forma) - Total operations	6.35	4.83
Diluted earnings per share (as reported) - Total operations	6.40	4.92
Diluted earnings per share (pro-forma) - Total operations	6.34	4.81
Weighted average exercise price of Options granted during the year whose:		
(a) exercise price equals market price (₹)	468.67	N.A
(b) exercise price is greater than market price	N.A	N.A
(c) exercise price is less than market price	N.A	N.A
Weighted average fair value of Options granted during the year whose:		
(a) exercise price equals market price (₹)	201.65	N.A
(b) exercise price is greater than market price	N.A	N.A
(c) exercise price is less than market price	N.A	N.A
Description of method and significant assumption used to estimate the fair value of Options	The fair value of the Options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same have been detailed below:	

d) Variables

Weighted average values for grant made during the year

Particulars	ESOP 2008	
	2017-18*	2016-17
Stock price (₹)	479.75	-
Volatility	43.98%	-
Risk-free Rate	6.94%	-
Exercise price (₹)	480.00	-
Time to Maturity (Years)	5	-
Dividend yield	1.99%	-
Weight Average Option Fair Value (₹)	197.23	-

* The aforesaid variables are based on grant dated April 29, 2017 before considering effect of demerger of 5paisa digital undertaking from IIFL Holdings Limited in terms of Scheme of Arrangement approved by NCLT vide its order dated September 06, 2017. Post demerger, the revised exercise price got reduced by 2.36% to ₹ 468.67 and fair value of option stand revised to ₹ 201.65, as approved by Nomination and Remuneration Committee of the Board of Directors of the Company.

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share

NOTE 29. 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 30. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2017-18, the Company has spent ₹ 7.18 million (Previous year ₹ 5.02 million) out of the total amount of ₹ 7.18 million (Previous year ₹ 5.02 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to India Infoline Foundation.

NOTE 31. DEMERGED OPERATIONS

During the year, the Company has received the approval of NCLT for the Scheme of Arrangement under Section 230-232 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited and 5paisa Capital Limited (5PCL) and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5PCL. The said order has been filed with MCA on September 30, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. October 01, 2016 in the books of accounts of the Company. Accordingly, the financial statement have been presented after giving effect to the Scheme. As per the Scheme, the shareholders of the Company as on the record date i.e. October 18, 2017, has been allotted 1 equity share of ₹ 10/- each fully paid up of 5PCL for every 25 equity shares of ₹ 2/- each held in the Company. In view of above, 5PCL ceased to be a subsidiary of the Company.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

(I) Following Assets and Liabilities where transferred to 5PCL.

Particulars	(₹ in Millions)
Investment in 5CPL	1,000.49
Fixed Assets	0.32
Prepaid Expenses	0.08
Sub-Total	1,000.89
Less :-	
Other Liability & Provision	2.03
Net Asset	998.86

(II) The Excess of the Book Value of asset transferred (net of diminution/depreciation, if any) over the book value of liability has been debited to Capital Reserve ₹ 597.70 million, General Reserve of ₹ 400.73 million and ₹ 0.43 million was settled by cheque.

(III) All expenses incurred for 5paisa digital undertaking from October 01, 2016 were reimbursed by 5paisa Capital Limited after demerger order being effective. Expenses incurred from to October 01, 2016 to March 31, 2017 aggregating to ₹ 12.45 million have been credited to surplus in the Statement of Profit and Loss and expenses incurred from April 01, 2017 to September 30, 2017 amounting to ₹ 14.30 million have been recovered in bank account.

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 32. DISCONTINUING OPERATIONS

The Board of Directors of the Company at its meeting held on January 31, 2018, has approved the Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i) amalgamation of IIFL M&R with the Company;

ii) demerger of the Securities Business Undertaking (as defined in the Scheme) of the Company into IIFL Securities;

iii) demerger of the Wealth Business Undertaking (as defined in the Scheme) of the Company into IIFL Wealth;

iv) amalgamation of IIFL Finance with the Company; and

v) transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The Appointed Date for the amalgamation of IIFL M&R with the Company is opening hours of April 1, 2017 and for all the other steps, the Appointed Date is opening hours of April 1, 2018. The Scheme will be given effect to upon receipt of requisite approvals of NCLT and other authorities.

The operating activities of the Company's discontinuing operations are summarised below:

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations.

(₹ in Millions)

Particulars	2017-2018	2016-2017
INCOME		
Revenue from operations	933.12	494.58
Other Income	8.81	0.07
Total Income	**941.93**	**494.65**
EXPENDITURE		
Employee cost	75.51	74.26
Finance cost	50.20	67.93
Depreciation	4.46	3.89
Administration and other expenses	36.63	47.87
Total Expenses	**166.80**	**193.95**
Profit/(Loss) Before Tax	**775.13**	**300.70**
Tax Expenses	282.68	139.68
Profit/(Loss) After Tax	**492.45**	**161.02**

b. The carrying amounts of the total assets and liabilities in respect of discontinuing operations to be transferred are as follows

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Assets	542.86	1,500.33
Total Liabilities	38.29	669.30

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 33. DETAILS OF INTER CORPORATE DEPOSITS

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

(₹ in Millions)

Particulars	ICD Given	ICD received back	ICD outstanding
India Infoline Finance Limited	1,500.00	1,500.00	-
	(430.00)	(430.00)	-
IIFL Wealth Management Limited	-	-	-
	(330.00)	(330.00)	-
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	183.00	183.00	-
	(2.50)	(2.50)	-
5paisa Capital Limited	460.00	460.00	-
	(13.40)	(13.40)	-
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-
	(290.00)	(290.00)	-
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	-
	(-)	(316.50)	-
IIFL Securities Limited (Formerly known as India Infoline Limited)	2,600.00	2,600.00	-
	(-)	(-)	-
India Infoline Media and Research Services Limited	165.00	165.00	-
	(95.50)	(95.50)	-
IIFL Asset Reconstruction Limited	-	-	-
	(0.50)	(0.50)	-

The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.25% to 9.50% p.a.), for the purpose of meeting working capital and business requirements.

(Figure in bracket represents previous year figures)

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018

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
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	India Infoline Media and Research Services Limited
	IIFL Distribution Services Limited
	IIFL Investment Advisors and Trustee Services Limited
	IIFL Trustee Limited(Formerly known as India Infoline Trustee Company Limited)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

Nature of relationship	Name of party
(a) Subsidiaries including step down subsidiaries	IIFL Asset Management Company Limited (Formerly known as India Infoline Asset Management Company Limited)
	IIFL Alternate Asset Advisors Limited
	IIFL (Asia) Pte Limited
	Samasta Microfinance Limited (w.e.f. March 01, 2017)
	Ayusha Dairy Private Limited (w.e.f. March 01, 2017)
	IIFL Securities Pte Limited
	IIFL Capital Pte. Limited
	India Alternatives Investment Advisors Private Limited (ceased to be step down subsidiary w.e.f March 30, 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
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)
	IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)
	India Infoline Foundation
(b) Joint Venture	Meenakshi Tower LLP (Joint venture of wholly owned subsidiary IIFL Facilities Services Limited)
(c) Associate	IIFL Asset Reconstruction Limited (up to May 08, 2017)
(d) Key Management Personnel	Mr. Nirmal Jain
	Mr. R. Venkataraman
(e) Other related parties	Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Mrs. Aditi Athavankar (Spouse of Mr. R Venkataraman)
	Orpheus Trading Private Limited
	5paisa Capital Limited (ceased to be subsidiary from October 01, 2016)
	5paisa P2P Limited
	Ardent Impex Private Limited

B) Transactions with Related Parties

(₹ in Millions)

Nature of Transactions	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Investment Purchase					
IIFL Wealth Management Limited @	0.00	-	-	-	0.00
	(-)	(-)	(-)	(-)	(-)
Investments In Equity shares of Subsidiaries/associate					
5paisa capital Limited	-	-	-	-	-
	(879.99)	(-)	(-)	(-)	(879.99)
IIFL Securities Limited (Formerly known as India Infoline Limited)	1,500.00	-	-	-	1,500.00
	(-)	(-)	(-)	(-)	(-)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

(₹ in Millions)

Nature of Transactions	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Investments In Preference shares of Subsidiaries					
India Infoline Media and Research Services Limited	-	-	-	-	-
	(360.00)	(-)	(-)	(-)	(360.00)
Disinvestments In Preference shares of Subsidiaries					
India Infoline Media and Research Services Limited	-	-	-	-	-
	(360.00)	(-)	(-)	(-)	(360.00)
India Infoline Finance Limited	750.00	-	-	-	750.00
	(-)	(-)	(-)	(-)	(-)
Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited) @	0.00	-	-	-	0.00
	(0.00)	(-)	(-)	(-)	(0.00)
Interest Income ICD/NCD					
India Infoline Finance Limited	1.15	-	-	-	1.15
	(0.30)	(-)	(-)	(-)	(0.30)
IIFL Securities Limited (Formerly known as India Infoline Limited)	9.28	-	-	-	9.28
	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	4.13	4.13
	(1.00)	(-)	(-)	(-)	(1.00)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(2.56)	(-)	(-)	(-)	(2.56)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	-	-	-
	(10.82)	(-)	(-)	(-)	(10.82)
India Infoline Media & Research Services Limited	0.29	-	-	-	0.29
	(1.61)	(-)	(-)	(-)	(1.61)
IIFL Wealth Management Limited	-	-	-	-	-
	(5.66)	(-)	(-)	(-)	(5.66)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	0.66	-	-	-	0.66
	(0.02)	(-)	(-)	(-)	(0.02)
IIFL Asset Reconstruction Limited @	-	-	-	-	-
	(-)	(0.00)	(-)	(-)	(0.00)
Investment Banking Income					
India Infoline Finance Limited	-	-	-	-	-
	(0.80)	(-)	(-)	(-)	(0.80)
Dividend Income					
India Infoline Finance Limited	752.12	-	-	-	752.12
	(772.12)	(-)	(-)	(-)	(772.12)
IIFL Wealth Management Limited	405.00	-	-	-	405.00
	(270.00)	(-)	(-)	(-)	(270.00)
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	-	-	-	-	-
	(50.16)	(-)	(-)	(-)	(50.16)
IIFL Securities Limited (Formerly known as India Infoline Limited)	430.52	-	-	-	430.52
	(333.78)	(-)	(-)	(-)	(333.78)
Infrastructure/Customer Support Services					
India Infoline Media and Research Services Limited	-	-	-	-	-
	(19.30)	(-)	(-)	(-)	(19.30)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

(₹ in Millions)

Nature of Transactions	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Rent Expenses					
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	28.93	-	-	-	28.93
	(28.26)	(-)	(-)	(-)	(28.26)
Corporate Social Responsibility Expenses					
India Infoline Foundation	7.18	-	-	-	7.18
	(5.01)	(-)	(-)	(-)	(5.01)
Interest Expenses – ICD/NCD					
India Infoline Finance Limited @	-	-	-	-	-
	(0.00)	(-)	(-)	(-)	(0.00)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	0.91	-	-	-	0.91
	(1.54)	(-)	(-)	(-)	(1.54)
NCD Taken and Repaid					
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	676.38	-	-	-	676.38
	(-)	(-)	(-)	(-)	(-)
ICD Taken					
India Infoline Finance Limited	-	-	-	-	-
	(7.50)	(-)	(-)	(-)	(7.50)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(1,870.00)	(-)	(-)	(-)	(1,870.00)
ICD Repaid					
India Infoline Finance Limited	-	-	-	-	-
	(7.50)	(-)	(-)	(-)	(7.50)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(1,870.00)	(-)	(-)	(-)	(1,870.00)
Deposit Given					
India Infoline Finance Limited	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited (Formerly known as India Infoline Limited)	0.10	-	-	-	0.10
	(-)	(-)	(-)	(-)	(-)
Deposit Given and Received Back					
India Infoline Finance Limited	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited (Formerly known as India Infoline Limited)	0.10	-	-	-	0.10
	(-)	(-)	(-)	(-)	(-)
ICD Given					
India Infoline Finance Limited	1,500.00	-	-	-	1,500.00
	(430.00)	(-)	(-)	(-)	(430.00)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

(₹ in Millions)

Nature of Transactions	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
IIFL Wealth Management Limited	-	-	-	-	-
	(330.00)	(-)	(-)	(-)	(330.00)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	183.00	-	-	-	183.00
	(2.50)	(-)	(-)	(-)	(2.50)
5paisa Capital Limited	-	-	-	460.00	460.00
	(13.40)	(-)	(-)	(-)	(13.40)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(290.00)	(-)	(-)	(-)	(290.00)
IIFL Securities Limited (Formerly known as India Infoline Limited)	2,600.00	-	-	-	2,600.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Media and Research Services Limited	165.00	-	-	-	165.00
	(95.50)	(-)	(-)	(-)	(95.50)
IIFL Asset Reconstruction Limited	-	-	-	-	-
	(-)	(0.50)	(-)	(-)	(0.50)
ICD Received Back					
India Infoline Finance Limited	1,500.00	-	-	-	1,500.00
	(430.00)	(-)	(-)	(-)	(430.00)
IIFL Wealth Management Limited	-	-	-	-	-
	(330.00)	(-)	(-)	(-)	(330.00)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	183.00	-	-	-	183.00
	(2.50)	(-)	(-)	(-)	(2.50)
5paisa Capital Limited	-	-	-	460.00	460.00
	(13.40)	(-)	(-)	(-)	(13.40)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	-	-	-
	(316.50)	(-)	(-)	(-)	(316.50)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(290.00)	(-)	(-)	(-)	(290.00)
IIFL Securities Limited (Formerly known as India Infoline Limited)	2,600.00	-	-	-	2,600.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Media and Research Services Limited	165.00	-	-	-	165.00
	(95.50)	(-)	(-)	(-)	(95.50)
IIFL Asset Reconstruction Limited	-	-	-	-	-
	(-)	(0.50)	(-)	(-)	(0.50)
Allocation / Reimbursement of expenses Paid					
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(0.01)
India Infoline Finance Limited	-	-	-	-	-
	(0.21)	(-)	(-)	(-)	(0.21)
IIFL Securities Limited (Formerly known as India Infoline Limited)	2.70	-	-	-	2.70
	(1.57)	(-)	(-)	(-)	(1.57)
Others paid					
India Infoline Finance Limited	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(0.01)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	1.41	-	-	-	1.41
	(0.11)	(-)	(-)	(-)	(0.11)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

(₹ in Millions)

Nature of Transactions	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
IIFL Securities Limited (Formerly known as India Infoline Limited)	0.04	-	-	-	0.04
	(0.11)	(-)	(-)	(-)	(0.11)
5paisa Capital Limited @	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(-)
Allocation / Reimbursement of expenses received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	12.96	-	-	-	12.96
	(8.43)	(-)	(-)	(-)	(8.43)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(0.09)
India Infoline Housing Finance Limited	25.86	-	-	-	25.86
	(16.85)	(-)	(-)	(-)	(16.85)
India Infoline Finance Limited	59.44	-	-	-	59.44
	(37.92)	(-)	(-)	(-)	(37.92)
IIFL Wealth Management Limited	32.32	-	-	-	32.32
	(21.07)	(-)	(-)	(-)	(21.07)
5paisa Capital Limited	-	-	-	1.73	1.73
	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Finance Limited	0.50	-	-	-	0.50
	(-)	(-)	(-)	(-)	(-)
IIFL Asset Reconstruction Limited	-	-	-	-	-
	(-)	(0.02)	(-)	(-)	(0.02)
Others Received					
IIFL Wealth Management Limited	-	-	-	-	-
	(0.57)	(-)	(-)	(-)	(0.57)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	-	-	-	-	-
	(0.76)	(-)	(-)	(-)	(0.76)
5paisa Capital Limited	-	-	-	2.05	2.05
	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited (Formerly known as India Infoline Limited)	2.49	-	-	-	2.49
	(6.36)	(-)	(-)	(-)	(6.36)

C) Outstanding as on March 31, 2018

(₹ in Millions)

Particulars	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
Sundry Receivables					
IIFL Wealth Finance Limited	0.58	-	-	-	0.58
	(-)	(-)	(-)	(-)	(-)
Investments in Subsidiaries/Associate /Other Related Parties					
Equity					
5paisa Capital Limited	-	-	-	-	-
	(1,000.49)	(-)	(-)	(-)	(1,000.49)
IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)	321.40	-	-	-	321.40
	(605.18)	(-)	(-)	(-)	(605.18)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 34. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Subsidiaries	Associate	Key Managerial Personnel	Other Related Party	Total
IIFL Wealth (UK) Limited	11.20	-	-	-	11.20
	(11.20)	(-)	(-)	(-)	(11.20)
IIFL Wealth Management Limited	225.00	-	-	-	225.00
	(225.00)	(-)	(-)	(-)	(225.00)
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	20.00	-	-	-	20.00
	(20.00)	(-)	(-)	(-)	(20.00)
India Infoline Finance Limited	10,189.71	-	-	-	10,189.71
	(10,152.99)	(-)	(-)	(-)	(10,152.99)
India Infoline Media And Research Services Limited	0.50	-	-	-	0.50
	(0.50)	(-)	(-)	(-)	(0.50)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	33.41	-	-	-	33.41
	(33.41)	(-)	(-)	(-)	(33.41)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	10.00	-	-	-	10.00
	(10.00)	(-)	(-)	(-)	(10.00)
IIFL Capital Inc	40.29	-	-	-	40.29
	(40.29)	(-)	(-)	(-)	(40.29)
IIFL Securities Limited (Formerly known as India Infoline Limited)	2,453.13	-	-	-	2,453.13
	(953.13)	(-)	(-)	(-)	(953.13)
IIFL Asset Reconstruction Limited	44.13	-	-	-	44.13
	(-)	(20.50)	(-)	(-)	(20.50)
Preference Shares					
India Infoline Finance Limited	-	-	-	-	-
	(750.00)	(-)	(-)	(-)	(750.00)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	283.78	-	-	-	283.78
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee –					
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	1,250.00	-	-	-	1,250.00
	(1,250.00)	(-)	(-)	(-)	(1,250.00)
India Infoline Housing Finance Limited	28,080.00	-	-	-	28,080.00
	(25,030.00)	(-)	(-)	(-)	(25,030.00)
India Infoline Finance Limited	29,350.00	-	-	-	29,350.00
	(35,850.00)	(-)	(-)	(-)	(35,850.00)
5paisa Capital Limited	-	-	-	-	-
	(500.00)	(-)	(-)	(-)	(500.00)
IIFL Securities Limited (Formerly known as India Infoline Limited)	1,550.00	-	-	-	1,550.00
	(5,750.00)	(-)	(-)	(-)	(5,750.00)

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

(Figure in bracket represents previous year figures)

Standalone Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Standalone Financial Statement for the year ended March 31, 2018

NOTE 35. EARNINGS AND EXPENSES IN FOREIGN CURRENCY

(₹ in Millions)

Particulars	2017-18	2016-17
Earnings in Foreign Currency	105.49	8.89
Total Income	**105.49**	**8.89**
Expenses in Foreign Currency		
Travelling Expenses	1.31	0.37
Meeting & Seminar	0.22	1.80
Registration Expenses	-	0.02
Total Expenses	**1.53**	**2.19**

During the Current year as well as previous year, the Company has not remitted any Dividend in foreign currencies.

