

When it's about money.. 

IIFL Holdings Limited

(Formerly India Infoline Limited)

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V,
Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane - 400604

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of IIFL HOLDINGS LIMITED will be held on Wednesday, July 30, 2014 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2014 and the Profit & Loss Account for the financial year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Sunil Kaul (holding DIN 05102910), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and to fix their remuneration.

In this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Statutory Auditors of the Company, M/s. Sharp & Tannan Associates, Chartered Accountants, having registration no. 109983W, and who retire at the conclusion of this Annual General Meeting, being eligible and willing to act as the Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board and the Statutory Auditors mutually."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting held on July 29, 2011 and pursuant to Section 180 (1) (c) and any other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and corresponding to section 293(1)(d) and all

other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include a duly constituted committee / sub-committee thereof), to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹5000 Crores (Rupees Five Thousand Crores) over and above the aggregate of the paid up share capital and free reserves of the Company and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 read with Schedule V and any other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for time being in force) and (corresponding to Section 198, 269 and 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956) and further to the resolution passed by the shareholders at their meeting held on July 17, 2009, approval of the Company be and is hereby accorded for appointment of Mr. Nirmal Jain (holding DIN 00010535) as the Whole Time Director designated as the Executive Chairman for a term of five years with effect from April 23, 2015, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified

in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Nirmal Jain.”

RESOLVED FURTHER THAT Mr. Nirmal Jain shall being a Whole Time Director of India Infoline Finance Limited (“IIFL Finance”), a material subsidiary engaged in NBFC business, draw remuneration from IIFL Finance, within the limits specified in Schedule V to the Companies Act, 2013 with effect from April 1, 2014 and upon approval of re-appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be required to give effect to this resolution”

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with Schedule V and any other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for time being in force) and (corresponding to Section 198, 269 and 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956) and further to the resolution passed by the Members of the Company at its meeting held on July 17, 2009, approval of the Company be and is hereby accorded for appointment of Mr. R Venkataraman (holding DIN 00011919) as the Whole Time Director designated as the Managing Director of the Company for a term of five years with effect from April 23, 2015 on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. R. Venkataraman.

RESOLVED FURTHER THAT Mr. R Venkataraman shall being a Executive Director of India Infoline Limited (“IIL”), a subsidiary company, draw remuneration from IIL, within the limits specified in Schedule V to the Companies Act, 2013 with effect from April 1, 2014 and upon approval of re-appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such

acts, deeds and things as may be required to give effect to this resolution.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. A K Purwar (holding DIN 00026383), Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 1, 2014.”

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Dr. S Narayan (holding DIN 00094081), Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 1, 2014.”

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Kranti Sinha (holding DIN 00001643), Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 1, 2014.”

10. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Nilesh Vikamsey (holding DIN 00031213), Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 1, 2014.”

By Order of the Board

Dated: May 13, 2014
Place: Mumbai

Sunil Lotke
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form duly completed should be deposited at the registered office of the Company not less than forty- eight hours (48 hours) before the scheduled time of the Annual General Meeting. Blank Proxy Form is enclosed. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Relevant Explanatory Statement pursuant to Section 102 of Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Company's Registered Office on all working days of the Company between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
3. The disclosures required under Clause 49 of the Listing Agreement in respect of the Directors being reappointed in this Annual General Meeting are given as an Annexure to this Notice.
4. The Register of Members and the Share Transfer Book of the Company will remain closed from July 23, 2014 to July 30, 2014 (both days inclusive) for the purpose of Annual General Meeting.
5. Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - ii. to the Company at its Registered Office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend warrants.
6. Members are requested :
 - i. to bring their copies of annual report, notice and attendance slip at the time of the meeting.
 - ii. to quote their folio nos./ ID nos. in all correspondence.
 - iii. to note that no gifts will be distributed in the AGM.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
8. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹2,76,918 being the unpaid and unclaimed dividend amount pertaining to Interim Dividend declared in financial year 2006-07 to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 18th Annual General Meeting (AGM) held on July 23 , 2013, under "Investors Section" on the Website of the Company. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.

12. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz: "IIFL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of IIFL Holdings Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs

are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on July 23, 2014 (9:30 am) and ends on July 25, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of June 20, 2014.