35.1. Details of Unhedged Foreign Exposure.

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Advances recoverable in cash or in kind or for value to be received	0.01	0.52
Cash In Hand	0.05	-
Trade Receivable	2.57	-

NOTE 36. The comparative financial information for the year ended March 31, 2017 were audited by the previous auditors of the Company.

NOTE 37. Previous year figures have been regrouped, reclassified & rearranged, wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Dated: May 3, 2018

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IIFL Securities Ltd., IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400604. Tel.: (91-22) 2580 6650 • Customer Service: 40071000 • Stock Broker SEBI Regn.: INZ000164132 • Depository: INDP185 2016 • MF Distributor ARN: 47791 • PMS SEBI Regn.: INP000002213 • Investment Adviser SEBI Regn.: INA000000623 • Research Analyst SEBI Regn.: INH000000248 • India Infoline Commodities Ltd. - NCDEX Membership No.: NCDEX-CO-04-00378, MCX Membership No.: 10470 • Loan products are offered by India Infoline Finance Ltd. & India Infoline Housing Finance Ltd. • Investment in securities are subject to market risks.

Please read the Risk Disclosure Document available on www.indiainfoline.com before investing

Independent Auditor's 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 and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31 March 2018, 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 is 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 its Jointly controlled entity in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and 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 its jointly controlled entity 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 consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, 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, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, 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 Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, 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 twenty one subsidiaries, whose financial statements reflect total assets of ₹ 38,356.38 million as at 31 March 2018, total revenues of ₹ 11,299.12 million and net cash inflows amounting to ₹ 2,536.58 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Eleven subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion

Independent Auditor's Report (Contd.)

adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

(b) We did not audit the financial statements of the jointly controlled entity whose financial statements reflect total assets of ₹ 376.28 million as at 31st March 2018, total revenues of ₹ 135.74 million and cash inflows amounting to ₹ 1.51 million 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 this 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.

(c) The consolidated financial statements of the Company for the year ended 31 March 2017, were audited by M/s. Sharp and Tannan Associates, the predecessor auditor, who expressed an unmodified opinion on those consolidated financial statements on 4 May 2017.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, the financial statements certified by the Management and the report of the predecessor auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, referred in the Other Matters paragraph above, we report to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A",** which is based on the auditors' reports of the Holding company and the subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place : Mumbai
Dated: May 3, 2018

ANNEXURE "A" To The Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, 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 and jointly controlled company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary companies and jointly controlled company , which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A" To The Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, 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 31 March 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eleven subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)

Place : Mumbai
Dated: May 3, 2018

Consolidated Balance Sheet

as at March 31, 2018

(₹ in Millions)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	637.96	635.82
(b) Reserve and Surplus	4	50,018.77	43,178.37
(c) Money received against share warrants		-	-
Sub total		**50,656.73**	**43,814.19**
(1A) Share application money pending allotment	5	4.16	1.46
(2) Minority Interest	6	15,002.89	12,552.23
(3) Non Current Liabilities			
(a) Long-term Borrowings	7	127,109.87	128,010.93
(b) Deferred Tax Liabilities	15	0.51	-
(c) Other Long-term Liabilities	8	2,329.78	2,465.05
(d) Long-Term Provisions	9	1,761.43	1,218.92
Sub total		**131,201.59**	**131,694.90**
(4) Current Liabilities			
(a) Short-Term Borrowings	10	153,446.07	92,121.28
(b) Trade Payables	11		
- Total outstanding dues of micro enterprises and small enterprises		0.03	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,448.05	1,452.89
(c) Other current liabilities			
- Current portion of long term borrowing	7	49,178.07	23,172.08
- Others	8	34,145.66	30,843.74
(d) Short-term provisions	9	1,949.91	1,954.04
Sub total		**240,167.79**	**149,544.03**
TOTAL		**437,033.16**	**337,606.81**
II ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	12	6,025.60	5,349.50
(ii) Intangible assets	13	122.37	66.94
(iii) Capital work-In-Progress		1,102.71	709.93
(iv) Intangible Assets under Development		-	3.25
Sub total		**7,250.68**	**6,129.62**
(b) Goodwill on Consolidation		648.61	636.49
(c) Non-Current Investments	14	17,640.85	13,280.26
(d) Deferred Tax Assets	15	1,775.85	1,579.34
(e) Long-term loans & advances	16		
-Loans		188,598.30	136,403.07
-Others		3,935.12	3,860.20
(f) Other non-current assets	17	1,779.16	591.68
Sub total		**214,377.89**	**156,351.04**
(2) Current assets			
(a) Current investments	18	16,564.43	28,750.22
(b) Inventories	19	205.56	312.49
(c) Trade receivables	20	2,599.18	5,301.99
(d) Cash and Cash Equivalents	21	29,531.17	37,913.14
(e) Short-term loans & advances	16		
-Loans		137,447.67	82,672.44
-Others		8,654.82	4,396.51
(f) Other current assets	17	20,401.76	15,779.36
Sub total		**215,404.59**	**175,126.15**
TOTAL		**437,033.16**	**337,606.81**
See accompanying notes forming part of Consolidated Financial Statements	1 to 45		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Millions)

Particulars	Notes	2017-18	2016-17
(A) CONTINUING OPERATIONS			
1. INCOME			
a. Revenue from operations	22	38,126.19	31,378.50
b. Other Income	23	415.43	261.48
Total Revenue		**38,541.62**	**31,639.98**
2. EXPENDITURE			
a. Employee Benefits Expense	24	4,614.84	3,298.50
b. Direct Operating Cost	25	429.89	182.36
c. Finance Cost	26	18,967.68	17,793.52
d. Depreciation and Amortisation Expense	27	173.05	158.72
e. Administration and other expense	28	2,135.38	1,710.85
f. Provisions and Write off	29	3,131.46	1,759.01
Total Expenses		**29,452.30**	**24,902.96**
3. Profit before Exceptional Items and extraordinary items and tax from Continuing Operations (1-2)		**9,089.32**	**6,737.02**
4. Exceptional Items		-	-
5. Profit before tax from continuing operations (3 - 4)		**9,089.32**	**6,737.02**
6. Tax Expenses			
(a) Current tax expense for current year		3,096.97	2,420.07
(b) Current tax expense relating to prior year		2.74	25.77
(c) Deferred Tax	15	(250.24)	(186.34)
Total Tax Expenses		**2,849.47**	**2,259.50**
7. Profit after tax for the period from Continuing Operations (5-6)		**6,239.85**	**4,477.52**
(B) DISCONTINUING OPERATIONS			
8. Profit from discontinuing operations (before tax)	39	7,587.58	5,502.90
9. Tax Expenses of Discontinuing Operations	39	2,206.66	1,758.62
10. Profit from Discontinuing Operations after tax	39	**5,380.92**	**3,744.28**
(C) TOTAL OPERATIONS			
11. Profit for the year (7+10)		**11,620.77**	**8,221.80**
12. Share of profit of Associate Companies		-	**0.96**
13. Share of Profit attributable to Minority Interest		**2,507.53**	**1,361.87**
14. Net Profit after Taxes, Minority Interest and Share of profit of Associates Companies attributable to shareholders of the Company (11+12-13)		**9,113.24**	**6,860.89**
15. Earnings per equity share (Face Value ₹ 2)			
(1) Basic (In ₹)	30		
(i) Continuing operations		11.73	9.83
(ii) Total operations		28.63	21.64
(2) Diluted (In ₹)	30		
(i) Continuing operations		11.69	9.77
(ii) Total operations		28.55	21.52
See accompanying notes forming part of Consolidated Financial Statements	1 to 45		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
(A) CASH FLOW FROM CONTINUING OPERATIONS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation, and exceptional items		**9,089.32**	**6,737.03**
Adjustments for:			
Depreciation and Amortisation	27	173.05	158.72
Gratuity Expense		45.71	29.77
Leave Encashment Expense		38.33	15.95
Provision for Doubtful Loans	29	118.77	842.39
Provision for Contingencies	29	(15.41)	144.63
Contingent Provision against Standard Assets	29	358.40	141.06
Provision for dimunition in the value of Investment	29	366.30	(25.09)
Income from financing activities		(34,170.30)	(28,533.24)
(Profit)/Loss on sale of Assets	23	(0.75)	8.99
Profit on Sale of Investments (net)		(1,086.58)	(1,182.29)
Loss on Buy back of Commercial Paper (net)		5.65	1.83
(Profit) / Loss on Buy back of Debentures (net)		9.45	(57.35)
Premium paid on early redemption of Debentures		101.84	-
Exchange fluctuation on Foreign Currency Term Loan		2.99	-
Interest on Fixed deposits with Banks	22	(670.57)	(512.59)
Interest Expense		18,579.13	17,478.67
Interest received on Fixed deposits with Banks		652.99	455.65
Income received from financing activities		32,608.93	28,315.31
Interest paid		(19,009.41)	(16,636.53)
Operating Profit before Working Capital changes		**7,197.84**	**7,382.91**
Increase in Current and Non - Current Liabilities		4,142.83	2,475.00
(Increase) / Decrease in Current and Non - Current Assets		128.87	(842.78)
Cash generated from Operations		**11,469.54**	**9,015.13**
Taxes Paid		(3,265.30)	(2,383.45)
Net Cash from Operating Activities		**8,204.24**	**6,631.68**
Loan Disbursed [Net]		**(77,756.36)**	**(14,192.34)**
Net Cash used in Operating Activities (a)		**(69,552.12)**	**(7,560.66)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (includes Intangible Assets)		(485.95)	(144.32)
Sale of Fixed Assets (includes Intangible Assets)		12.44	3.78
Purchase of Investments		(2,502,553.15)	(1,575,864.85)
Proceeds from sale/maturity of Investments		2,501,725.02	1,563,494.49
Fixed deposits placed		(9,748.10)	(11,071.59)
Fixed deposits matured		9,270.00	3,536.53
Goodwill on purchase of subsidiaries		(25.37)	(55.90)
Net Cash from used in Investing Activities (b)		**(1,805.11)**	**(20,101.86)**

Consolidated Cash Flow Statement
for the year ended March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital / Warrants (includes Minority Share Capital)		118.09	99.00
Increase in Minority Interest		(539.86)	4,906.40
(Redemption of Preference Shares) / Purchase of Minority stake in Subsidiary		-	(2,000.00)
Proceed from Share Application Money		2.70	1.46
Proceeds towards Long-term borrowings		69,690.68	65,989.09
Repayment of Long-term borrowings		(46,143.75)	(58,789.67)
Proceeds towards Short-term borrowings		3,052,624.29	3,427,586.39
Repayment of Short-term borrowings		(3,007,528.29)	(3,407,208.84)
Dividend (Incl Dividend Distribution Tax)		(1,771.50)	(1,714.73)
Net Cash from used in Financing Activities (c)		**66,452.36**	**28,869.10**
Net (Decrease)/Increase in cash and cash equivalents from continuing operations - I (a+b+c)		**(4,904.87)**	**1,206.58**
(B) CASH FLOW FROM DISCONTINUING OPERATIONS			
FROM DISCONTINUING OPERATION			
Net cash from/(used in) operating activities(i)		(30,674.61)	(35,733.71)
Net cash from/(used in) investing activities(ii)		10,257.75	(21,546.09)
Net cash from /(used in) financing activities (iii)		18,373.72	62,066.57
Net (Decrease)/Increase in cash and cash equivalents from discontinuing operations - II (i+ii+iii)		**(2,043.14)**	**4,786.77**
Net (Decrease)/Increase in Cash and Cash Equivalents (I + II)		**(6,948.01)**	**5,993.35**
Cash and Cash Equivalents at beginning of the year		22,281.64	16,288.29
Cash and Cash Equivalents as at end of the year		**15,333.63**	**22,281.64**
Add : Earmaked balances with banks		246.26	249.51
Add : Fixed deposits considered in Investing activities		13,951.29	15,381.98
Cash and Cash Equivalents at end of period	21	**29,531.18**	**37,913.13**
See accompanying notes forming part of Consolidated Financial Statements	1 to 45		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Dated: May 3, 2018

For and on behalf of the Board of Directors
of IIFL Holdings Limited

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 (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

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 accounting and preparation of financial statements:

The Consolidated Financial Statements 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 prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Group.

b) Principles of Consolidation:

The consolidated financial statements relate to IIFL Holdings Limited (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

i. The Company's investments in equity shares of associates are accounted for under the equity method and its share of pre-acquisition profits/losses is reflected as goodwill/capital reserve in the carrying value of investments in accordance with the Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' (AS 23).

ii. Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

iii. The financial statements of the subsidiary companies, the associates and the joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2018.

iv. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

v. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

vi. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

vii. In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

c) The list of subsidiaries, associates and joint venture that have been consolidated are given in Note 31.

2.2 Use of Estimates:

The preparation of financial statements, in conformity with Indian GAAP requires the management to make estimates and assumptions that affect in the reported amount of assets, liabilities (including contingent liabilities), income and expenses reported in the financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

2.3 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

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

2.4 Cash Flow Statement

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

2.5 Fixed Assets , Depreciation and Amortisation:

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 years
Computers *	3 years
Non-Compete Fees	5 years
Electrical Equipment *	5 years
Office Equipment	5 years
Furniture and Fixtures *#	5 years/10 years
Vehicles *	5 years/8 years
Software	3 years
Servers and networks	6 years

* 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.

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

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.6 Translation of foreign currency items :

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

2.7 Revenue Recognition:

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

a. Brokerage income earned on secondary market operations is accounted on trade date basis.

b. Income related with advisory activities, Investment banking, Merchant banking and Income in respect of other heads is accounted on accrual basis.

c. Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on such instruments is accounted as follows:

Initial and additional margin paid over and above initial margin for entering into contracts for Commodity Futures which are released on final settlement/squaring-up of underlying contract are disclosed under "other current assets". Mark-to-market margin- Commodity Futures representing the amounts paid in respect of mark to market margin is also disclosed under "other current assets". On final settlement or squaring up of contract for Commodity Futures, the realised profit or loss after adjusting the unrealised loss already accounted, if any, is recognised 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 Commodity Futures positions is determined on Commodity basis.

d. Interest income is recognised on accrual basis in the Statement of Profit and Loss, except in the case of non-performing assets (NPAs), where it is recognised in accordance with the RBI/NHB guidelines upon realisation. Interest income on investments is accounted on accrual basis.

e. Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

f. Processing fees and charges are recognised as and when they become due and revenue can be reliably measured and reasonable right of recovery is established.

Investment/Fund Management Fees are accounted on accrual basis as follows:

In case of percentage based fees, in accordance with the Portfolio Management Agreement entered with the respective clients, on a quarterly basis.

Distribution fee / Arranger Fee / commission income is recognised on accrual basis in accordance with the terms agreed with the counter party.

Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.

g. Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of investments are determined after consideration of cost on weighted average basis.

h. **Securitisation transactions**
In accordance with the regulatory guidelines, gain arising on securitisation is amortised over the life of the securities issued by the Special Purpose Vehicle ("SPV"). Loss, if any, is recognised upfront in the Statement of Profit and Loss.

i. **Assignment transactions**
In accordance with the regulatory guidelines, gain arising on assignment is amortised over the residual life of the loan. Loss, if any, is recognised upfront in the Statement of Profit and Loss.

j. **In case of real estate broking business:**
Group recognises revenue from real estate projects, undertaken as builder/developer, under development/construction as per Guidance Note on Accounting for Real Estate Transactions issued by the Institute of Chartered Accountants of India.

Revenue is recognised in relation to the real estate units sold to the extent it is probable that the economic benefits will flow to the Group 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 recognised 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 recognised 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 recognised when significant risks and rewards of ownership of units in real estate have passed to the buyer.

k. **In case of insurance broking business:**
Commission income on first year premium on insurance policies is recognised, when an insurance policy sold by the Company is

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Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

accepted by the principal insurance company. Renewal commission on policies is accounted for on receipt basis.

2.8 Employee Benefits:

Defined contribution plans

The Group entities contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.9 Deferred Employee Stock Compensation:

The stock options granted by the Group entities 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 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 vesting period of the options.

2.10 Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.11 Taxes on Income:

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty

supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the Statement of Profit and Loss.

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

2.12 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss in accordance with Accounting Standard 19 on 'Leases'.

2.13 Investments:

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at lower of cost and market/ fair value. Long-term investments (excluding investment properties) are carried at cost. Provision for diminution, other than temporary, is made to recognise a decline in the value of the investments.

An investment in buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Group, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

2.14 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.

2.15 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

2.16 Impairment of assets

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance Sheet date, there is an indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Debenture Issue Expenses:

Debenture issue expenses including ancillary and other acquisition cost incurred on non-convertible debentures are amortised over the tenure of the underlying debenture.

2.18 Provisions and write-offs on loans and other credit facilities

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required by the RBI/NHB Directions. Delinquencies on assets securitised / assigned are provided for based on management estimates. Provision on standard assets is as per the RBI/NHB Directions.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

2.19 Derivative transactions

Mark to Market (MTM) valuation of the embedded derivative portion of borrowings by way of Market Linked Bonds and outstanding position in Market linked derivatives are recorded in accordance with principles enunciated in Accounting Standard 30 'Financial Instruments: Recognition and Measurement' and Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. MTM valuation is determined based on quotes available from exchange / counter party/ rating agency.

The Group enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing liabilities in foreign currency. Derivative contracts are marked-to-market and gains / losses are recognised in the Statement of Profit and Loss in accordance with Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India.