VII. Mr. Nilesh Shah, Practicing Company Secretaries, (Membership No. M. No. F2631) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.indiaonline.com and on the website of NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV) (G) (i) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED:

Re-appointment of Mr. Sunil Kaul (item No. 2):

Mr. Sunil Kaul is the Non Executive Director of IIFL Holdings Limited since November 05, 2011. He is also the Managing Director for Carlyle's Asia Buyout Fund focused on investments in the financial services sector across Asia. He is based in Singapore. Since joining Carlyle, apart from IIFL Holdings Limited (erstwhile 'India Infoline Limited'), Mr. Kaul has worked on several notable portfolio company investments including HDFC Ltd, India's leading financial services group, TC Bank, a leading mid-sized bank in Taiwan and Caribbean Investment Holdings, one of the largest provider of offshore company incorporation and trust services in Asia. Mr. Kaul serves as a director on the board of TC Bank and a member of its Risk and Executive Committees. He is also a member of the Asia Pacific Infrastructure Partnership.

Prior to joining Carlyle, Mr. Kaul served as the president of Citibank Japan, covering the bank's corporate and retail banking operations. He concurrently served as the chairman

of Citi's credit card and consumer finance companies in Japan. He was also a member of Citi's Global Management Committee and Global Consumer Planning Group.

Mr. Kaul has over 25 years' experience in commercial and investment banking of which more than 15 years have been in Asia. He has lived and worked in India, the United States, Japan, Netherlands and Singapore. In his earlier roles, Mr. Kaul served as the Head of Retail Banking for Citi in Asia Pacific. He has also held senior positions in Business Development for Citi's Global Transaction Services based in New York, Transaction Services Head for Citi Japan and Global Cash Business Management Head for ABN Amro, based out of Holland.

Mr. Kaul earned his post graduate degree in management from the Indian Institute of Management, Bangalore and a bachelor's degree in technology from the Indian Institute of Technology, Bombay.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of Companies Act, 2013 to the accompanying notice

Item No. 4

The members of the Company at their 16th Annual General Meeting held on 29th July, 2011, approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹5000 Crores (Rupees Five thousand crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary

loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹5000 Crores (Rupees Five thousand Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of

the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item no. 5

Mr. Nirmal Jain is one of the main promoters and founder of the Company and has been a significant contributor to the growth of the Company ever since its incorporation. He is one of the original Directors of our Company. He holds a Bachelors Degree in Commerce from University of Mumbai. The term of office of Mr. Nirmal Jain expires on April 22, 2015. Keeping in view his knowledge and expertise in the business affairs of the Company, the Board of Directors at their Meeting held on May 13, 2014 approved his re-appointment as the Chairman of the Company for a period of five years with effect from April 23, 2015, subject to the approval of shareholders at the Annual General Meeting. Mr. Nirmal Jain fulfills the eligibility criteria set out under part I of Schedule V to the Companies Act, 2013.

Pursuant to Section 203 of the Companies Act, 2013 and applicable rules issued there under, a whole time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time. In compliance with the section, the Board of Directors of India Infoline Finance Limited ("IIFL Finance"), a material subsidiary engaged in NBFC business, has appointed Mr. Nirmal Jain as Whole Time Director of IIFL Finance on May 13, 2014, on such terms and conditions as may be agreed between IIFL Finance and Mr. Jain. Also, it is proposed that the remuneration to Mr. Nirmal Jain shall be paid from IIFL Finance within the limits approved by its shareholders and in accordance with the applicable provisions of the Companies Act, 2013.

The copies of relevant resolutions of the Board of the Company and IIFL Finance in respect of his reappointment and appointment respectively are available for inspection by the Members at the registered office of the Company on any working day excluding Saturdays and holidays, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

None of the Directors, except Mr. Nirmal Jain, and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. R. Venkataraman is the Co-Promoter of the Company and has been immensely contributing to the affairs of the Company ever since its initial stages. The term of office of Mr. R Venkataraman expires on April 22, 2015. Keeping in view his valuable contribution to the business affairs of the Company, the Board of Directors at its Meeting held on May 13, 2014 approved his re-appointment as the Executive Director designated as Managing Director for a period of five years with effect from April 23, 2015 subject to the approval of shareholders at the Annual General Meeting. Mr. R Venkataraman fulfills the eligibility criteria set out under part I of Schedule V to the Companies Act, 2013.

Pursuant to Section 203 of the Companies Act, 2013 and applicable rules issued there under, a whole time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time. In compliance with the section, the Board of Directors of India Infoline Limited ("IIL"), a subsidiary engaged in broking, depository, investment banking business, has appointed Mr. R Venkataraman as Whole Time Director of IIL on May 10, 2014, on such terms and conditions as may be agreed between IIL and Mr. R Venkataraman. Also, it is proposed that the remuneration to Mr. R Venkataraman shall be paid from IIL within the limits approved by its shareholders and in accordance with the applicable provisions of the Companies Act, 2013.

The copies of relevant resolutions of the Board of the Company and IIL in respect of his reappointment and appointment respectively are available for inspection by the Members at the registered office of the Company on any working day excluding Saturdays and holidays, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

None of the Directors, except Mr. R Venkataraman, and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. A K Purwar is Independent Director of the Company. He joined the Board of Directors of the Company from March 10, 2008.

He is also the Chairman of India Venture Advisors Pvt. Ltd., Investment Manager to India Venture Trust – Fund I, the healthcare and life sciences focused on private equity fund sponsored by the Piramal Group.

He is working as Independent Director in leading companies in sectors such as Telecom, Steel, Textiles, Power, Auto Components, Renewable Energy, Engineering Consultancy, Financial Services and Healthcare Services. He is an Advisor to Mizuho Securities in Japan, Member of the Board of Management of Bombay Hospital Trust and is also a member of Advisory Board for Institute of Indian Economic Studies (IIES), Waseda University, Tokyo, Japan.

Mr. Purwar was the Chairman of State Bank of India, the largest bank in the country, from November '02 to May '06 and held several important and critical positions like Managing Director of State Bank of Patiala, Chief Executive Officer of the Tokyo branch covering almost the entire range of commercial banking operations in his illustrious career at the bank from 1968 to 2006. Mr. Purwar also worked as Chairman of Indian Bank Association during 2005 -2006. Mr. Purwar was the chairman of our NBFC Company, India Infoline Finance Limited till June 27, 2012.

Awards received by Mr. Purwar: "CEO of the year" award from the Institute for Technology & 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.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Mr. A K Purwar as an Independent Director for five consecutive years from April 1, 2014. In the opinion of the Board, Mr. Purwar fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail continued services of Mr. Purwar as an Independent Director.

None of the Directors except Mr. Purwar and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Your Directors therefore commend the said resolution for your approval.

Item No. 8

Dr. S Narayan is Independent Director of the Company. He joined the Board of Directors of the Company in August 1, 2012.

Dr. S Narayan, a retired IAS, was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets.

Dr. Narayan hold M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Dr. Narayan as an Independent Director for five consecutive years from April 1, 2014. In the opinion of the Board, Dr. Narayan fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail continued services of Dr. Narayan as an Independent Director.

None of the Directors except Dr. Narayan and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Your Directors therefore commend the said resolution for your approval.

Item No. 9

Mr. Kranti Sinha is Independent Director of the Company. He joined the Board of Directors of the Company in January 2005.

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

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Mr. Kranti Sinha as an Independent Director for five consecutive years from April 1, 2014. In the opinion of the Board, Mr. Sinha fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail continued services of Mr. Sinha as an Independent Director.

None of the Directors except Mr. Sinha and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

Your Directors therefore commend the said resolution for your approval.

Item No. 10

Mr. Nilesh Vikamsey – Board Member since February 2005 - is a practicing Chartered Accountant for 29 years and Senior Partner at M/s Khimji Kunverji & Co., Chartered Accountants, a member firm of HLB International, a world-wide organization of professional accounting firms and business advisers, ranked amongst the top 12 accounting groups in the world.