2.20 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.21 Operating Cycle

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

2.22 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. Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Share Capital		
600,000,000 (P.Y. 600,000,000) Equity Shares of ₹ 2 each	1,200.00	1,200.00
Issued , Subscribed and Paid Up:		
318,979,026 (P.Y. 317,908,193) Equity Shares of ₹ 2 each fully paid – up with voting rights	637.96	635.82
Total	**637.96**	**635.82**

b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Reconciliation of equity shares :	As at March 31, 2018		As at March 31, 2017	
Particulars	**No. of Shares**	**₹ In Millions**	**No. of Shares**	**₹ In Millions**
At the beginning of the year	317,908,193	635.82	316,536,853	633.07
Add:- Stock options exercised (Refer Note 35)	1,070,833	2.14	1,371,340	2.75
Outstanding at the end of the year	**318,979,026**	**637.96**	**317,908,193**	**635.82**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

c. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having at face 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, 2018, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.00/- (P.Y. ₹ 4.50/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 2 each fully paid				
FIH Mauritius Investments Limited	84,641,445	26.54	84,641,445	26.62
Nirmal Bhanwarlal Jain	47,952,000	15.03	51,252,000	16.12
HWIC Asia Fund Class A Shares	28,362,530	8.89	27,910,000	8.78
Venkataraman Rajamani*	10,909,432	3.42	19,909,432	6.26
Madhu N Jain*	13,700,000	4.29	17,000,000	5.35

* Position as on March 31, 2018 is given as they were shareholders with more than 5% shareholding as on March 31, 2017.

e. During the period of five years immediately preceding the Balance sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer Note 35 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

NOTE 4. RESERVE AND SURPLUS

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium Account		
Opening balance	25,292.67	17,935.71
Add: Premium on exercise of ESOP's	586.24	10,188.33
Add: Premium on Issue of Debentures	85.68	516.67
Less: Minority Interest	(292.72)	(3,348.04)
Closing balance	**25,671.87**	**25,292.67**
General Reserve		
Opening balance	1,933.41	1,552.63
Add: Amount transferred from Debenture Redemption Reserve	130.43	459.19
Less: Minority Interest	(3.45)	(78.41)
Less: Utilisation during the year [Refer Note 40]	(461.10)	-
Closing balance	**1,599.29**	**1,933.41**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening balance	2,950.97	2,475.98
Add : Amount transferred from Statement of Profit & Loss Account [Refer Note 4.1]	1,027.21	888.40
Less: Minority Interest	(11.09)	(413.41)
Closing balance	**3,967.09**	**2,950.97**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 4. RESERVE AND SURPLUS (Contd.)

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening balance	504.92	373.70
Add - Amount transferred from Statement of Profit and Loss Account [Refer Note 4.2]	395.00	194.00
Less: Minority Interest	(0.72)	(62.78)
Closing balance	**899.20**	**504.92**
Foreign Exchange Fluctuation Reserve		
Opening balance	294.74	332.56
Add / (Less): Effect of foreign exchange rate variations during the year	26.45	(35.58)
Less: Minority Interest	(0.10)	(2.24)
Closing balance	**321.09**	**294.74**
Capital Reserve [Refer note 4.3]		
Opening balance	433.70	433.70
Less: Utilisation during the year [Refer note 40]	(433.70)	-
Closing balance	**-**	**433.70**
Capital Redemption Reserve [Refer note 4.4.1]		
Opening balance	1,319.30	51.11
Add: Amount transferred from Statement of Profit and Loss Account (Refer note 4.4.2)	750.00	1,500.00
Less: Minority Interest	(1.58)	(231.81)
Closing balance	**2,067.72**	**1,319.30**
Debenture Redemption Reserve [Refer note 4.5]		
Opening balance	3,907.00	4,153.45
Add: Additions during the year	617.02	830.15
Less: Amount transferred to General Reserve	(130.43)	(459.19)
Less: Minority Interest	(4.44)	(617.41)
Closing balance	**4,389.15**	**3,907.00**
Surplus in Statement of Profit and Loss		
Opening balance	6,541.66	5,579.15
Addition:		
Profit for the year	9,113.24	6,860.89
Opening Adjustments	234.79	-
On account of demerger of 5Paisa Capital Limited(Refer Note 40)	12.45	-
Less: Minority Interest	(146.45)	(730.36)
Less: Appropriations		
Preference Dividend	-	(20.43)
Interim Dividend	(1,592.38)	(1,429.19)
Dividend Distribution Tax on interim dividend	(238.32)	(263.97)
Dividend Distribution Tax on preference dividend	(32.40)	(27.07)
Deferred Tax Liability	-	(14.81)
Transferred to Special Reserve as per section 45-IC of the Reserve Bank of India Act, 1934	(1,027.21)	(888.40)
Transferred to Special Reserve as per Section 29 C of the National Housing Bank Act,1987	(395.00)	(194.00)
Transferred to Debenture Redemption Reserve	(617.02)	(830.15)
Transferred to Capital Redemption Reserve	(750.00)	(1,500.00)
Net Surplus in the Statement of Profit and Loss	**11,103.36**	**6,541.66**
Total	**50,018.77**	**43,178.37**

4.1. Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, ₹ 1,027.21 millions (P.Y. ₹ 888.40 millions) being 20% of the profit after taxes for the year of IIFL Wealth Finance Limited, India Infoline Finance Limited and Samasta Microfinance Limited has been transferred from the Statement of Profit and Loss to Special Reserve.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

4.2. Pursuant to section 29C of the National Housing Bank Act, 1987, ₹ 395.00 millions (P.Y. ₹ 194.00 millions) being 20% of the profit after taxes for the year of India Infoline Housing Finance Limited has been transferred from the Statement of Profit and Loss to Special Reserve.

4.3. Capital Reserve was created in respect of share warrants lapsed in previous years.

4.4.1 Capital Redemption Reserve (CRR) was created on redemption of preference shares, buy back of equity shares and on amalgamation with India Infoline Marketing Services Limited.

4.4.2 During the year CRR has been created on redemption of the Preference share capital of India Infoline Finance Limited as per section 55 of the Companies Act, 2013.

4.5. Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company and it's subsidiaries are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through Private issue and Public issue. Accordingly, an amount of ₹ 617.02 millions (P.Y. ₹ 830.15 millions) has been transferred to Debenture Redemption Reserve Account. During the year an amount of ₹ 130.43 millions (P.Y. ₹ 459.19 millions) has been transferred from Debenture Redemption Reserve account to General Reserve on account of redemption of Debentures.

NOTE 5. SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Share Application Money pending allotment (Refer note 5.1)	4.16	1.46
Total	**4.16**	**1.46**

5.1 The Company has received ₹ 4.16 millions (P.Y. ₹ 1.46 millions) towards share application money on account of exercise of 23,645 (P.Y. 8,070) ESOP options which has resulted into allotment of 23,645 (P.Y. 8,070) equity shares, having face value of ₹ 2 each, allotted on April 17, 2018 (P.Y. April 13, 2017). Out of total proceeds, ₹ 4.11 millions (P.Y. ₹ 1.44 millions) were received towards Securities Premium.

NOTE 6. MINORITY INTEREST

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Minority Interest		
Opening Balance	12,552.23	7,436.71
Add: Opening Adjustment	(13.67)	-
Add: Addition in minority interest during the year	439.79	3,962.78
Add: Share of profit of minority interest	2,507.53	1,361.86
Less: Dividend Paid to minority interest (Including DDT)	(482.99)	(209.12)
Closing Minority Interest	**15,002.89**	**12,552.23**

NOTE 7. LONG TERM BORROWINGS

(₹ in Millions)

Particulars	Non-Current portion		Current Maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Term Loans - Secured:				
Term Loan from Banks (Refer Note(a), (b) and 7.1(a))	56,715.04	42,814.80	18,637.27	12,229.05
Loans from National Housing Bank (NHB) (Refer Note (a) and 7.1(b))	6,794.24	1,424.12	694.80	162.47
Loan from others (Refer Note (a) and 7.1(c))	168.79	37.81	282.04	13.88
Loan from financial Institution (Refer Note (c) and 7.1(d))	4.55	11.03	5.06	5.32
Sub Total (A)	**63,682.62**	**44,287.76**	**19,619.17**	**12,410.72**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 7. LONG TERM BORROWINGS (Contd.)

(₹ in Millions)

Particulars	Non-Current portion		Current Maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non-Convertible Debentures				
Secured (Refer Note (d), (e) and 7.2)	48,911.24	67,722.97	24,554.73	10,749.43
Unsecured – Subordinate Debt (Refer Note 7.2)	12,656.90	14,121.62	5,004.17	11.93
Unsecured - Perpetual Debt	1,500.00	1,500.00	-	-
Sub Total (B)	**63,068.14**	**83,344.59**	**29,558.90**	**10,761.36**
Share of Joint Venture (Refer Note 7.3)	359.11	378.58	-	-
Sub Total (C)	**359.11**	**378.58**	**-**	**-**
Total (A+B+C)	**127,109.87**	**128,010.93**	**49,178.07**	**23,172.08**
Amount disclosed under the head "Other Current Liabilities"	-	-	(49,178.07)	(23,172.08)
Total	**127,109.87**	**128,010.93**	**-**	**-**

(a) These term 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.

(b) Bank borrowing also includes foreign currency term loan aggregating to USD 13.35 millions (P.Y. USD 13.35 millions) wherein the principal amount is fully hedged.

(c) The above loan is secured against hypothecation of fixed asset (Vehicles), repayable in equated monthly instalments over a period of five years.

(d) These Non convertible debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(e) Non Convertible Debentures – Secured includes redeemable Non convertible debenture (Series A10) amounting to ₹ 1,600.00 millions which carries call and put option effective from July 23, 2018. Also, Non Convertible Subordinated debt - Unsecured includes redeemable subordinated debt (Series U08) amounting to ₹ 100.00 millions in respect of which the Company is having a call option at the end of 6th year from the date of allotment (February 28, 2018) and every year thereafter.

7.1: Term Loans - Secured:

(a) Term loans from Banks:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Fixed				
1-3 Years	8.88% - 14.00%	3.20	12.25% - 14.95%	267.22
Floating*				
Above 5 Years	8.05% - 8.40%	1,500.00	-	-
3-5 Years	7.90% - 9.85%	19,291.48	8.30% - 14.20%	14,178.17
1-3 Years	7.68% - 13.25%	35,920.36	8.15% - 14.50%	28,369.41
Total		**56,715.04**		**42,814.80**

*The rate of interest for the above term loans is linked to Marginal Cost of funds based Lending Rate/Treasury Bills/ LIBOR plus applicable spread. The above categorisation of loans has been based on the interest rate prevalent as on the respective reporting dates.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 7. LONG TERM BORROWINGS (Contd.)

(b) Term loans from NHB:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Fixed				
Above 5 Years	4.61% - 8.95%	3,122.24	7.95% - 8.70%	553.88
3-5 Years	4.61% - 8.95%	1,819.20	7.95% - 8.70%	435.12
1-3 Years	4.61% - 8.95%	1,852.80	7.95% - 8.70%	435.12
Total		**6,794.24**		**1,424.12**

(c) Term loans from others:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Fixed				
3-5 Years	-	-	9.30% - 9.65%	0.43
1-3 Years	9.30% - 12.00%	168.79	9.30% - 12.00%	37.38
Total		**168.79**		**37.81**

(d) Loan from financial institution:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
1-3 Years	9.00% - 10.00%	4.55	9.00% - 10.00%	11.03
Total		**4.55**		**11.03**

7.2 Non-Convertible Debentures - Secured:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Fixed				
Above 5 Years	-	-	15.25%	50.00
3-5 Years	8.00% - 15.25%	5,928.60	8.90% - 10.60%	5,800.00
1-3 Years	7.50% - 13.70%	17,211.70	8.00% - 12.51%	31,734.53
Floating				
Above 5 Years	Market Linked	8,561.10	Market Linked	12,164.70
3-5 Years	Market Linked	1,719.70	8.60%	5,000.00
1-3 Years	8.07% -8.60%	7,621.20	Market Linked	621.20
Zero Coupon				
3-5 Years	8.20% - 8.75%	470.60	8.64% - 9.40%	5,043.00
1-3 Years	8.10% - 9.50%	7,398.34	8.85% - 11.45%	7,309.54
Total		**48,911.24**		**67,722.97**

Non-Convertible Debentures - Unsecured:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Fixed				
Above 5 Years	8.70% - 12.10%	5,609.00	9.00% - 16.90%	5,165.00
3-5 Years	9.30% - 12.20%	4,386.43	9.30% - 12.00%	5,162.60
1-3 Years	10.75%- 12.00%	3,991.45	12.25% - 12.75%	4,648.23
Zero Coupon				
3-5 Years	-	-	12.00%	201.42
1-3 Years	12.00%	170.02	12.00% - 12.75%	444.37
Total		**14,156.90**		**15,621.62**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 7. LONG TERM BORROWINGS (Contd.)

7.3 Share of Joint Venture:

(₹ in Millions)

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Rate of Interest/Yield	Amount	Rate of Interest/Yield	Amount
Above 5 Years	12.00%	359.11	12.00%	378.58
Total		**359.11**		**378.58**

NOTE 8. OTHER LIABILITIES

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current maturities of Long-term Borrowings	-	-	49,178.07	23,172.08
Sub Total (A)	**-**	**-**	**49,178.07**	**23,172.08**
Security Deposits	151.17	132.79	242.43	237.89
Temporary overdrawn bank balance as per books	-	-	10,669.91	7,157.82
Interest accrued but not due on borrowings	2,178.61	2,332.26	4,130.57	3,578.73
Advances from Customers	-	-	1,220.05	2,141.60
Margin from Clients	-	-	33.00	5.00
Payables on account of Assignment	-	-	1,510.01	1,482.93
Contractually Reimbursable Expenses	-	-	3.83	36.31
Statutory Remittances	-	-	790.57	368.71
Income received in advance	-	-	127.43	202.44
Unclaimed Dividend (Refer note 8.1)	-	-	8.24	6.79
Other Payables (auction proceeds, retention payable, unclaimed NCD dues, etc.) (Refer note 8.1a)	-	-	1,879.73	785.55
Payable to Exchanges	-	-	4,145.59	4,175.16
Payable to Client for trade settlement	-	-	9,374.97	10,652.13
Payable to Employees	-	-	0.02	5.21
Provision for Gratuity	-	-	9.31	7.47
Sub Total (B)	**2,329.78**	**2,465.05**	**34,145.66**	**30,843.74**
Total (A+B)	**2,329.78**	**2,465.05**	**83,323.73**	**54,015.82**

8.1 No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of Unclaimed Dividend and Unclaimed dues on account of NCD.

8.1a Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 1,091.87 millions (P.Y. ₹ 0.02 millions), Mark to market payable (Net) ₹ 3.00 millions (P.Y. ₹ Nil).

NOTE 9. PROVISIONS:

(₹ in Millions)

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits				
Provision for Compensated absences	64.00	43.63	86.16	48.09
Provision for Gratuity	46.37	33.64	17.08	35.87
Sub Total (A)	**110.37**	**77.27**	**103.24**	**83.96**
Provision for others				
Contingent Provision against Standard assets (Refer note 9.1)	1,479.35	972.25	-	-
Provision for Tax (Net of Advance Tax ₹ 5,869.08 millions (P.Y. ₹ 6,348.52 millions)	-	-	712.71	943.15
Provision for Bonus	-	-	1,133.96	854.68
Proposed Dividend (Refer note 9.2)	-	-	-	60.02

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 9. PROVISIONS: (Contd.)

(₹ in Millions)

Particulars	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Dividend distribution tax on proposed dividend	-	-	-	12.23
Other provisions (Refer note 9.1)	171.71	169.40	-	-
Sub Total (B)	**1,651.06**	**1,141.65**	**1,846.67**	**1,870.08**
Total (A+B)	**1,761.43**	**1,218.92**	**1,949.91**	**1,954.04**

9.1 Details of movement in provisions:

(₹ in Millions)

Particulars	Contingent provision against standard assets		Other provisions	
	2017-18	2016-17	2017-18	2016-17
Opening	972.25	700.58	169.40	26.12
Add: Addition	507.10	271.67	12.42	143.28
Less: Reversals	-	-	10.11	-
Closing	**1,479.35**	**972.25**	**171.71**	**169.40**

9.2 Details of Proposed Preference Dividend:

(₹ in Millions)

Particulars	2017-18	2016-17
On 8% Non Convertible Redeemable Preference Shares of ₹ 10 each	-	₹ 0.8 Per share
Number of shares	-	75,000,000
Sub-total (A)	**-**	**60.00**
On 0.01% Compulsorily Convertible Preference Shares of ₹ 10 each	-	₹ 0.0005 Per share
Number of shares	-	43,334,409
Sub-total (B)	**-**	**0.02**
Total (A+B)	**-**	**60.02**

NOTE 10. SHORT TERM BORROWINGS:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Loans		
Cash Credit/Bank Overdraft (Refer note (a))	8,237.37	6,799.83
Term Loan from Banks (Refer note (a))	-	1,000.00
Collateralised Borrowing and Lending Obligation (CBLO) (Refer note (b))	5,550.00	8,400.00
Less : Unexpired discount on CBLO	(2.14)	(2.51)
Sub Total (A)	**13,785.23**	**16,197.32**
Unsecured Loans		
Commercial Papers	140,835.94	76,446.34
Less : Unexpired discount on Commercial Papers (Refer note(c))	(1,175.10)	(523.11)
Inter Corporate Loan / Deposits	-	0.73
Sub Total (B)	**139,660.84**	**75,923.96**
Total (A+B)	**153,446.07**	**92,121.28**

(a) These are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, Collaterals outstanding monies receivables including future movable assets, other than those specifically charged.

(b) Borrowings under CBLO are secured against government securities of face value ₹ 5,700.00 millions (P.Y. ₹ 8,550.00 millions).

(c) Unexpired discount on Commercial Papers is net of ₹ 1,558.38 millions (P.Y. ₹ 716.50 millions) towards discount accrued but not due.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 11. TRADE PAYABLE

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises (Refer note 11.1)	0.03	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
– Sundry Creditors	228.76	417.88
- Accrued Salaries and Benefits	64.33	50.65
- Provision for expenses	1,150.32	960.19
- Other payables	4.64	24.17
Total	**1,448.08**	**1,452.89**

11.1 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Millions)

Particulars	2017-18	2016-17
(a) Principal amount remaining unpaid to any supplier at the year end	0.03	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

NOTE 12. TANGIBLE ASSETS

(₹ in Millions)

Particulars	Land/ Leasehold Land	Buildings (Including Land)	Computers	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicles	Total
Cost as at April 1, 2017	1,832.07	3,616.66	824.68	660.25	1,730.90	701.28	49.62	**9,415.46**
Additions	60.13	825.72	250.17	72.86	402.03	72.38	16.67	**1,699.96**
Deduction on demerger of subsidiary	-	-	(1.47)	(0.32)	(1.84)	(1.50)	-	**(5.13)**
Deductions/Adjustments	(63.91)	(339.84)	(412.22)	(181.23)	(625.43)	(294.55)	(14.71)	**(1,931.89)**
As at March 31, 2018	**1,828.29**	**4,102.54**	**661.16**	**551.56**	**1,505.66**	**477.61**	**51.58**	**9,178.40**
Depreciation								
As at April 1, 2017	8.22	662.41	676.93	586.50	1,470.57	635.89	25.44	**4,065.96**
Depreciation for the year(Continuing Operations)	-	21.24	42.99	18.55	49.09	25.48	3.50	**160.85**
Depreciation for the year (Discontinuing Operations)	2.79	213.27	75.70	36.67	165.23	27.05	6.79	**527.50**
Deduction on demerger of subsidiary	-	-	(0.47)	(0.24)	(1.01)	(0.71)	-	**(2.43)**
Deductions/Adjustments	-	(41.66)	(423.06)	(198.07)	(618.54)	(306.70)	(11.03)	**(1,599.06)**
Up to March 31, 2018	**11.01**	**855.26**	**372.09**	**443.41**	**1,065.34**	**381.01**	**24.70**	**3,152.82**
Net Block as at March 31, 2018	**1,817.28**	**3,247.28**	**289.07**	**108.15**	**440.32**	**96.60**	**26.88**	**6,025.60**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 12. TANGIBLE ASSETS (Contd.)

(₹ in Millions)

Particulars	Land/ Leasehold Land	Buildings (Including Land)	Computers	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicles	Total
Cost as at April 1, 2016	1,826.85	2,807.97	688.69	689.74	1,800.33	713.34	52.18	**8,579.10**
Additions	6.36	808.70	155.24	31.81	146.53	21.38	0.10	**1,170.12**
Additions due to acquisition of Subsidiary	-	-	4.26	-	4.55	3.19	6.18	**18.18**
Reclassification	-	-	-	0.16	0.03	(0.19)	-	**-**
Deductions/Adjustments	(1.14)	-	(23.50)	(61.46)	(220.54)	(36.44)	(8.85)	**(351.93)**
As at March 31, 2017	**1,832.07**	**3,616.67**	**824.69**	**660.25**	**1,730.90**	**701.28**	**49.61**	**9,415.47**
Depreciation								**-**
As at April 1, 2016	7.14	519.21	624.23	571.21	1,532.35	612.67	17.65	**3,884.46**
Additions due to acquisition of Subsidiary	-	-	4.25	-	2.70	2.43	2.58	**11.96**
Depreciation for the year (Continuing Operations)	-	21.27	15.00	34.90	48.65	33.40	1.37	**154.59**
Depreciation for the year (Discontinuing Operations)	1.08	122.27	50.62	32.91	104.58	22.22	7.48	**341.16**
Reclassification	-	-	-	0.10	-	(0.10)	-	**-**
Deductions/Adjustments	-	(0.34)	(17.17)	(52.62)	(217.71)	(34.73)	(3.65)	**(326.22)**
Up to March 31, 2017	**8.22**	**662.41**	**676.93**	**586.50**	**1,470.57**	**635.89**	**25.43**	**4,065.95**
Net Block as at March 31, 2017	**1,823.85**	**2,954.26**	**147.76**	**73.75**	**260.33**	**65.39**	**24.18**	**5,349.50**

NOTE 13. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Millions)

Particulars	Software
Cost or Valuation as at April 1, 2017	**166.47**
Additions	131.05
Additions due to acquisition of Subsidiary	-
Deductions /Adjustments during the year	(2.67)
As at March 31, 2018	**294.85**
Depreciation	
As at April 1, 2017	**99.53**
Additions due to acquisition of Subsidiary	-
Depreciation For the year (Continuing operations)	12.20
Depreciation For the year (Discontinuing operations)	61.40
Reclassification	-
Deductions/Adjustments during the year	(0.65)
Up to March 31, 2018	**172.48**
Net Block as at March 31, 2018	**122.37**

(₹ in Millions)

Particulars	Software
Cost or Valuation as at April 1, 2016	**176.80**
Additions	58.97
Additions due to acquisition of Subsidiary	5.22
Deductions /Adjustments during the year	(74.53)
As at March 31, 2017	**166.46**
Depreciation	
As at April 1, 2016	**125.16**
Additions due to acquisition of Subsidiary	4.83

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 13. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED) (Contd.)

(₹ in Millions)

Particulars	Software
Depreciation For the year (Continuing operations)	4.13
Depreciation For the year (Discontinuing operations)	39.81
Reclassification	(2.07)
Deductions/Adjustments during the year	(72.34)
Up to March 31, 2017	**99.52**
Net Block as at March 31, 2017	**66.94**

NOTE 14. NON-CURRENT INVESTMENTS

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Non Trade Investments (Quoted)(Valued at cost unless stated otherwise)						
Investment in equity shares (Fully paid) (Quoted):						
Bombay Stock Exchange Limited	2	65,000	16.87	2	65,000	16.87
Sub Total (A)			**16.87**			**16.87**
Total Quoted Investment (A) {I}			**16.87**			**16.87**
Trade Investments (Unquoted)(Valued at cost unless stated otherwise)						
Investment in equity in Associate Company (Fully paid)						
IIFL Asset Reconstruction Limited (Refer Note 14.1)	10	-	-	10	2,050,000	21.50
Sub Total (B)		**-**	**-**			**21.50**
Non Trade Investments (Unquoted) (Valued at cost unless stated otherwise)						
Investment in equity shares (Fully paid) (Unquoted):						
Fine Worthy Software Solutions	10	10,000	0.10	10	10,000	0.10
MF Utilities India Private Limited	1	500,000	0.50	1	500,000	0.50
Alpha Micro Finance Consultants Private Limited	10	50,000	0.50	10	50,000	0.50
TransUnion CIBIL Limited (formerly, Credit Information Bureau (India) Limited)	10	250,000	155.00	10	250,000	155.00
India Alternatives Investment Advisors Private Limited(Refer Note 14.2)	10	1	0.01	10	1	0.01
Sub Total (C)			**156.11**			**156.11**
Investment in Mutual Funds (Unquoted):						
HDFC Debt Fund For Cancer Cure – 50% Regular option -2014 dividend donation	10	2,000,000	20.00	10	2,000,000	20.00
IIFL Mutual Fund - Dynamic Bond Fund-Direct Plan-Growth	10	563,625	6.12	10	563,625	6.12
IIFL Liquid Fund – Direct Plan - Growth	1,000	4,769	5.87	1,000	4,769	5.87
IIFL India Growth Fund – Direct Plan- Growth	10	533,063	5.33	10	5,095,481.47	55.33
Sub Total (D)			**37.32**			**87.32**
Investment in Non Convertible Debentures for financing real estate projects (Unquoted):						
Assotech Limited	-	-	-	100,000	520	52.00
Radius & Deserve Land Developers Private Limited - Series E	-	-	-	1,000,000	120	120.00

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14. NON-CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Roseberry Developers Private Limited	100,000	9,500	950.00	-	-	-
Roseberry Developers Private Limited (Series B)	65,981	-	-		-	-
Nuevo Suncity Private Limited	100,000	7,389	738.89	100,000	7,389	738.89
Renaissance Indus Infra Private Limited	-	-	-	100,000	164	16.41
Rajesh Habitat Private Limited	5,000,000	56	281.25	5,000,000	90	450.00
Spenta Suncity Private Limited - Series A	100,000	1,250	125.00	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 Private Limited - Series A	1,000,000	950	950.00	1,000,000	7,000	700.00
Janapriya Engineers Syndicate Private Limited	100,000	9,100	910.00	-	-	-
Zerkalo Properties Private Limited	100,000	8,450	845.00	-	-	-
Radius Infra Holdings Private Limited	100,000	8,499	849.90	-	-	-
Cushion Realty Private Limited	100,000	8,800	880.00	-	-	-
Spenta Sun City Private Limited	100,000	23,333	2,333.30	-	-	-
Radius & Deserve Land Developers Private Limited	100,000	11,500	1,150.00	-	-	-
Alisa Infratech Private Limited - Series B,C and D	1,000,000	1,000	1,000.00	-	-	-
Magic Eye Developers Private Limited	100,000	1,000	100.00	-	-	-
Ruchi Priya Developers Private Limited	-	-	-	60,000	10,000	652.37
Reliance Capital Limited RCL MLD SERIES B/367-A 28-NOV-19	100,000	137	13.70	100,000	137	13.70
Reliance Capital Limited SR-B/359A TYPE III BR NCD 21OT19	100,000	629	62.90	100,000	629	62.90
Reliance Capital Limited SR-B/359A TYPE IV BR NCD 24OT19	100,000	704	70.40	100,000	704	70.40
Reliance Capital Limited SR-B/364A TYPE I BR NCD 04NV19	100,000	336	33.60	100,000	336	33.60
RELIANCE CAPITAL LIMITED RCL MLD SERIES B/369-A TYPE II 02-DEC-19	100,000	60	6.00	100,000	60	6.00
Reliance Capital Limited SERIES B/435-A	100,000	1,805	180.50	-	-	-
Reliance Capital Limited SR-B/433A BR NCD 09AG21	100,000	3,321	333.62	-	-	-
Arch Agro Industries Private Limited(Non convertible Debentures)(Since Matured)	10,000	10,855	73.26	10,000	10,855	73.26
Sub Total (E)			**11,887.32**			**5,843.63**
Investment in Venture Capital Funds and Alternative Investment Funds (Fully paid) (Unquoted)						
IIFL Real Estate Fund (Domestic) Series 1 - Class B	-	-	-	10	288	0.00
Motilal Oswal Focused Growth Opportunities Fund - Class C	10	20,000	0.20	10	20,000	0.20
Sundaram Alternative Opportunities Fund Nano Cap Series 1 - Class E	100,000	147.02	16.70	100,000	25.05	2.51
IIFL National Development Agenda Fund -Class C Units	-	-	-	8.4710	9,722,490.53	85.09
IIFL Income Opportunities Fund Series – Special Situation– Class B Units	7.10	1,685	0.01	7.7648	934,607.75	7.66
IIFL Income Opportunities Fund Series – Special Situation– Class S Units	4.66	13,597,048	70.65	7.7648	23,875,532.646	188.48
IIFL Income Opportunities Fund	-	-	-	0.7693	58,351,969.68	34.41
Blume Venture Capital Fund	10	1,488	16.86	10,000	1,488	16.86

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14. NON-CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
IIFL Venture Fund Category I – AIF	-	-	0.10	-	-	0.10
IIFL Private Equity Fund Category II – AIF	-	-	0.10	-	-	0.10
IIFL Opportunity Fund Category III AIF	-	-	0.10	-	-	0.10
IIFL Income Opportunities Fund Category II-AIF Class S	-	-	-	0.77	5,000,000	6.60
IIFL Real Estate Fund (Domestic) - Series 2 - Class S	7.5929	46,956,551.454	386.97	10	46,956,551.454	500.00
India Alternative Private Equity Fund (Partly paid ₹ 76.57 (P.Y. ₹74.52)	100	3,151,000	221.18	100	3,151,000	210.52
IIFL Cash Opportunities Fund - Sponser Class A	10	9,326,065	112.31	10	9,326,357	100.00
IIFL Cash Opportunities Fund - Class C	10	1,000	0.01	10	1,000	0.01
IIFL Real Estate Fund (Domestic) Series 1 Class C	-	-	-	15.9627	7,500,000	166.00
IIFL Real Estate Fund (Domestic) Series 2 - Class C	10	2,370	0.02	10	2,370	0.02
IIFL Real Estate Fund (Domestic) Series 3 - Class S	10	25,000,000	268.14	10	25,000,000	250.00
IIFL Real Estate Fund (Domestic) Series 4 - Class D	10	2,500	0.03	10	2,500	0.03
IIFL Real Estate Fund (Domestic) Series 4 - Class S	10	10,000,000	102.95	10	10,000,000	100.00
IIFL Best of Class Fund - Series I - Class C Units	5.81	2,500	0.01	10	2,500	0.03
IIFL Best of Class Fund - Series I - Class S	10	5,000,000	63.16	10	5,000,000	49.68
IIFL Best of Class Fund - Series II - Class C Units	10	2,500	0.03	10	2,500	0.03
IIFL Best of Class Fund - Class B - Class 3(Reliance)	10	5,000,000	54.55	10	5,000,000	49.38
IIFL Seed Venture Fund- Class C Units	10	2,500	0.03	10	2,500	0.03
IIFL Seed Venture Fund- Class S	10	18,584,494	302.11	10	6,242,543	67.50
IIFL Asset Revival Fund Series 2- Class C Units	10	2,500	0.03	10	2,500	0.03
IIFL Asset Revival Fund Series 2- Class S	10	10,000,000	138.89	10	10,000,000	100.00
IIFL Asset Revival Fund Series 3- Class C	10	2,500	0.03	10	2,500	0.03
IIFL Asset Revival Fund Series 3- Class S	10	2,941,414	37.33	10	4,714,192	50.00
IIFL Yield Enhancer Fund- Class D Units	3.81	2,500	0.01	10	2,500	0.03
IIFL Yield Enhancer Fund- Class S	10	30,218,768	128.49	10	12,500,000	125.00
IIFL Phoenix Cash Opportunities Fund- Class C	10	1,500	0.02	10	2,500	0.03
IIFL Phoenix Cash Opportunities Fund- Class S	10	2,896,148	31.53	10	1,000,000	10.00
IIFL Focused Equity Strategy Fund - Class S1	10	2,156,072	31.69	10	833,333	8.33
IIFL Focused Equity Strategy Fund - Class S2	10	2,118,434	23.88	10	833,333	8.33
IIFL Focused Equity Strategy Fund - Class S3	10	2,307,261	26.71	10	833,333	8.33
IIFL Income Opportunities Series Debt Advantage	10	17,867,792	190.97	10	4,956,271	50.00
Ask Select Focus Fund - Class E	1,000	5,000	5.00	-	-	-
IIFL Select Series I - Class A	10	1,680,799	20.69	10	1,676,041	17.00
IIFL Select Equity Fund - Sponsor Contribution	10	2,038,086	19.92	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
Global Dynamic Opportunities Fund - Cell 74	-	-	-	100	51,000	330.63
IIFL Re Organise India Equity Fund	10	4,984,299	44.92	10	2,500,000	25.00
Iron Pillar Fund 1 Class A	100	291,118	29.11	-	-	-
India Housing Fund - Class B	10	2,500	0.03	-	-	-
IIFL Long Term Growth Fund I - Class B	10	2,500	0.03	-	-	-
IIFL Investment Opportunities Fund- Spl. Series 1	-	-	-	10	2,500	0.02
IIFL Investment Opportunities Fund- Spl. Series 1 Class S	-	-	-	10	7,635,711	79.99

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14. NON-CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Motilal Oswal Focused Growth Opportunities Fund Carry Units - Class B	10	862,449	10.00	10	604,802	6.50
DSP BlackRock AIF Pharma Fund - Class C	100	100,000	10.00	-	-	-
Sundaram Alternative Opportunities Fund Nanocap Series II - Class E	100,000	154	16.70	-	-	-
Sundaram Alternative Opportunities Fund Nanocap Series II - Class I	100,000	1	0.10	-	-	-
White Oak India Equity Fund - Class I	10	1,293,393	13.00	-	-	-
Yournest Angel Fund – Scheme 1	1	1,575	-	-	-	-
India Housing Fund	10	5,000,000	50.63	-	-	-
IA ALL CAP FUND	10	5,645,048	54.48	-	-	-
IA Diversified Fund	10	7,500,000	75.68	-	-	-
IIFL Blended Fund Series - A - CAPMETRICS - CONCENTRATED HIGH GROWTH	10	625,000	6.43	-	-	-
IIFL Blended Fund Series - A - MOTILAL - LONG TERM VALUE	10	637,624	6.14	-	-	-
IIFL Blended Fund Series - A - NO ADVISOR - MULTI CAP STRATEGY	10	638,199	5.98	-	-	-
IIFL Blended Fund Series - A - TRIVANTAGE - RESURGENT FINANCIALS	10	651,268	5.65	-	-	-
IIFL Blended Fund Series – C	10	3,010,000	29.47	-	-	-
IIFL Long Term Equity Growth Fund	10	1,000,000	10.53	-	-	-
IIFL Long Term Growth Fund I - Class S	10	10,000,000	102.73	-	-	-
IIFL Blended Series - C	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund Series 2 - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund Series 3 - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund Series 4 - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund - Series 5 - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities Fund Series 7 - Class B	10	2,500	0.03	-	-	-
IIFL Special Opportunities 4 - Nazara Technology	10	6,866,724	68.64	-	-	-
IIFL Special Opportunities Fund - Nazara Technologies - Co-Investment	10	175,011	1.75	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) – ICICI	10	381,093	6.19	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - RELIANCE	10	404,782	3.92	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) – ICICI	10	381,093	6.19	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - RELIANCE	10	404,782	3.92	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) – ICICI	10	381,093	6.19	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - RELIANCE	10	404,782	3.92	-	-	-
IIFL Special Opportunities Fund - Co Investment (NSDL E-Governance Infrastructure) Class S	10	485,026	4.85	-	-	-
IIFL Special Opportunities Fund - Series 1 - Class S	10	3,543,689	40.70	-	-	-
IIFL Special Opportunities Fund - Series 1 Co Investment (NSE India Limited) Class S	10	893,171	8.93	-	-	-