Mr. Vikamsey is an elected member of the Central Council of Institute of Chartered Accountants of India (ICAI) for two consecutive terms for 2010-2013 and 2013-2016, Mr. Vikamsey is a Chairman of Financial Reporting Review Board (FRRB), Vice Chairman of Corporate Laws and Corporate

Governance Committee and Committee on Information Technology and member of various Committees like Accounting Standard Board, Expert Advisory Committee, Committee on Banking, Insurance and Pension. He is convenor of ICAI Central Council Study Groups to give suggestions to Reserve Bank of India (RBI) on uniform Accounting Policies for Asset Reconstruction Companies, Suggestions on Companies Act, 2013 & its various Rules, Study Group to respond to various Exposure Drafts of International Financial Reporting Standards (IFRS) particularly Financial Instruments etc of ICAI.

Mr. Vikamsey is also Chairman of Qualified Audit Report Committee (QARC) of SEBI. (erstwhile member of SEBI Committee on Disclosure and Accounting Standards (SCODA)), member of Taxonomy Development & Review Committee and membership Development Committee of XBRL India.

Mr. Vikamsey is also on the Board of other public and private limited companies and Trustee in Sayagyi U Ba Khin Memorial Trust (Vipassana International Academy) and also in few trusts focusing on education.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Mr. Vikamsey as an Independent Director for five consecutive years from April 1, 2014. In the opinion of the Board, Mr. Vikamsey fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail continued services of Mr. Vikamsey as an Independent Director.

None of the Directors except Mr. Vikamsey and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

By Order of the Board

Dated: May 13, 2014
Place: Mumbai

Sunil Lotke
Company Secretary



IIFL HOLDINGS LIMITED
ANNUAL REPORT 2013-2014



Let the good times roll!

Let the good times roll!

India's economy and capital markets have passed through challenging times in the last five years. It began with global financial turmoil in 2008-09 and culminated with policy paralysis at home. It is law of nature that times keep changing. With the new government, there is renewed hope. The economic growth rate is expected to accelerate. The financial services sector being a leveraged play on the economy can see even faster growth. IIFL, one of leading financial services groups in India, is well prepared for good times ahead. As a nation, we had our share of difficult times and now let the good times roll!



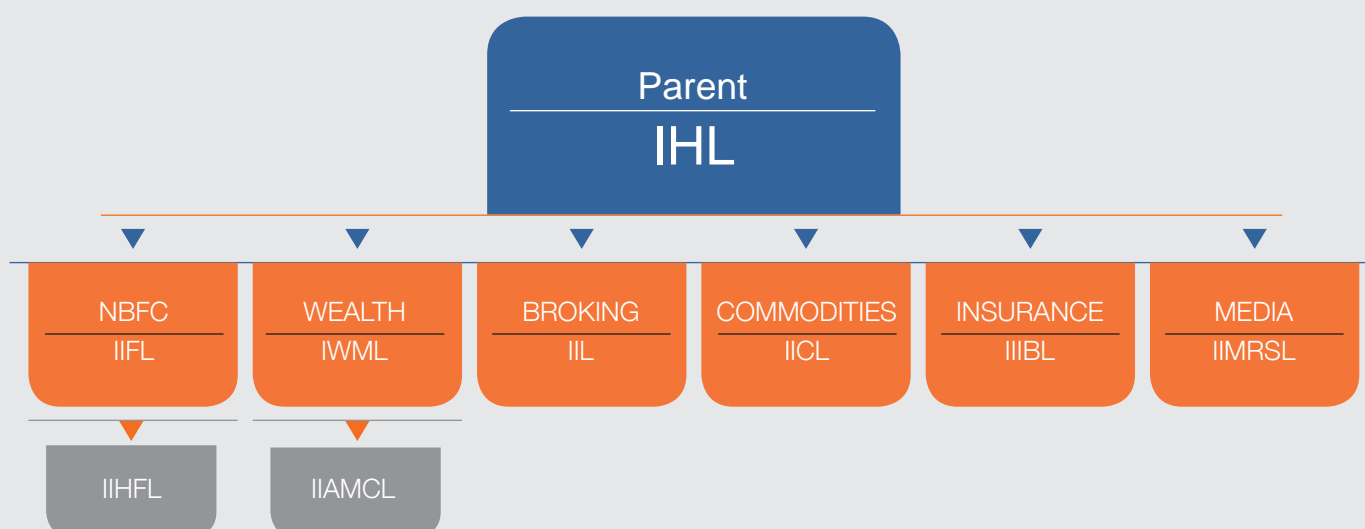
Contents

02	About IIFL
04	Chairman's statement
07	Last 10 years at a glance
08	Awards and Accolades
10	Events and Milestones
14	Managing Director's message
16	Business Enablers
22	Our Advisory Board
24	Corporate Social Responsibility
28	Review of Key Businesses
36	Director's report
46	Management Discussion and Analysis
54	Corporate Governance report
65	Financial statements

About IIFL Group

Overview

IIFL Holdings Limited is engaged, through its subsidiaries, in the businesses of Non Banking Finance, Housing Finance, Wealth Management, Mutual Funds and Asset Management, Equities, Commodities and Currency Broking, Investment Banking, Insurance and other Financial Products Distribution.



IHL IIFL Holdings Limited

IIFL India Infoline Finance Limited

IIHFL India Infoline Housing Finance Limited (Wholly owned subsidiary of IIFL)

IWML IIFL Wealth Management Limited

IIAMCL India Infoline Asset Management Company Limited (Wholly owned subsidiary of IIFLW)

IIL India Infoline Limited

IICL India Infoline Commodities Limited

IIIBL India Infoline Insurance Brokers Limited

IIMRSL India Infoline Media and Research Limited

#Chart depicts only key businesses and subsidiaries of IIFL Holdings Limited and not all businesses and subsidiaries

Vision

TO BECOME THE MOST RESPECTED COMPANY IN THE FINANCIAL SERVICES SPACE IN INDIA.

Values

Team IIFL adheres to a set of values that can be summarised in acronym 'GIFTS' - and they are Growth, Integrity, Fairness, Transparency and Service.

Growth

Driven to grow faster than the rest of the industry and encourage measured risk-taking and empowerment across all levels.

Integrity

Ensure utmost honesty and integrity, in letter and in spirit, in all our dealings with people – internal or external.

Fairness

Believe in being fair in our transactions, bereft of any fear or favour, with all stakeholders including employees, customers and vendors.

Transparency

Believe in as much transparency as practically possible, with our stakeholders, media, investors and the public at large.

Service

Service organisation, committed to delight our customers with superior advice and service, delivered with humility and sincerity.

International Subsidiaries' locations

USA

UK

Hong Kong

UAE

Switzerland

Singapore

Mauritius

Key businesses

NBFC: A diversified loans and finance company, offering loans secured against collaterals of home, property, gold jewellery, medical equipment, commercial vehicles, shares and other securities.

Housing Finance Company: A wholly owned subsidiary of our NBFC, focused on home loans and loans for residential project.

Wealth Management: One of the largest and fastest growing Wealth Management companies in India with assets under advice of close to ₹580 bn.

Asset Management Company: Our

AMC is wholly owned subsidiary of Wealth company and is Investment manager of IIFL Mutual Fund and rapidly growing AIF Funds

Equity Broking: One of the leading brokers catering to retail, HNI as well as institutional clients. Institutional clients include all leading FIIs, mutual funds, financial institutions and banks.

Commodities Broking: One of the leading retail brokers in commodities futures market on Commodity Futures exchanges.

Insurance Distribution: Emerged as one of largest broker for life insurance

in the country. ICICI Prudential, HDFC Standard Life and Reliance Life Insurance have been key partners.

Online Media: Online media sales and SMS business leverages on IIFL's internationally acclaimed research and the Group's online media portal indiainfoline.com, one of the leading websites for finance and investing.

International Subsidiaries: To cater to overseas Institutional Investors and NRIs for their India-centric investments, we have established subsidiaries in seven countries worldwide.

Let the good times roll!

Chairman's statement



Dear Shareholders,

After long years, the time has finally come when India's 1.26 billion people are looking forward to good times and for some good reasons. After three decades, we finally have a Central government with a decisively clear majority. This development is not in India's interest alone but of global significance as well, considering that India possesses the potential to emerge as a leading nation economically and politically. India stands out in the world due to its favourable demographics and relatively young population, enterprising culture, strong values, largest democracy and independently functioning judiciary. To this, India brings economic clarity resulting in optimism for not only the next five years but for the next five decades.