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14. NON-CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
IIFL Special Opportunities Fund - Series 2 - Class S	10	3,599,650	39.85	-	-	-
IIFL Special Opportunities Fund - Series 2 - Nazara Technologies - Co-Investment	10	175,011	1.75	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (IEX) Class S	10	172,477	1.60	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (NSDL E-Governance Infrastructure) Class S	10	485,026	4.85	-	-	-
IIFL Special Opportunities Fund - Series 2 Co Investment (NSE India Limited) Class S	10	893,068	8.93	-	-	-
IIFL Special Opportunities Fund - Series 3 - Nazara Technologies - Co-Investment	10	175,011	1.75	-	-	-
IIFL Special Opportunities Fund - Series 3 - Class S	10	3,644,632	39.61	-	-	-
IIFL Special Opportunities Fund - Series 3 Co Investment (IEX) Class S	10	172,477	1.60	-	-	-
IIFL Special Opportunities Fund - Series 3 Co Investment (NSDL E-Governance Infrastructure) Class S	10	485,026	4.85	-	-	-
IIFL Special Opportunities Fund - Series 3 Co Investment (NSE India Limited) Class S	10	894,852	8.94	-	-	-
IIFL Special Opportunities Fund - Series 4 - Class S	10	2,509,319	25.09	-	-	-
IIFL Special Opportunities Fund - Series 4 - Nazara Technologies - Co-Investment	10	175,011	1.75	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (IEX) Class S	10	172,477	1.60	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (NSDL E-Governance Infrastructure) Class S	10	485,026	4.85	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (NSE India Limited) Class S	10	890,062	8.90	-	-	-
IIFL Special Opportunities Fund - Series 5 - Class S	10	2,529,204	24.95	-	-	-
IIFL Special Opportunities Fund - Series 5 - Nazara Technologies - Co-Investment	10	175,011	1.75	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (IEX) Class S	10	172,477	1.60	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (NSDL E-Governance Infrastructure) Class S	10	485,026	4.85	-	-	-
IIFL Special Opportunities Fund - Series 5 Co Investment (NSE India Limited) Class S	10	890,654	8.90	-	-	-
IIFL Special Opportunities Fund Series 7 - Class S	10	5,000,000	50.21	-	-	-
IIFL Special Opportunities Fund Co Investment (IEX) Class S	10	172,477	1.60	-	-	-
IIFL Special Opportunities Fund- (Co-Investment – Nazara Technologies) Series 1	10	299,021	2.98	-	-	-
IIFL Special Opportunities Fund- (Co-Investment – Nazara Technologies) Series 2	10	299,021	2.98	-	-	-
IIFL Special Opportunities Fund- (Co-Investment – Nazara Technologies) Series 3	10	299,021	2.98	-	-	-

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14. NON-CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
IIFL Special Opportunities Fund-(Co-Investment – Nazara Technologies) Series 4	10	299,021	2.98	-	-	-
IIFL Special Opportunities Fund - Series 5 Co-Investment – Nazara Technologies)	10	299,021	2.98	-	-	-
IIFL Special Opportunities Fund 5 - Nazara Technology	10	60,001	0.60	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - CAPACITE	10	47,644	0.55	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - CAPACITE	10	47,644	0.55	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - CAPACITE	10	47,644	0.55	-	-	-
Sub Total (F)			**3,165.36**			**6,724.04**
Investment Property (Refer note 14.4)			**2,451.14**			**504.06**
Sub-total (G)			**2,451.14**			**504.06**
Total Unquoted Investment (B+C+D+E+F+G) {II}			**17,697.25**			**13,336.66**
Total {I+II}			**17,714.12**			**13,353.53**
Less: Diminution in the value of investments			(73.27)			(73.27)
Grand Total			**17,640.85**			**13,280.26**
Aggregate cost of quoted investments			16.87			16.87
Aggregate cost of unquoted investments			17,659.94			13,249.34
Aggregate cost of unquoted mutual fund			37.31			87.31
Aggregate market value of Unquoted mutual fund			42.33			152.70

14.1 IIFL Holdings Limited (IIFLHL) was holding 50% paid-up share capital of IIFL Asset Reconstruction Limited (IIFL ARC) till May 08, 2017, there after IIFLHL has acquired balance 50% share of IIFL ARC from its shareholders during May 09, 2017 to May 24, 2017 and thereafter it became wholly own subsidiary of IIFLHL.

14.2 During the previous year the IIFL Wealth Management limited (Subsidiary Company) sold 7,099 equity shares and 4,046 preference shares of India Alternatives Investment Advisors Private Limited (India Alternatives) for an aggregate consideration of ₹ 0.11 millions. The loss on account of sale of above shares amounted to ₹ 35.87 millions. India Alternatives ceased to be subsidiary consequent to the sale of equity shares by the Company as on March 31, 2017.

14.3 The NAV for carry units of AIF can be determined at the time of closure of Fund basis the distribution waterfall as per PPM and hence not shown above.

14.4 India Infoline Finance Limited acquired 100% equity shares of Clara Developers Private Limited as well as title of the land towards satisfaction of dues given to Assotech Limited. The land was acquired vide sale deed dated March 30, 2018, from IDBI Trusteeship Services Private Limited, the security trustee for the underlying loan, under the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI). The land along with all rights including development rights and possession etc. now reside with India Infoline Finance Limited.

14.5 Market value of investments in unquoted mutual fund units represents the repurchase price of the units issued by the mutual funds.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 15. In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken credit of ₹ 250.24 millions (P.Y. ₹ 186.34 millions) in the Statement of Profit and Loss towards deferred tax asset on account of timing differences in respect of continuing operations and credit of ₹ 14.62 millions (P.Y. ₹ 96.98 millions) in respect of discontinuing operations.

Deferred Tax Asset (Net)

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Asset		
On Depreciation	352.62	331.04
On Employee benefits	74.15	26.19
On Provisions	1,614.12	1,152.06
On brought forward Long Term Capital Losses	56.66	179.54
On brought forward Short Term Capital Losses	71.05	100.34
Others	-	0.28
Total (A)	**2,168.60**	**1,789.45**
Deferred Tax Liabilities		
On Special reserves	313.07	185.95
On Provisions	73.56	24.16
Others	6.12	-
Total (B)	**392.75**	**210.11**
Total (A) – (B)	**1,775.85**	**1,579.34**

Deferred Tax Liability (Net)

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities		
Others	0.51	-
Total	**0.51**	**-**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 16. LOANS & ADVANCES:

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Loans & Advances				
- Secured, considered good (Refer note 16.1)	175,709.11	133,994.06	120,613.34	77,576.20
- Secured, considered doubtful (Refer note 16.1)	1,396.02	2,002.55	1,521.32	672.24
- Unsecured considered good	12,704.55	2,142.34	16,483.41	5,025.40
- Unsecured considered doubtful	68.47	5.73	110.84	62.26
Sub Total (I)	**189,878.15**	**138,144.68**	**138,728.91**	**83,336.10**
Less: Provision for non-performing Loans(II)	(1,279.85)	(1,741.61)	(1,281.24)	(663.66)
Sub Total (A)(I+II)	**188,598.30**	**136,403.07**	**137,447.67**	**82,672.44**
Other Loans and Advances				
Dues from Customers -				
- Secured, considered good (Refer note 16.1)	-	-	3,046.48	1,781.62
- Secured, considered doubtful (Refer note 16.1)	-	-	1,574.08	767.48
- Unsecured considered good	-	-	106.88	20.30
- Unsecured considered doubtful	-	-	61.45	7.75
Others Secured Considered Good				
Lending under CBLO	-	-	2,500.00	-
Less: Unexpired Discount	-	-	(1.27)	-
Others Unsecured Considered Good				
Deposits given	447.27	469.18	83.95	35.90
Deposits with Exchanges & CCIL	602.24	386.65	860.14	1,385.00
Capital Advances (Refer note 16.2)	425.39	733.82	-	0.10
Deposit with government authorities	2.19	-	-	-
Loans and Advances to employees	4.70	-	-	-
Others	49.03	76.62	81.78	100.07
Advance Income tax (net of Tax Provisions) – Current Year ₹ 15,299.59 millions (P.Y. ₹ 9,853.18 millions)	2,141.45	1,980.93	-	-
MAT Credit	126.01	147.82	-	-
GST/Service Tax Input Credit receivable	40.93	1.45	57.26	6.52
Receivable from Group company	-	-	7.42	4.59
Prepaid expenses (Refer note 16.3)	95.91	63.73	257.85	255.01
Inter corporate deposits	-	-	18.80	32.17
Sub Total (B)	**3,935.12**	**3,860.20**	**8,654.82**	**4,396.51**
Total (A+B)	**192,533.42**	**140,263.27**	**146,102.49**	**87,068.95**

16.1 Secured Loans and advances are secured or partly secured by way equitable mortgage of property, pledge of shares/ bonds/debentures or other securities and property, hypothecation of assets, Company/personal Guarantees, physical gold, undertaking to create security.

16.2 The India Infoline Finance Limited during the year has acquired an existing capital advance portfolio from M/S IIFL Management Services Limited (IIFLMSL), a fellow subsidiary of the India Infoline Finance Limited. IIFLMSL has been underwriting affordable residential units with recognised developers in past, but IIFLMSL is now in the process of winding down the broking business and is finding it challenging to manage this book. The Company, being in the business of financing and having contact with the developers, is in a better position to manage this book and has therefore acquired the portfolio from IIFLMSL, which shall be repaid by the developers through their cash flows or sales at regular rests with a fixed rate of return. The Company is in the process of obtaining requisite no objection certificates / agreements from the respective developers/ builders for transferring said allotments letters in its name.

16.3 Prepaid expenses includes funded gratuity amounting to ₹ 1.00 millions (P.Y. ₹ Nil). Also refer note 24.1

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 17. OTHER ASSETS :

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unamortised Debenture issue expenses	54.18	47.84	59.77	70.54
Margin with Exchanges	-	-	1.95	1.95
Option premium paid	-	-	49.75	-
Fixed deposits with Banks (Refer note 17.1)	1,547.75	473.36	-	-
Receivables from Securitisation / Assignment	-	-	33.47	-
Interest accrued on Investments	29.60	-	270.31	240.87
Interest accrued and due on ICD	-	-	1.52	-
Accrued Income on Loans	-	-	5,316.06	2,843.99
Accrued Interest on Fixed Deposits	-	-	187.54	151.68
Receivable from Exchanges	-	-	808.33	1,866.79
Receivable from Clients	-	-	12,896.12	9,623.56
Assets given under finance lease	34.10	-	-	-
Insurance claim and other receivables	-	-	212.31	163.25
Receivable from fund	-	-	33.91	0.12
Receivable on market linked products	113.53	56.61	-	-
Others	-	13.87	590.98	872.35
Less : Provision	-	-	(60.26)	(55.74)
Total	**1,779.16**	**591.68**	**20,401.76**	**15,779.36**

17.1. Details of Fixed Deposits:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Lien Marked	730.87	103.95
Margin for Credit Enhancement	556.07	298.30
Other deposits	260.81	71.11
Total	**1,547.75**	**473.36**

NOTE 18. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE):

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Current maturities of long term investments (at cost)						
Investment in Alternative Investment Funds (fully paid) (unquoted):						
IIFL Income Opportunities Fund-Special Situation Class B	4.6570	932,923.14	5.03	-	-	-
IIFL Income Opportunities Fund-Special Situation Class S	4.6570	10,278,484.68	50.79	-	-	-
Sub Total (A)			**55.82**			**-**
Investment in mutual funds (unquoted):						
IIFL India Growth Fund - Direct Plan growth	10	4,562,418.45	50.00	-	-	-
Sub Total (B)			**50.00**			**-**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 18. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE): (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Investment in Non Convertible Debentures for financing real estate projects (unquoted):						
Radius & Deserve Land Developers Private Limited -Series E	1,000,000	120	120.00	-	-	-
Rajesh Habitat Private Limited	5,000,000	34	168.75	-	-	-
Spenta Suncity Private Limited - Series A	100,000	750	75.00	-	-	-
Sub Total (C)			**363.75**			**-**
Total current maturities of long term investments (A+B+C) {I}			**469.57**			**-**
Non Trade Investments (Quoted)						
Investment in Bonds:						
7.35% NHAI -2031	1,000	130,000	142.52	1,000	203,649	223.25
9.25% DHFL – 2023	1,000	768,843	756.77	1,000	768,843	756.77
12.00% IIFL – 2018	-	-	-	1,000	1,127	1.13
11.52% IIHFL Series N1 – 2018	-	-	-	1,000	178	0.19
Piramal Indiareit Fund	125,000	46.51	21.72	125,000	46.51	5.79
Sub Total (D)			**921.01**			**987.13**
IRB InvIT Fund (E)	99.90	39,350,000	3,746.05	-	-	-
Investment in Non Convertible Debentures (Quoted):						
ECL FINANCE LIMITED 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	215	219.77	1,000,000	203	210.14
STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL	1,000,000	938	933.51	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
Bank Of India SR-I 11 BD Perpetual	1,000,000	1,073	1,129.48	-	-	-

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 18. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE): (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Punjab National Bank SR-VIII 8.95 LOA Perpetual	1,000,000	100	98.14	-	-	-
State Bank Of India SR-IV 8.15 BD Perpetual	1,000,000	50	48.45	-	-	-
Sub Total (F)			**2,429.35**			**10,042.93**
Investment in Market Linked Debentures (Quoted):						
RELIANCE MLD	-	-	0.98	-	-	-
Sub Total (G)			**0.98**			**-**
Total Quoted Investment (D+E+F+G) {II}			**7,097.39**			**11,030.06**
Non Trade Investments (Unquoted)						
Investment in Government Securities: {Refer note 10(b)}	100	57,000,000	5,726.85	100	85,500,000	8,620.93
Sub Total (H)			**5,726.85**			**8,620,93**
Investment in Non Convertible Debentures for financing real estate projects (unquoted):						
Assotech Limited	-	-	-	100,000	2,080	208.00
Renaissance Indus Infra Private Limited	-	-	-	100,000	657	65.65
Roseberry Developers Private Limited	-	-	-	100,000	1,000	100.00
Nuevo Suncity Private Limited	100,000	2,111	211.11	100,000	2,111	211.11
Sub Total (I)			**211.11**			**584.76**
Investment in mutual funds (unquoted):						
Kotak Liquid Direct Plan Growth	-	-	-	1000	236,612	780.00
Reliance Fixed Horizon Growth	-	-	-	10	214,609	2.14
ICICI Prudential Regular Income Fund-D	10	953,852	10.22	10	570,337	9.75
L&T Floating Rate fund Direct Plan/ Growth	17.3462	4,601,986	77.19	-	-	-
IIFL Liquid Fund – Direct Plan – Growth	1,000	8	0.01	1,000	8	0.01
ICICI Prudential Flexible Income Fund	-	-	-	100	8,030	2.50
IIFL India Growth Fund -Regular Plan – Growth	10	278,028	3.01	10	278,028	3.01
IIFL India Growth Fund -Regular Plan - Growth Option	-	-	-	10	38,378,812	500.00
HDFC Liquid Fund - Growth Option	1,000	17,459	56.50	1,000	8,806	28.00
IIFL Dynamic Bond Fund -Regular Plan - Growth Option	10	3,107,375	40.00	10	3,107,375	40.00
HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option	10	1,000,000	10.00	10	1,000,000	10.00
DSP Blackrock Mutual Fund Liquidity Fund Insti Plan Growth	10	19,071	44.79	-	-	-
IIFL India Growth Fund Regular Plan Growth	10	7,013,459	100.00	-	-	-
Bharti Axa Treasury Advantage Fund-Retail Growth Plan	1000	381,089	800.00	-	-	-
Indiabulls Blue Chip Fund - Direct Plan - Dividend - Payout	10	63,996,492	948.43	-	-	-

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 18. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE): (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
Reliance Liquid Fund-Cash Plan-Growth Plan - Growth Option	1000	167,395	450.00	-	-	-
L&T Floating Rate fund Direct Plan/ Growth	17.5037	2,475,038	42.47	-	-	-
Sub Total (J)			**2,582.62**			**1,375.41**
Unquoted - Investment in Equity Shares						
Shankara Building Products Limited	-	-	-	10	48,769	22.43
Sub Total (K)			**-**			**22.43**
Investment in Venture Capital Funds/Alternative Investment Funds (fully paid) (unquoted):						
Indiareit Apartment Fund - Class B	100,000	66.43	6.64	100,000	85.82	9.64
IIFL Cash Opportunities Fund	10	30,731,165	371.29	10	375,197,826	4,271.66
IIFL Income Opportunities Fund	-	-	-	10	57,057,309	41.76
IIFL Income Opportunities Fund Series – Special Situation– Class B	-	-	-	10	932,923	8.13
IIFL Income Opportunities Series Debt Advantage - Class S	-	-	-	10	41,224,092	420.21
IIFL Real Estate Fund(Domestic) Sr. 1 - Class A	-	-	-	10	136,067	2.18
IIFL Real Estate Fund(Domestic) Sr. 1 - Class C	-	-	-	10	2,025,000	32.46
IIFL Real Estate Fund(Domestic) Series 3 - Class B	10	1,953,225	20.18	10	970,964	10.38
IIFL Real Estate Fund(Domestic) Series 3 - Class C	10	3,680,000	21.95	10	3,680,000	35.54
IIFL Seed Venture Fund- Class B	-	-	-	10	7,206,866	89.75
Malabar Value Fund	100	855,838	100.00	100	386,786	40.00
IIFL Income Opportunities Series Regular Income - Class A3	-	-	-	10	196,304,348	1,963.04
Global Dynamic Opportunities Fund	-	-	-	100	31,800	206.16
Global Dynamic Opportunities Fund - Cell 99	100	59,121	397.68	-	-	-
UCITS Fund	-	-	2.41	-	-	-
ICICI Prudential Real Estate AIF II Class A	100	728,196	75.34	-	-	-
IIFL Income Opportunities Series Debt Advantage	10	1,000,000	10.69	-	-	-
IIFL Real Estate Fund (Domestic) - Series 4 - Class A	10	24,326,679	251.11	-	-	-
IIFL Special Opportunities Fund - Series 4 Co Investment (NSE India Limited) Class A2	10	224,997	2.25	-	-	-
IIFL Special Opportunities Fund - Series 5 Class A1	10	516,579	5.03	-	-	-
IIFL Yield Enhancer Fund	10	1,235,846	5.03	-	-	-
Sub Total (L)			**1,269.60**			**7,130.91**
Investment in Market Linked Debentures (unquoted):						
Reliance Capital Limited	-	-	-	100,000	60	6.00
8.65% IIFL Series 39 Type I – 2018	-	-	-	1,000,000	10	10.01
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

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 18. CURRENT INVESTMENTS (VALUED AT LOWER OF COST AND MARKET VALUE, UNLESS STATED OTHERWISE): (Contd.)