Most economists and analysts will agree that India's economy in monetary

terms can double in five years. This understanding is based on a simple math - real GDP growth of 8-9% per annum and inflation of 6-7% per annum compounds to a nominal growth of 15% per annum, doubling the country's economy in just five years. Finance is the most critical lubricant for accelerating economic growth. The financial services sector possesses the potential to grow faster than the economy. In such a scenario, the financial services sector can easily treble within the same period. Your company is well placed to capitalize on the industry scenario and grow faster than its sector for the following reasons:

Tighter regulations augur well for large, professionally managed companies

The financial sector's relationship with the client is fiduciary in nature

and based on trust. The regulatory framework is becoming progressively more stringent and this trend is set to continue. Over the last decade, the costs of compliance, risk management and governance have risen significantly and are likely to increase further going forward. In such a challenging environment, only large, well capitalized and professionally-managed companies will be able to grow in a sustainable way. Among the various benchmarks that will become even more demanding, related party transactions will be subject to closer scrutiny. Your company is one of the few companies with no promoter family members employed within in any managerial position. We have built our business over the last two decades in an orderly, systematic and professional manner and this will be one of our biggest strengths going ahead.

Focused on core financial services but de-risked across a diversified product mix

Concurrent with our focus on financial services, over the years your company has expanded its revenue base across products and services on one hand and achieved scale on the other. Your company is one of the leading players in major financial services including wealth management, consumer finance, equity, commodities and currencies trading, investment banking, financial products distribution etc. The complete products bouquet helps the company address all the financial requirements of a customer under one roof. This leads to cross-sale and better productivity. Your Company's presence in the institutional and High Net worth Individual segments also gives it a holistic view of opportunities and risks, resulting in superior client advice.

Unmatched managerial depth; people driven by 'owner mindset'

The financial services business cannot be scaled in a manner as is done in the manufacturing sector. Adequate capital can help scale manufacturing capacity within a given time frame; however, the financial services business is critically dependent on skills and trust. When it's about money of customers, any company with long term perspective will not take any chance of putting customer's trust at peril; and has to ensure that trust grows steadily and solidly over time. Any attempt to achieve breakneck growth inevitably backfires. IIFL is attractively placed as it is high on the learning curve with professional leadership at all levels and an owner mindset.

Carved out space with technology edge and continue to sharpen it

A company like ours, which was a start up at the turn of the millennium, has emerged as one of the leading players in a mature sector within only a decade thanks to the prudent use of disruptive technology. In fact, your company, in the current form, had started as an internet-based company called www.indiaonline.com, providing information on Indian business, economy and finance. Over the last decade, technology has transformed our lives and revolutionized the way the financial services industry functions. Following the advent of affordable smart phone mobiles, tablets and a number of gadgets, we are committed to keep pace with evolving technologies with an objective to enhance customer experience, risk management and operational excellence.

Systems and processes have come of age

Your company's promoters and the entire senior management possess an impeccable track record. They are not only well qualified academically but also possess decades of experience of having worked with large systems-driven organizations. From inception, your company has grown by following timely investments in checks, balances, policies and processes. There has been a clear focus in identifying, understanding and mitigating risks. Having passed through several trials by fire, we understand that there is a risk of making terrible mistakes in good times that haunt you in not-so-good times.

Customers can reach us anywhere, anytime

Thanks to technology and the

government's focus on inclusive growth, we are seeing faster growth not only from smaller towns and cities but also from neglected areas of the country. We are seeing a surge in the demand for financial products. Your company has invested in reaching out to almost 900 towns and cities through a vast network of 1,500 branches and a similar number of partner locations; we have seven overseas offices to service our NRI and institutional clients with an interest in investing in India. We have set up call centers in 15 states and an online 24x7 platform for customers to reach us anywhere, anytime.

Internationally-acclaimed research acknowledged for its quality and reliability

Your Company started as a research house and I am happy to say that we have maintained our premier research position internationally as well. When it comes to research on the Indian economy, corporate sector or thematic research impacting investment in India, we are perhaps the first port of call for all leading FIIs, mutual funds and institutional investors. Our research team has won many accolades and during previous years we had the privilege of receiving an award from our current Prime Minister.

Good times and difficult times follow each other in cycles. Our country has passed through five difficult years and it would be futile to blame individuals or political parties. It would, however, pay better to seize the opportunity and transform our fortunes. We all deservedly look forward to good times ahead. Your company is prepared to participate in faster economic growth and can only earnestly pray to 'Let the good times roll!'

www.indiainfoilne.com

When it's about money..