Particulars	Face Value (₹)	As at March 31, 2018		Face Value (₹)	As at March 31, 2017	
		Number	₹ in Millions		Number	₹ in Millions
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
Sub Total (M)			**-**			**144.01**
Total Unquoted Investment (H+I+J+K+L+M) {III}			**9,790.18**			**17,878.45**
Total {I+II+III}			**17,357.14**			**28,908.51**
Less: Diminution in the value of investments			(792.71)			(158.29)
Grand Total			**16,564.43**			**28,750.22**
Aggregate cost of unquoted mutual fund units			2,632.61			1,375.41
Market value of unquoted mutual fund units $			2,418.73			1,385.19
Aggregate cost of quoted investments			7,097.39			11,030.05
Aggregate market value of quoted investments			7,398.11			11,744.00
Aggregate cost of unquoted investments			7,627.12			16,503.05

*Placed as collateral against Derivative.

$ Market value of investments in unquoted mutual fund units represents the repurchase price of the units issued by the mutual funds.

NOTE 19. INVENTORIES - (AT LOWER OF COST AND NET REALISABLE VALUE):

(₹ in Millions)

Particulars	Face Value / Strike Price (₹)	As at March 31, 2018		As at March 31, 2017	
		Number	Amount	Number	Amount
Quoted - Exchange Trade Fund					
EQ-SBISENSEX	301	-	-	5,497	1.65
EQ-SETFBANK	211	-	-	14,564	3.07
EQ-SETFBSE100	88	-	-	32,380	2.85
EQ-SETFNIFJR	245	-	-	5,029	1.23
EQ-SETFNIFTY	93	-	-	62,332	5.77
EQ-UTINIFTYETF	882	-	-	10,908	9.62
EQ-UTISENSEXETF	294	-	-	4,604	1.35
Sub Total (A)			**-**	**-**	**25.54**
Others					
Inventory - Construction work in progress*			205.56		286.95
Sub Total (B)			**205.56**		**286.95**
Grand Total (A+B)			**205.56**		**312.49**
Aggregate Market Value- stock on Hand – Quoted			**205.56**		**312.49**

***Valued on FIFO basis**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 20. TRADE RECEIVABLES

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured Considered good	139.82	285.78
- Unsecured Considered doubtful	12.56	20.55
Provision for doubtful receivables	(12.56)	(20.55)
Sub Total (A)	**139.82**	**285.78**
Other trade receivables		
- Unsecured Considered good	2,459.36	5,016.21
Sub Total (B)	**2,459.36**	**5,016.21**
Total (A+B)	**2,599.18**	**5,301.99**

NOTE 21. CASH AND CASH EQUIVALENTS

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents (As per AS-3 Cash flow statement)		
Cash on hand	236.40	141.03
Cheques in hand*	92.83	216.32
Balance with Banks		
-In current accounts	6,138.80	17,645.07
- In client Account	3,984.17	1,290.54
In Deposit Accounts (Less than three months)	4,881.43	2,988.68
Cash and cash equivalents (As per AS-3 Cash flow statement) (A)	**15,333.63**	**22,281.64**
Other Bank Balances		
In Earmarked Accounts		
-Unclaimed Dividend Accounts	8.24	6.79
-Unclaimed NCD dues	238.01	242.73
In Deposit Account (Maturity more than 3 months to 12 months) (Refer Note 21.1)	13,951.29	15,381.98
Subtotal (B)	**14,197.54**	**15,631.50**
Total (A+B)	**29,531.17**	**37,913.14**

*includes cheques on hand ₹ 11.77 millions (P.Y. ₹ 470.61 millions) on account of client bank accounts.

21.1 Details of Fixed Deposits:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Lien marked	10,996.43	12,092.92
Margin for credit enhancement	2,609.20	2,508.32
Other deposits	345.66	780.73
Total	**13,951.29**	**15,381.97**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 22. REVENUE FROM OPERATIONS

(₹ in Millions)

Particulars	2017-18	2016-17
Income from Financing activities		
Interest Income	**33,883.98**	**28,668.25**
- Interest on loans	33,165.03	27,775.55
- Interest on investments	718.95	892.70
Others	286.32	(163.47)
Other Financial Services:		
- Processing fees (net) (Refer note 22.1)	783.38	388.98
- Administration fee & other charges from customer	1,270.15	727.81
Profit on sale of current investments	1,030.67	1,181.94
Profit on sale of non current investments	46.45	55.87
Interest on fixed deposits with Banks	670.57	512.59
Dividend income on current investments	0.47	2.50
Dividend income on non current investments	4.92	4.03
Insurance Income	149.28	-
Total	**38,126.19**	**31,378.50**

22.1 Processing fees includes:

(₹ in Millions)

Particulars	2017-18	2016-17
Processing fees	1,359.39	866.58
Less: DSA and other sourcing cost	(576.01)	(477.60)
Total	**783.38**	**388.98**

NOTE 23. OTHER INCOME

(₹ in Millions)

Particulars	2017-18	2016-17
Advisory and fee based income	352.88	253.57
Interest on Income Tax refund	10.49	2.66
Profit on sale of fixed assets (net)	0.75	-
Miscellaneous income	51.31	5.25
Total	**415.43**	**261.48**

NOTE 24. EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	2017-18	2016-17
Salaries and Bonus	4,266.74	3,055.65
Contribution to Provident and Other Funds	189.59	126.94
Gratuity expenses	45.71	29.77
Staff Welfare expenses	112.80	86.14
Total	**4,614.84**	**3,298.50**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 24. EMPLOYEE BENEFIT EXPENSES (Contd.)

24.1 Disclosures pursuant to Accounting Standard (AS) 15 on "Employee Benefits":

(₹ in Millions)

Assumptions	2017-18	2016-17
Discount Rate Current year	6.63% - 7.80%	6.65% - 7.27%
Salary Escalation Current year	5.00% - 11.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Change in Benefit Obligation		
Liability at the beginning of the year	322.62	261.23
Interest Cost	22.67	20.46
Current Service Cost	31.95	48.28
Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
Past Service Cost - Vested Benefit Incurred During the Period	(4.56)	-
Liability Transfer in	18.05	14.71
Liability Transfer out	(25.01)	(14.28)
New Subsidiary opening liability transfer in*	-	-
(Subsidiary disinvestment opening liability transfer out)**	4.18	-
(Benefit paid Directly by the Employer)	(18.64)	(0.88)
(Benefit paid From the Fund)	(11.74)	(38.98)
Actuarial (Gains)/Losses on obligations - Due to change in Demographic assumptions Assumptions	2.31	-
Actuarial (Gains)/Losses on obligations - Due to change in Financial Assumptions	30.98	26.86
Actuarial (Gains)/Losses on obligations - Due to Experience	24.93	5.22
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	0.03	-
Liability at the end of the year	**397.75**	**322.62**
Change in the Fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	245.62	222.17
Expected return on Plan Assets	17.41	17.40
Employers Contribution	75.27	43.33
Assets Transferred In/Acquisitions	5.68	-
Assets Transferred Out/Divestments	(5.68)	-
New Subsidiary opening asset transfer in	2.29	-
(Benefit paid From the Fund)	(11.74)	(38.98)
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	(2.87)	1.70
Fair value of Plan Assets at the end of the year	**325.99**	**245.62**
Amount Recognised in the balance sheet		
Liability at the end of the year	(397.75)	(322.62)
Fair value of Plan Assets at the end of the year	325.99	245.62
Differences	(71.76)	(76.99)
Liability recognised in the Balance Sheet under "Other Current Liabilities and Provisions"	(72.76)	(76.99)
Assets recognised in the Balance Sheet under "Other Assets"	1.00	-
Amount of Liability Recognised in the balance sheet under "Other Current Liabilities and Provisions" and "Other Assets"	**(71.76)**	**(76.99)**
Expenses Recognised in the Income Statement		
Current Service cost	31.95	48.28
Interest Cost	5.26	3.06
Actuarial Gain or Loss	61.08	32.66

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 24. EMPLOYEE BENEFIT EXPENSES (Contd.)

(₹ in Millions)

Assumptions	2017-18	2016-17
Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
Past Service Cost - Vested Benefit Incurred During the Period	(11.02)	-
Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses" from Continuing operations	**45.71**	**29.77**
Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses" from Discontinuing operations	**41.56**	**54.23**
Balance Sheet Reconciliation		
Opening Net Liability	76.99	36.77
Expense as above	87.27	84.00
Net Transfer in	18.05	14.71
Net Transfer out	(16.08)	(14.28)
Net Transfer in New subsidiary	-	-
Net Transfer out Asset disinvestment	(0.56)	-
Benefit paid	(18.64)	(0.88)
Employers Contribution	(75.27)	(43.33)
Amount Recognised in Balance sheet	**(71.76)**	**76.99**

(₹ in Millions)

Experience Adjustment	2017-18	2016-17	2015-16	2014-15	2013-14
Present Value of the Obligation	397.75	322.62	261.23	198.62	166.23
Fair value of Plan Assets	(325.99)	(245.62)	(222.17)	(184.73)	(92.03)
Deficit	71.76	76.99	39.06	13.89	74.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	24.93	5.22	26.06	7.17	(17.50)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(2.87)	1.70	(6.18)	6.01	(5.48)

*New subsidiary added: Samasta Microfinance Limited

**Subsidiary disinvestment: 5paisa Capital Limited and India Alternative Investment Advisors Private Limited

(a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.

(b) Information for major category of plan assets of gratuity fund is not available with the Group and hence not disclosed as per the requirements of AS-15.

24.2 Defined Contribution Plans:

The subsidiary companies have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Millions)

Particulars	2017-18	2016-17
Contribution to provident fund	80.27	56.22
Contribution to ESIC	45.00	18.92
Contribution to labour welfare fund	0.29	0.21
Contribution to EPS	64.02	51.59
Contribution to NPS	-	-
Total	**189.58**	**126.94**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 25. DIRECT OPERATING COST

(₹ in Millions)

Particulars	2017-18	2016-17
Brokerage related Expenses	0.27	-
Exchange and statutory Charges	19.47	21.52
Investment and financing related cost	273.37	160.81
Marketing and Commission expenses	136.78	0.03
Total	**429.89**	**182.36**

NOTE 26. FINANCE COST

(₹ in Millions)

Particulars	2017-18	2016-17
Interest expenses	18,686.61	17,480.50
Other Borrowing cost (Refer note 26.1 and 26.2)	281.07	313.02
Total	**18,967.68**	**17,793.52**

26.1 Other borrowing cost include Mark to Market loss on Cross Currency Interest Rate Swaps of ₹ 3.00 millions net of gain on revaluation of foreign currency term loan of ₹ 31.76 millions.

26.2 Two Cross Currency Interest Rate Swaps entered for hedging purposes outstanding as at March 31, 2018 of USD 13.35 millions (P.Y. USD 13.35 millions) against foreign currency term loan of USD 13.35 millions (P.Y. USD 13.35 millions) equivalent to ₹ 900.00 millions (P.Y. ₹ 900.00 millions).

NOTE 27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Millions)

Particulars	2017-18	2016-17
Depreciation on Tangible Assets (Refer note -12)	160.85	154.59
Amortisation of Intangible Assets (Refer note -13)	12.20	4.13
Total	**173.05**	**158.72**

NOTE 28. OTHER EXPENSES

(₹ in Millions)

Particulars	2017-18	2016-17
Advertisement*	63.88	41.59
Bank Charges	67.39	65.53
Communication	94.23	80.43
Electricity	104.36	99.94
Legal & Professional Fees*	388.30	298.93
Miscellaneous Expenses	58.63	53.71
Office expenses	238.07	153.66
Postage & Courier	45.30	42.97
Printing & Stationary	47.98	36.46
Rent	441.54	367.94
Insurance	0.25	-
Rates and Taxes	12.07	2.37
Commission to Non-Whole time Directors	8.43	7.50
Director Sitting Fees	4.80	4.29
Repairs & Maintenance		
- Computer	5.65	7.00
- Others	96.44	39.91
Remuneration to Auditors :		
- Audit Fees (Including Service Tax/GST)	3.61	2.50
- Certification Expenses	3.53	0.38
- Out Of Pocket Expenses	0.10	0.20

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 28. OTHER EXPENSES (Contd.)

(₹ in Millions)

Particulars	2017-18	2016-17
Software Charges	90.45	49.86
Subscription & Business promotion	0.35	0.86
Travelling & Conveyance	244.75	263.88
Corporate Social Responsibility Expenses	115.27	90.94
Total	**2,135.38**	**1,710.85**

***Includes below payment done in foreign currency:**

(₹ in Millions)

Particulars	2017-18	2016-17
Advertisement & marketing expenses	2.81	0.53
Legal & Professional fees (recruitment charges)	1.35	0.73

NOTE 29. PROVISIONS AND WRITE OFF

(₹ in Millions)

Particulars	2017-18	2016-17
Bad Debts written off (net) (Refer note 29.1)	2,303.39	656.02
Provision for Contingencies	(15.41)	144.63
Provision for diminution in value of investments	366.30	(25.09)
Provision for non-performing loans	118.77	842.39
Contingent provision against standard assets	358.41	141.06
Total	**3,131.46**	**1,759.01**

29.1 Includes net loss on sale of non performing loans ₹ 195.29 millions (P.Y Nil)

29.2 Details of movement in provision for diminution in the value of investments and non performing loans:

(₹ in Millions)

Particulars	Provision for diminution in the value of investments		Provision for non performing loans	
	2017-18	2016-17	2017-18	2016-17
Opening balance	1.06	26.15	2,405.25	1,590.88
Provision made during the year	366.30	-	1,023.03	1,377.29
Write off / write-back of excess provisions	1.06	25.09	864.76	574.38
Addition on account of subsidiary acquisition	-	-	-	11.46
Closing balance	**366.30**	**1.06**	**2,563.52**	**2,405.25**
Net charge to the Statement of Profit and Loss	366.30	(25.09)	158.27*	802.89*

*Gross of settlement loss provision amounting to ₹ 39.50 millions (P.Y. ₹ (39.50 millions)).

NOTE 30. EARNINGS PER SHARE:

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

(₹ in Millions)

Particulars		2017-18	2016-17
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per Statement of Profit and Loss (Total operations)	A	9,113.24	6,860.89
Profit after tax (after minority)as per Statement of Profit and Loss from Continuing Operations	B	3,732.32	3,116.61
Weighted Average Number of Equity Shares Outstanding	C	318,293,090	317,084,627
Basic EPS (In ₹) (i) Total operations	**A/C**	**28.63**	**21.64**
(ii) Continuing operations	**B/C**	**11.73**	**9.83**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 30. EARNINGS PER SHARE: (Contd.)

(₹ in Millions)

Particulars		2017-18	2016-17
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		318,293,090	317,084,627
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		949,739	1,799,506
Weighted Average Number of Equity shares for computation of diluted EPS	D	319,242,829	318,884,133
Diluted EPS (In ₹) (i) Total operations	**A/D**	**28.55**	**21.52**
(ii) Continuing operations	**B/D**	**11.69**	**9.77**

NOTE 31. SUMMARY OF CONSOLIDATION:

The consolidated financial statements represents consolidation of accounts of the Company with its following subsidiaries, associate and Joint venture Company as detailed below:

Subsidiary	Country of Incorporation	Proportion of ownership interest	
		As at March 31, 2018	As at March 31, 2017
IIFL Commodities Limited (Formerly India Infoline Commodities Limited)	India	100.00%	100.00%
India Infoline Media and Research Services Limited	India	100.00%	100.00%
5paisa Capital Limited (Refer Note 40)	India	-	100.00%
IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	India	100.00%	100.00%
IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	India	100.00%	100.00%
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)*	India	100.00%	100.00%
IIFL Capital Inc.	United States of America	100.00%	100.00%
IIFL Wealth (UK) Limited	United Kingdom	100.00%	100.00%
IIFL Securities Limited (Formerly India Infoline Limited)	India	100.00%	99.99%
India Infoline Finance Limited **	India	84.54%	84.55%
India Infoline Housing Finance Limited **	India	84.54%	84.55%
Samasta Microfinance Limited ***	India	82.32%	80.51%
Ayusha Dairy Private Limited	India	82.32%	80.51%
IIFL Wealth Management Limited	India	56.42%	57.72%
IIFL Distribution Services Limited	India	56.42%	57.72%
IIFL Investment Adviser and Trustee Services Limited	India	56.42%	57.72%
India Alternatives Investment Advisors Private Limited (upto March 31, 2017) $	India	-	40.98%
IIFL Trustee Limited	India	56.42%	57.72%
IIFL Asset Management Limited	India	56.42%	57.72%
IIFL Alternate Asset Advisors Limited	India	56.42%	57.72%
IIFL (Asia) Pte. Limited	Singapore	56.42%	57.72%
IIFL Securities Pte. Limited	Singapore	56.42%	57.72%
IIFL Capital Pte. Limited	Singapore	56.42%	57.72%
IIFL Private Wealth Hong Kong Limited	Hong Kong	56.42%	57.72%
IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private wealth (Mauritius) Limited)	Mauritius	56.42%	57.72%
IIFL Inc	United States of America	56.42%	57.72%
IIFL Private Wealth (Suisse) SA	Switzerland	56.42%	57.72%
IIFL Private Wealth Management (Dubai) Limited	United Arab Emirates	56.42%	57.72%

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 31. SUMMARY OF CONSOLIDATION (Contd.)

Subsidiary	Country of Incorporation	Proportion of ownership interest	
		As at March 31, 2018	As at March 31, 2017
IIFL Wealth Finance Limited	India	56.42%	57.72%
IIFL Asset Reconstruction Limited^	India	100.00%	-
IIFL Capital (Canada) Limited ^^	Canada	56.42%	-
Clara Developers Private Limited $$	India	84.54%	-
Associate Company			
IIFL Asset Reconstruction Limited	India	-	50.00%

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.
2. ** In the previous year 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. During the current year 4,334,409 CCPS were converted into equity shares in the ratio of 1 equity share for 1 CCPS held.
3. *** During the previous year, Samasta Microfinance Limited ["Samasta"] has became a subsidiary of IIFL Finance.
4. ^ During the current year, Asset Reconstruction Limited has become 100% subsidiary of IIFL Holdings Limited.
5. $ During the previous year, IIFL Wealth Management Limited ["IIFLW"] a subsidiary of the Company transferred its shareholding in India Alternatives Investment Advisors Private Limited. Accordingly, it ceased to be a subsidiary of the IIFLW.
6. $$During the current year the IIFL Finance has acquired Clara Developers Private Limited.
7. ^^During the current year IIFL Wealth Management Limited has invested IIFL Capital (Canada) Limited.
8. IIFL Foundation, a Section 8 company under Companies Act, 2013, wherein the profits will be applied for promoting its objects. Accordingly, the Consolidated Financial Statements of IIFL Foundation are not consolidated in these financial statements, since the Holding Company will not derive any economic benefits from its investments in IIFL Foundation.

Jointly Controlled Entities	Proportion of ownership interest	
	As at March 31, 2018	As at March 31, 2017
Meenakshi Tower LLP*	50.00%	50.00%

*Management certified financial statements as on March 31, 2018 have been consolidated, as audited financial statements were not available.

NOTE 32. CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE:

There are outstanding commitments for capital expenditure (net of advances) to the tune of ₹ 936.27 millions (P.Y. ₹ 1,375.17 millions) and other commitment to the tune of ₹ 21,446.67 millions (P.Y. ₹ 60.98 millions) of the total contractual obligation entered during the year.

NOTE 33. (a) The claims against the group not acknowledged as debt were ₹ 61.13 millions (P.Y. ₹ 62.89 millions). As of March 31, 2018, the Company and its subsidiaries had certain contingent liabilities not provided for, including the following:

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Millions)

Sr. No.	Name of the Statute	As at March 31, 2018	As at March 31, 2017
(i)	In respect of Income Tax Demands (see note 1)	566.26	657.19
(ii)	In respect of Service Tax Demands (see note 2)	436.80	7.66
(iii)	In respect of Profession Tax Demands (see note 3)	1.55	1.55
(iv)	Bank Guarantees	1,600.00	750.00
(v)	Corporate Guarantees	2,000.00	-
(vi)	In respect of Legal Case/Penalties	0.11	1.57
Total		**4,604.72**	**1,417.97**

Notes : 1) Amount paid under protest with respect to income tax demand ₹ 203.44 millions.

2) Amount paid under protest with respect to service tax demand ₹ 2.19 millions.

3) Amount paid under protest with respect to profession tax demand ₹ 0.47 millions.

(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 Group's financial position.

(c) One of the step down subsidiary IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited") ("IICL") was a member of National Spot Exchange Limited (NSEL). NSEL had defaulted in its settlement obligations to investors including pay-out of ₹ 2,816.6 millions to IICL's Clients 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 informations 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 of their claim 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 Limited (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. 63 Moons Technologies Limited preferred an appeal against the said order before the Bombay High Court and the same has been dismissed.63 moons technologies has filed a special leave petition (SLP) in the Supreme Court challenging the High Court order directing merger of NSEL with FTIL and the same is pending.

NOTE 34. The Minimum Lease Rentals outstanding as at March 31, 2018 are as under:

The Group has taken office premises on operating lease at various locations. Lease rents amounting to ₹ 441.54 millions (P.Y ₹ 367.93 millions) from continuous operations and ₹ 223.36 millions (P.Y ₹ 202.42 millions) from discontinuing operations in respect of the same have been charged to the Statement of Profit and Loss. The total of future minimum lease rentals under non-cancellable operating leases, outstanding as at March 31, 2018, are as under:

(₹ in Millions)

Minimum Lease Rentals	2017-18	2016-17
Due for		
- Up to One year	59.03	193.39
- One to Five years	105.33	166.09
- Above Five years	-	-
Total	**164.36**	**359.48**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

Note 34.1. Assets given on Finance lease:

(₹ in Millions)

Minimum Lease Rentals	2017-18	2016-17
Due for		
- Up to One year	5.91	-
- One to Five years	26.23	-
- Above Five years	1.96	-
Total	**34.10**	**-**

NOTE 35. The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

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

Particulars	ESOP 2008
Method of accounting	Intrinsic Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options
Exercise Period	Seven years from the date of grant

b) (i) Movement of options during the year ended March 31, 2018

Particulars	Option Outstanding	Range of exercise price	Weight average exercise price	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2017	2,548,860	56.60 – 181.55	117.66	3.68
Granted during the year	200,000	468.67	468.67	
Forfeited during the year	(312,355)	175.75 - 480.00	330.47	
Expired during the year	(160,280)	66.54 - 181.55	104.24	
Exercised during the year	(1,070,833)	55.26 – 181.55	90.20	
Outstanding as on March 31, 2018	**1,205,392**	**55.26 – 468.67**	**142.27**	**4.03**
Exercisable as on March 31, 2018	**565,939**	**55.26 - 177.27**	**88.48**	**3.07**

b) (ii) Movement of options during year ended March 31, 2017

Particulars	Option Outstanding	Range of exercise price	Weight average exercise price	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2016	4,670,000	45.90 – 188.40	107.75	3.70
Granted during the year	-	-	-	
Forfeited during the year	(69,800)	180.00 - 181.55	181.00	
Expired during the year	(680,000)	68.15 - 188.40	135.72	
Exercised during the year	(1,371,340)	45.90 – 181.55	71.51	
Outstanding as on March 31, 2017	**2,548,860**	**56.60 – 181.55**	**117.66**	**3.68**
Exercisable as on March 31, 2017	**1,317,630**	**56.60 - 181.55**	**82.68**	**2.17**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

c) Pro-forma Profit after Tax:

(₹ in Millions)

Particulars	2017-2018	2016-2017
Net profit (as reported) (₹ in million)	9,113.23	6,860.89
Add: Intrinsic Value Compensation Cost	-	-
Less: Stock based compensation expenses determined under fair value method (pro-forma) (₹ in million)	(20.97)	(35.03)
Net Profit (pro-forma) (₹ in million)	**9,092.26**	**6,825.86**
Basic earnings per share (as reported) - Total operations	28.63	21.64
Basic earnings per share (pro-forma) - Total operations	28.57	21.53
Diluted earnings per share (as reported) - Total operations	28.55	21.52
Diluted earnings per share (pro-forma) - Total operations	28.48	21.41
Weighted average exercise price of Options granted during the year whose:		
(a) exercise price equals market price (₹)	468.67	N.A
(b) exercise price is greater than market price	N.A	N.A
(c) exercise price is less than market price	N.A	N.A
Weighted average fair value of Options granted during the year whose:		
(a) exercise price equals market price (₹)	201.65	N.A
(b) exercise price is greater than market price	N.A	N.A
(c) exercise price is less than market price	N.A	N.A
Description of method and significant assumption used to estimate the fair value of Options	The fair value of the Options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same have been detailed below:	

d) Variables

Weighted average values for grant made during the year

Particulars	ESOP 2008	
	2017-18*	2016-17
Stock price (₹)	479.75	-
Volatility	43.98%	-
Risk-free Rate	6.94%	-
Exercise price (₹)	480.00	-
Time to Maturity (Years)	5	-
Dividend yield	1.99%	-
Weight Average Option Fair Value (₹)	197.23	-

* The aforesaid variables are based on grant dated April 29, 2017 before considering effect of demerger of 5paisa digital undertaking from IIFL Holdings Limited in terms of Scheme of Arrangement approved by NCLT vide its order dated September 06, 2017. Post demerger, the revised exercise price got reduced by 2.36% to ₹ 468.67 and fair value of option stand revised to ₹ 201.65, as approved by Nomination and Remuneration Committee of the Board of Directors of the Company.

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

NOTE 36. DISCLOSURE AS PER ACCOUNTING STANDARD -17 "SEGMENT REPORTING":

Segment information for the year ended March 31, 2018. Primary Segment information (by Business Segment)

(₹ in Millions)

Sr. No	Particulars	Fund based activity	Financial Product distribution	Capital market activity	Others	Total
I	Segment Revenue					
	External	46,901.60	10,343.41	7,196.95	2,252.67	66,694.63
		(36,653.12)	(7,300.68)	(5,643.68)	(1,567.42)	(51,164.90)
	Less: Inter-Segment	-	-	-	-	2,319.06
		(-)	(-)	(-)	(-)	(1,917.03)
	Less: Discontinuing Operations	-	-	-	-	25,833.95
		(-)	(-)	(-)	(-)	(17,607.88)
	Total Revenue for Continuing operations	-	-	-	-	38,541.62
		(-)	(-)	(-)	(-)	(31,639.99)
II	Segment Result	11,052.35	2,869.26	2,233.29	485.72	16,640.62
		(8,194.13)	(2,582.60)	(1,113.97)	(334.10)	(12,224.80)
	Less: Unallocated Expenses	-	-	-	-	36.28
		(-)	(-)	(-)	(-)	(15.13)
	Less: Discontinuing Operations	-	-	-	-	7,587.58
		(-)	(-)	(-)	(-)	(5,503.67)
	Operating Profit for Continuing operations	-	-	-	-	9,089.32
		(-)	(-)	(-)	(-)	(6,737.03)
	Interest Expense	23,936.39	1,338.00	314.85	-	25,589.24
		(19,795.20)	(687.06)	(108.48)	(-)	(20,590.74)
	Less: Discontinuing Operations	-	-	-	-	6,902.63
		(-)	(-)	(-)	(-)	(38,071.24)
	Interest Expense from Continuing Operations	-	-	-	-	18,686.61
		(-)	(-)	(-)	(-)	(17,480.50)
	Current Tax	-	-	-	-	5,056.13
		(-)	(-)	(-)	(-)	(4,018.13)
	Less: Current Tax for Discontinuing Operations	-	-	-	-	2,206.66
		(-)	(-)	(-)	(-)	(1,758.62)
	Total Current Tax for continuing Operations	-	-	-	-	2,849.47
		(-)	(-)	(-)	(-)	(2,259.51)
	Net Profit after Tax	-	-	-	-	9,113.24
		(-)	(-)	(-)	(-)	(6,860.89)
	Less: Discontinuing Operations	-	-	-	-	2,873.39
		(-)	(-)	(-)	(-)	(2,383.37)
	Net Profit after Tax from Continuing Operations	-	-	-	-	6,239.85
		(-)	(-)	(-)	(-)	(4,477.52)
III	Segment Assets	390,173.41	24,678.89	18,263.56	-	433,115.86
		(296,661.24)	(19,863.72)	(17,536.33)	(-)	(334,061.29)
	Unallocated Corporate Assets	-	-	-	-	3,917.30
		(-)	(-)	(-)	(-)	(3,545.50)
	Total Assets	-	-	-	-	437,033.16
		(-)	(-)	(-)	(-)	(337,606.79)

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 36. DISCLOSURE AS PER ACCOUNTING STANDARD -17 "SEGMENT REPORTING": (Contd.)

(₹ in Millions)

Sr. No	Particulars	Fund based activity	Financial Product distribution	Capital market activity	Others	Total
IV	Segment Liabilities	339,344.16	15,124.41	16,188.10	-	370,656.67
		(252,187.72)	(13,146.06)	(14,966.28)	(-)	(280,300.06)
	Unallocated Corporate Liabilities	-	-	-	-	712.71
		(-)	(-)	(-)	(-)	(938.85)
	Total Liabilities	-	-	-	-	371,369.38
		(-)	(-)	(-)	(-)	(281,238.92)
V	Capital Expenditure	364.81	1,657.77	197.97	-	2,220.55
		(697.11)	(2,004.13)	(92.17)	(-)	(2,793.41)
	Unallocated Capital Expenditure	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Capital Expenditure	-	-	-	-	2,220.55
		(-)	(-)	(-)	(-)	(2,793.41)
VI	Depreciation	170.81	388.26	112.07	-	671.14
		(163.28)	(160.85)	(215.57)	(-)	(539.70)
	Less: Discontinuing Operations	-	-	-	-	498.09
		(-)	(-)	(-)	(-)	(380.99)
	Unallocated Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Total Depreciation	-	-	-	-	173.05
		(-)	(-)	(-)	(-)	(158.72)
VII	Non-Cash Expenditure	961.79	244.74	8.55	-	1,215.08
		(2,063.82)	(3.99)	(-)	(-)	(2,059.84)
	Less: Discontinuing Operations	-	-	-	-	387.02
		(-)	(-)	(-)	(-)	(956.84)
	Non-Cash Expenditure from Continuing operations	-	-	-	-	828.06
		(-)	(-)	(-)	(-)	(1,103.00)
	Other than Depreciation	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

Note: Figures in brackets indicate Previous Year figures.

The Group is engaged in financing by way of fund based activities, capital market activities, financial product distribution and most of the subsidiaries operate only in the domestic market. As a result, the Group does not have any reportable geographical segment.

NOTE 37. Related Party Disclosures as per Accounting Standard – 18 "Related Party Disclosure" for the year ended March 31, 2018

(a) Name of the related parties with whom transactions have been entered during the year and description of relationship:

Nature of Relationship	Name of party
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
	5Paisa Capital Limited
	5Paisa P2P Limited
	India Infoline Foundation
	Orpheous Trading Private Limited

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(b) Disclosure of Transactions with Related Parties

(₹ in Millions)

Nature of Transaction	Key Managerial Personnel	Other Related Parties	Total
Investments In Equity shares of Other Related Parties	-	-	-
	(-)	(-)	(-)
Brokerage Income/Delayed Paying charges Income/Upfront	1.43	0.07	1.50
	(1.58)	(0.26)	(1.84)
Rent Income	-	26.33	26.33
	(-)	(-)	(-)
Interest Income	2.45	7.21	9.66
	(-)	(-)	(-)
Remuneration	92.84	-	92.84
	(74.27)	(-)	(74.27)
Corporate Social Responsibility/Donation Paid	-	185.16	185.16
	(-)	(112.95)	(112.95)
Rent Expenses	-	2.40	2.40
	(-)	(2.60)	(2.60)
Infrastructure/Customer Support Services	-	4.86	4.86
	(-)	(-)	(-)
Security Deposit – Paid	-	-	-
	(-)	(50.00)	(50.00)
Brokerage Exp	-	4.92	4.92
	(-)	(-)	(-)
ICD Given	-	600.00	600.00
	(-)	(-)	(-)
ICD Given Returned Back	-	600.00	600.00
	(-)	(-)	(-)
Deposit Given	-	0.20	0.20
	(-)	(-)	(-)
Deposit Given and Received Back	-	0.20	0.20
	(-)	(-)	(-)
Allocation / Reimbursement of expenses Paid	-	0.15	0.15
	(-)	(-)	(-)
Allocation / Reimbursement of expenses Received	-	40.42	40.42
	(-)	(-)	(-)
Others Paid	-	0.26	0.26
	(-)	(-)	(-)
Others Received	-	2.33	2.33
	(-)	(-)	(-)

(c) Outstanding as on March 31, 2018

(₹ in Millions)

Nature of Transaction	Key Managerial Personnel	Other Related Parties	Total
Sundry Payables	13.88	0.04	13.92
	(0.10)	(0.03)	(0.13)
Sundry Receivable	0.00	50.00	50.00
	(-)	(50.00)	(50.00)

Note: Figures in brackets indicate Previous Year figures

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 38. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2017-18, the Group spent ₹115.27 millions (P.Y. ₹ 90.94 millions) out of the total amount of ₹ 115.27 millions (P.Y. ₹ 90.94 millions) from continuing operations and ₹ 72.69 millions (P.Y. ₹ 45.00 millions) out of the total amount of ₹ 67.38 millions (P.Y. ₹ 44.50 millions) from discontinuing operations required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The Group was focused on implementing the projects identified by the CSR Committee of the respective companies and has successfully completed most of the projects.

NOTE 39. DISCONTINUING OPERATIONS

The Board of Directors of the Company at its meeting held on January 31, 2018, has approved the Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

i) amalgamation of IIFL M&R with the Company;

ii) demerger of the Securities Business Undertaking (as defined in the Scheme) of the Company into IIFL Securities;

iii) demerger of the Wealth Business Undertaking (as defined in the Scheme) of the Company into IIFL Wealth;

iv) amalgamation of IIFL Finance with the Company; and

v) transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis

The Appointed Date for the amalgamation of IIFL M&R with the Company is opening hours of April 1, 2017 and for all the other steps, the Appointed Date is opening hours of April 1, 2018. The Scheme will be given effect to upon receipt of requisite approvals of NCLT and other authorities.

The operating activities of the Company's discontinuing operations are summarised below:

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations.

(₹ in Millions)

Particulars	2017-18	2016-17
INCOME		
Revenue From Operation	24,655.04	16,616.96
Other Income	1,178.91	990.37
Total Income	**25,833.95**	**17,607.33**
EXPENDITURE		
Employee cost	5,993.07	4,556.47
Finance cost	6,986.28	3,127.92
Depreciation	498.09	380.99
Direct operating cost	2,286.81	1,702.99
Administration and other expenses	2,070.96	2,199.17
Provisions and Contingencies	411.16	136.89
Total Expenses	**18,246.37**	**12,104.43**
Profit Before Tax from discontinuing operations	**7,587.58**	**5,502.90**
Tax Expenses of discontinuing operations	2,206.66	1,758.62
Profit After Tax from discontinuing operations	**5,380.92**	**3,744.28**

b. The carrying amounts of the total assets and liabilities in respect of discontinuing operations to be transferred are as follows

(₹ in Millions)

Particulars	2017-18	2016-17
Total Assets	**127,477.93**	**102,166.60**
Total Liabilities	**100,965.87**	**81,784.45**

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 40. DEMERGED OPERATIONS

During the year, the Company has received the approval of NCLT for the Scheme of Arrangement under Section 230-232 of the Companies Act, 1956 ("the Scheme") between IIFL Holdings Limited and 5paisa Capital Limited (5PCL) and their respective shareholders to demerge 5paisa digital undertaking of the Company into 5PCL. The said order has been filed with MCA on September 30, 2017 and Demerger is effected w.e.f. the Appointed Date i.e. October 01, 2016 in the books of accounts of the Company. Accordingly, the financial statement have been presented after giving effect to the Scheme. As per the Scheme, the shareholders of the Company as on the record date i.e. October 18, 2017, have been allotted 1 equity share of ₹ 10/- each fully paid up of 5PCL for every 25 equity shares of ₹ 2/- each held in the Company. In view of above, 5PCL ceased to be a subsidiary of the Company.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

(I) Following Asset and Liability where transferred to 5PCL.

Particulars	(₹ in Millions)
Investment in 5CPL (Net of loss consolidated of ₹ 103.62 millions upto 31/3/17)	896.87
Fixed Assets	0.32
Prepaid Expenses	0.08
Sub-Total	**897.27**
Less :-	
Other Liability & Provision	2.03
Net Asset	**895.24**

(II) The Excess of the Book Value of asset transferred (net of diminution/depreciation, if any) over the book value of liability has been debited to Capital Reserve ₹ 433.70 millions and General Reserve of ₹ 461.10 millions and ₹ 0.43 millions was settled by cheque.

(III) All expenses incurred for 5paisa digital undertaking from October 01, 2016 were reimbursed by 5paisa Capital Limited after demerger order being effective. Expenses incurred from to October 01,2016 to March 31, 2017 aggregating to ₹ 12.45 millions have been credited to surplus in the Statement of Profit and Loss and from April 01, 2017 to September 30, 2017 amounting to ₹ 14.30 millions have been recovered in bank account.

NOTE 41. Scheme of Arrangement between IIFL Facilities Services Limited and IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)

The Scheme of Arrangement between IIFL Facilities Services Limited and IIFL Management Services Limited was approved by National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated on September 08, 2017. The certified true copy of the order was duly filed with Registrar of Companies, Mumbai and the Scheme was effective from September 29, 2017. Pursuant to order of NCLT, Mumbai Bench, Real Estate Advisory Services Undertaking (the undertaking) on going concern basis was vested from the Company IIFL Facilities Services Limited to India Infoline Insurance Services Limited w.e.f. the appointed date i.e. April 01, 2017.

Real Estate Advisory Services Undertaking includes the entire real estate advisory services rendered by the Company relating to providing broking and advisory services with respect to real estate business along with all related assets, liabilities and employees.

In accordance with the said Scheme of Arrangement:

a. The whole of the Real Estate Advisory Services Undertaking including all assets and liabilities of the undertaking were transferred to and vested by the IIFL Facilities Services Limited to IIFL Management Services Limited at respective book values from April 01, 2017.

b. one fully paid preference share of ₹ 10/- each shall be issued by the Company to the members of the Company for every hundred fully paid up equity share of ₹ 10/- each held by the members.

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 42. Additional Information pursuant to para 2 of general Instructions for the preparation of Consolidated Financial Statements :

Particulars	Net assets, i.e., total assets minus total liabilities		Share of Profit or Loss	
	As % of consolidated net assets	₹ in Millions	As % of consolidated Profit or loss	₹ in Millions
Parent				
IIFL Holdings Limited	2.21%	1,121.49	5.20%	474.31
Subsidiaries				
Indian				
India Infoline Finance Limited	51.52%	26,102.58	47.18%	4,299.29
India Infoline Housing Finance Limited	22.72%	11,510.96	21.45%	1,954.78
IIFL Securities Limited	8.27%	4,187.65	18.31%	1,668.67
IIFL Wealth Management Limited	7.21%	3,654.04	13.30%	1,212.24
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)	0.42%	211.30	3.79%	345.47
IIFL Commodities Limited	0.11%	58.04	0.28%	25.78
IIFL Insurance Brokers Limited	0.53%	270.27	1.66%	151.37
IIFL Management Services Limited	0.80%	405.49	0.44%	39.66
India Infoline Media and Research Services Limited	0.46%	232.92	1.22%	111.53
IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	0.03%	16.38	0.10%	9.50
IIFL Alternate Asset Advisors Limited	5.38%	2,724.76	0.06%	5.29
IIFL Asset Reconstruction Limited	0.09%	45.18	0.02%	2.22
IIFL Distribution Services Limited	(0.04%)	(22.60)	(1.94%)	(176.81)
IIFL Investment Adviser and Trustee Services Limited	0.64%	325.09	1.08%	98.15
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	1.18%	598.00	(10.93%)	(995.84)
IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)	20.50%	10,388.00	19.83%	1,807.28
Samasta Microfinance Limited (Consolidated)	4.23%	2,144.84	0.21%	19.57
Clara Developers Private Limited	*	0.13	*	(0.02)
Foreign				-
IIFL Private Wealth Hong Kong Limited	0.12%	62.83	(0.18%)	(16.45)
IIFL Inc	0.06%	29.67	(0.50%)	(45.98)
IIFL Capital Inc.	0.13%	67.09	(1.40%)	(127.65)
IIFL Private Wealth Management (Dubai) Limited	0.17%	87.73	(0.77%)	(70.53)
IIFL Wealth (UK) Limited	0.05%	23.62	(0.74%)	(67.56)
IIFL Private Wealth (Suisse) SA	0.02%	8.28	(0.01%)	(1.12)
IFL Asset Management (Mauritius) Limited	2.05%	1,036.86	10.40%	947.80
IIFL (Asia) Pte. Limited (Consolidated)	0.73%	370.30	(0.15%)	(13.51)
IIFL Capital (Canada) Limited	0.01%	2.83	(0.06%)	(5.28)
Share of Minorities	(29.61%)	(15,002.89)	(27.52%)	(2,507.53)
Joint Ventures				
Meenakshi Towers LLP	*	0.05	(0.34%)	(31.39)
Total	**100.00%**	**50,660.89**	**100.00%**	**9,113.21**

[* less than 0.01%]

Consolidated Financial Statements of IIFL Holdings Limited (Contd.)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

NOTE 43. The financial position and results (after eliminations) of IIFL Asset Reconstruction Limited, Clara Developers Private Limited and IIFL Capital (Canada) Limited which became subsidiaries during the year ended March 31, 2018 are given below:

(₹ in Millions)

Particulars	As at March 31,2018	As at March 31,2018	As at March 31,2018
Name of the subsidiary	**IIFL Asset Reconstruction Limited**	**Clara Developers Private Limited**	**IIFL Capital (Canada) Limited**
Liabilities			
Non-current liabilities	-	-	-
Current liabilities	0.15	0.02	1.07
Total	0.15	0.02	1.07
Assets			
Non-current assets	0.14	-	0.42
Current assets	45.19	0.15	3.48
Total	**45.33**	**0.15**	**3.90**
	2017-18	**2017-18**	**2017-18**
Revenue for the period ended	3.07	-	0.02
Expenses for the period ended	0.08	0.02	5.29
Profit / (Loss) before tax for the period ended	**2.99**	**(0.02)**	**(5.27)**
Profit / (Loss) after tax for the period ended	**2.22**	**(0.02)**	**(5.27)**

Note 44. The comparative financial information for the year ended March 31, 2017 was audited by the previous auditors of the Company.

Note 45. Previous Year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R. Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Dated: May 03, 2018

Annexure A

Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Millions)

Sr. No.	Particulars	Reporting Currency	Date since when subsidary was acquired	Share Capital	Reserves & Surplus	Exchange Rate (In ₹)	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	07-07-2004	2,807.42	32,146.92	-	188,765.27	153,810.94	31,044.94	25,051.94	5,324.07	1,779.10	3,544.97	-	84.54%
2	India Infoline Housing Finance Limited	INR	26-12-2006	199.68	11,309.40	-	124,225.33	112,716.24	-	12,686.66	3,026.59	1,052.50	1,974.09	-	84.54%
3	Samasta Microfinance Limited	INR	01-03-2017	1,113.45	55.92	-	7,405.32	6,235.96	10.50	967.83	43.80	17.97	25.83	-	82.32%
4	Ayusha Dairy Private Limited	INR	01-03-2017	10.00	0.43	-	10.62	0.19	10.22	0.47	(2.16)	(0.10)	(2.07)	-	82.32%
5	Clara Developers Private Limited	INR	23-12-2017	0.10	0.03	-	0.15	0.02	-	-	(0.02)	-	(0.02)	-	84.54%
6	IFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	INR	12-03-2007	90.00	459.40	-	5,330.60	4,781.20	406.11	1,448.97	142.35	11.07	131.28	-	100.00%
7	India Infoline Media and Research Services Limited	INR	16-11-2006	0.50	232.42	-	271.33	38.41	65.17	163.33	132.08	20.92	111.15	-	100.00%
8	IIFL Wealth Management Limited	INR	17-01-2008	159.51	13,750.40	-	22,538.93	8,629.02	12,362.35	7,265.35	1,969.90	485.33	1,484.57	-	56.42%
9	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	INR	30-11-2000	3.71	401.83	-	2,280.67	1,875.13	-	404.28	12.78	2.37	10.42	-	100.00%
10	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	INR	29-03-2004	3.14	54.90	-	833.82	775.79	-	135.67	31.49	12.20	19.28	-	100.00%
11	IIFL Securities Limited (Formerly India Infoline Limited)	INR	21-03-1996	187.18	4,500.01	-	20,460.75	15,773.56	258.05	6,345.96	1,984.02	690.12	1,293.89	-	100.00%
12	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	INR	07-05-2005	5.00	265.27	-	289.80	19.52	77.19	299.08	210.88	72.53	138.35	-	100.00%
13	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	INR	06-05-2009	5.00	11.38	-	19.62	3.24	-	17.83	13.28	3.78	9.50	-	56.42%
14	IIFL Asset Reconstruction Limited	INR	24-05-2017	41.00	4.18	-	45.33	0.15	-	3.07	2.99	0.77	2.22	-	100.00%
15	IIFL Distribution Services Limited	INR	23-09-2010	0.51	46.66	-	79.57	32.39	0.10	196.24	1.90	0.71	1.19	-	56.42%
16	IIFL Asset Management Limited (Formerly India InfolineAsset Management Company Limited)	INR	22-03-2010	321.00	952.16	-	1,669.99	396.83	18.22	1,030.36	332.41	35.16	297.25	-	56.42%
17	IIFL Alternate Asset Advisors Limited	INR	19-07-2011	0.50	177.73	-	2,767.30	2,589.07	2,684.41	63.46	30.66	7.34	23.32	-	56.42%
18	IIFL Investment Adviser and Trustee Services Limited	INR	24-12-2010	352.25	91.62	-	542.74	98.87	295.34	382.79	143.24	40.57	102.67	-	56.42%
19	IIFL Wealth Finance Limited	INR	13-02-2016	2,624.50	9,664.00	-	80,987.97	68,699.48	6,148.23	7,829.77	2,068.14	507.94	1,560.20	-	56.42%
20	IIFL (Asia) Pte. Limited	INR	29-08-2007	473.17	(154.54)	-	319.25	0.62	314.48	-	(1.18)	-	(1.18)	-	56.42%
		S$		14.00	(7.59)	49.68	6.43	0.01	6.33	-	(0.02)	-	(0.02)	-	
21	IIFL Securities Pte. Limited	INR	12-08-2008	49.15	78.47	-	142.99	15.36	-	84.78	18.44	-	18.44	-	56.42%
		S$		1.03	1.54	49.68	2.88	0.31	-	1.77	0.38	-	0.38	-	
22	IIFL Capital Pte. Limited	INR	06-05-2008	252.91	(8.18)	-	289.07	44.34	2.41	266.35	22.85	3.83	19.02	-	56.42%
		S$		5.30	(0.37)	49.68	5.82	0.89	0.05	5.55	0.48	0.08	0.40	-	

Annexure A

Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Millions)

Sr. No.	Particulars	Reporting Currency	Date since when subsidary was acquired	Share Capital	Reserves & Surplus	Exchange Rate (In ₹)	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
23	IIFL Inc	INR	30-01-2008	61.69	(32.02)	-	37.57	7.90	-	59.71	(18.34)	0.03	(18.36)	-	56.42%
		USD		1.03	(0.57)	65.14	0.58	0.12	-	0.92	(0.28)	0.00	(0.28)	-	
24	IIFL Capital Inc	INR	20-12-2011	40.29	27.25	-	84.00	16.46	-	141.76	18.49	4.98	13.51	-	100.00%
		USD		0.69	0.41	65.14	1.29	0.19	-	2.18	0.25	0.08	0.17	-	
25	IIFL Private Wealth Management (Dubai) Limited	INR	28-09-2012	57.99	29.75	-	106.45	18.71	-	78.02	7.39	-	7.39	-	56.42%
		AED		3.37	1.58	17.74	6.00	1.06	-	4.41	0.42	-	0.42	-	
26	IIFL Wealth (UK) Limited	INR	18-02-2008	11.20	12.42	-	30.21	6.58	-	94.49	6.80	1.69	5.11	-	100.00%
		GBP		0.15	0.11	91.27	0.35	0.09	-	1.10	0.08	0.02	0.06	-	
27	IIFL Private Wealth Hong Kong Limited	INR	04-06-2010	51.90	10.61	-	63.52	1.01	-	20.61	3.61	0.41	3.20	-	56.42%
		HKD		6.48	1.06	8.30	7.65	0.12	-	2.48	0.43	0.05	0.38	-	
28	IFL Asset Management (Mauritius) Limited	INR	15-12-2010	4.19	1,026.48	-	1,078.28	47.61	397.68	1,256.58	728.26	21.96	706.29	-	56.42%
		USD		0.07	15.75	65.14	16.55	0.73	-	19.34	11.21	0.34	10.87	-	
29	IIFL Private Wealth (Suisse) SA	INR	16-03-2011	6.68	1.59	-	8.95	0.68	-	2.00	1.14	0.26	0.88	-	56.42%
		CHF		0.10	0.02	68.29	0.13	0.01	-	0.03	0.02	0.00	0.01	-	
30	IIFL Capital (Canada) Limited	INR	03-11-2017	5.04	(2.21)	-	3.90	1.07	-	3.20	(2.10)	-	(2.10)	-	56.42%
		CAD		0.10	(0.04)	50.51	0.08	0.02	-	0.06	(0.04)	-	(0.04)	-	

Note 1 - All subsidiaries have common year end of March 31, 2018 hence no additional information under Section 129(3) read with rule 5 has been disclosed.

Note 2 - Names of subsidiaries which are yet to commence operations

IIFL Asset Reconstruction Limited

Note 3 - Names of Subsidiaries which have been liquidated or sold during the year

No Subsudaries has been liquidated or sold

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Place : Mumbai
Dated: May 3, 2018

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

(₹ in Millions)

Name of Joint Venture	Meenakshi Towers LLP
1. Latest audited Balance Sheet Date	31-Mar-17
2. Date on which the Associate or Joint Venture was associated or acquired	02-01-2013
2. Shares of Associate/Joint Ventures held by the Company on the year end.	
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	(50.48)
6. Profit / (Loss) for the year	
i) Considered in Consolidation	(31.39)
ii) Not Considered in Consolidation	-

Note 1- Name of the Associates / Joint Ventures which are yet to commence operations

NIL

For and on behalf of the Board of Directors
of IIFL Holdings Limited

Nirmal Jain
Chairman
(DIN: 00010535)

R.Venkataraman
Managing Director
(DIN: 00011919)

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Dated: May 3, 2018

Notes

This announcement appears as a matter of record only.

When it's about Equity, you don't have to think!

#1 IIFL is the # 1 banker for equity issuances by private sector companies in FY2017-18.

As per Prime Database Investment Bankers League Tables FY2017-18 of Private Sector Issuers for aggregated equity IPOs, FPOs, QIPs and InvIT IPOs by issue amount on full credit basis.

Housing Development Finance Corp INR 18,960 Mn QIP Mar 2018	Deepak Nitrite INR 1,499 Mn QIP Jan 2018	HDFC Standard Life Insurance Company INR 86,950 Mn IPO Nov 2017	Vardhman Special Steels Limited INR 500 Mn QIP Feb 2018	Quess Corp INR ~16,000 Mn IPP, OFS | Jan 2018
Future Supply Chain INR 6,497 Mn IPO Dec 2017	Shalby INR 5,048 Mn IPO Dec 2017	Reliance Nippon Life Asset Management INR 15,422 Mn IPO Oct 2017	Karur Vysya Bank INR 8,916 Mn Rights Issue | Oct 2017	Indian Energy Exchange INR 10,007 Mn IPO Oct 2017
ICICI Lombard General Insurance INR 57,009 Mn IPO Sept 2017	Capacite Infraprojects INR 4,000 Mn IPO Sept 2017	Dixon Technologies (India) INR 5,993 Mn IPO Sept 2017	Security and Intelligence Services (India) INR 7,796 Mn IPO Aug 2017	
Federal Bank INR 25,000 Mn QIP Jun 2017	State Bank of India INR 149,999 Mn QIP Jun 2017	IRB InvIT Fund INR 50,329 Mn IPO May 2017		

IIFL

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IIFL Holdings Limited SEBI Registration No. MB/INM000010940 • CIN: L74999MH1995PLC093797
Corp. Office: IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 13 • Tel: (91-22) 4249 9000
Regd. Office: IIFL House, Sun Infotech Park, Wagle Estate, Thane • **Website:** www.iifl.com

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

Mr. A K Purwar
Chairman, Independent Director
Mr. Nirmal Jain
Mr. R. Venkataraman

RISK MANAGEMENT COMMITTEE E

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

M/s. Deliotte Haskins & Sells LLP
Chartered Accountants
M/s. V. Sankar Aiyar & Co.
Chartered Accountants

INTERNAL AUDITORS

KPMG
Chartered Accountants
Mahajan & Aibara
Chartered Accountants

CORE MANAGEMENT TEAM

NAME	DESIGNATION
Mr. Sumit Bali	ED & CEO of India Infoline Finance Limited
Mr. Monu Ratra	ED & CEO, IIFL Home Finance Limited
Mr. Venkatesh N	MD, Samasta Microfinance Limited
Mr. Karan Bhagat	MD & CEO, IIFL Wealth Management Limited
Mr. Amit Shah	CEO, IIFL Capital Pte Limited
Mr. Yatin Shah	ED, IIFL Wealth Management Limited
Mr. Balaji Raghavan	ED - Real estate Services
Mr. H. Nemkumar	President, Institutional Equities
Mr. Vasudev Jagannath	President, Institutional Sales
Mr. Nipun Goel	President, Investment Banking
Mr. Arindam Chanda	CEO, IIFL Securities Limited
Mr. R Mohan	Chief Compliance Officer
Mr. Aniruddha Dange	Chief Strategy Officer
Mr. Anand Mathur	President, Human Resources
Mr. Ashok Mittal	Group Head of Taxation
Mr. B.S Amarnath	Treasurer
Mr. Narendra Jain	President, Operations
Mr. Apoorva Tiwari	Chief Operating Officer
Mr. S. Venu	Chief Administrative Officer

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited,
C-101, 247 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
AU Small Finance Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Citibank
Corporation Bank
DCB Bank Limited
Dena Bank
Deutsche Bank
Federal Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC Bank
Indian Overseas Bank
Indusind Bank Limited
Jammu and Kashmir Bank
Karnataka Bank
Karur Vysya Bank
Kotak Mahindra Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
RBL Bank Limited
Small Industries Development Bank of India
South Indian Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
The Saraswat Co Op Bank Limited
UCO Bank
Union Bank of India
Vijaya Bank
Yes Bank Limited
PT Bank Maybank Indonesia Tbk
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

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 - 400604

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Email: shareholders@iifl.com | ir@iifl.com
Tel: 022-4249 9000