Knowledge is the edge

Knowledge is the edge in everything we do. Firstly, our internationally acclaimed research team has deep insight into the entire corporate financial world. To this, we add our knowledge of the finest financial products suitable for you, together with our understanding of your means, dreams and appetite for risk.

That's how we come to offer what we think is the best advice for you. Whether you want to invest or borrow, you'll see how our knowledge gives you the edge too.

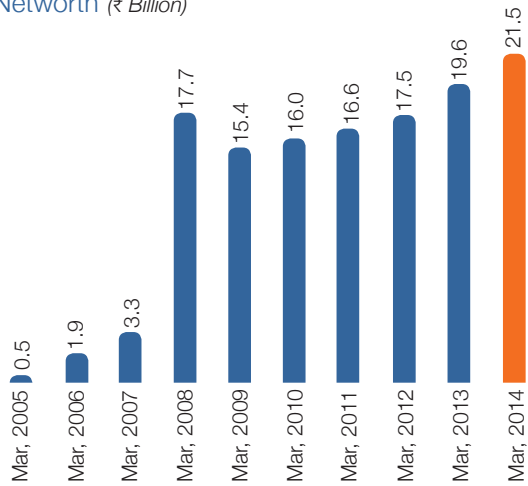
When it's about money..



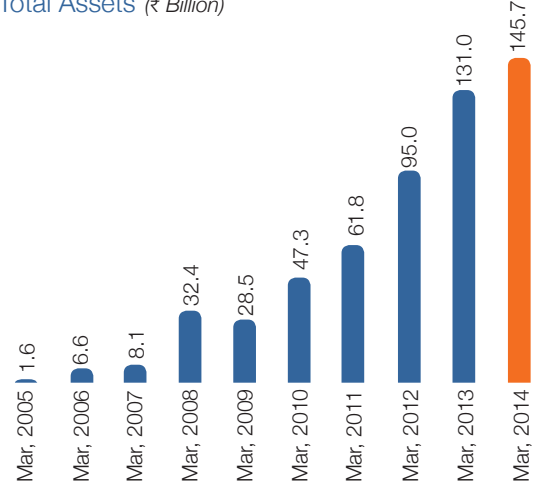
INDIA INFOILNE FINANCE LIMITED, IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400604 • Tel: 022 25806650 • Fax: 022 25806654

Last 10 Years at a Glance

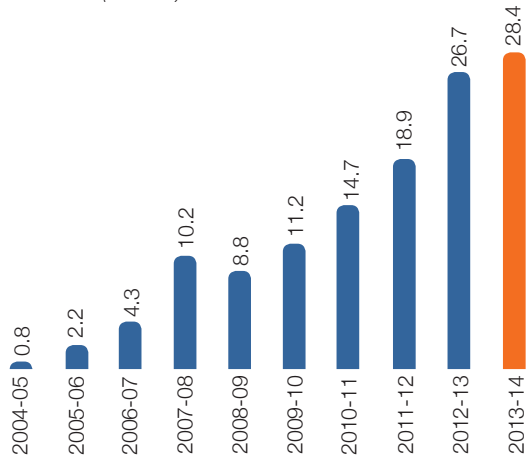
Networth (₹ Billion)



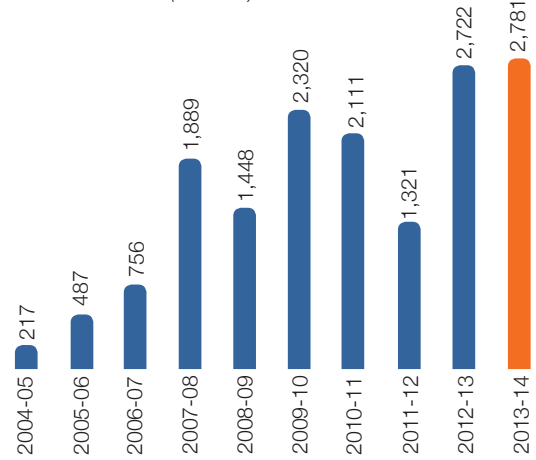
Total Assets (₹ Billion)



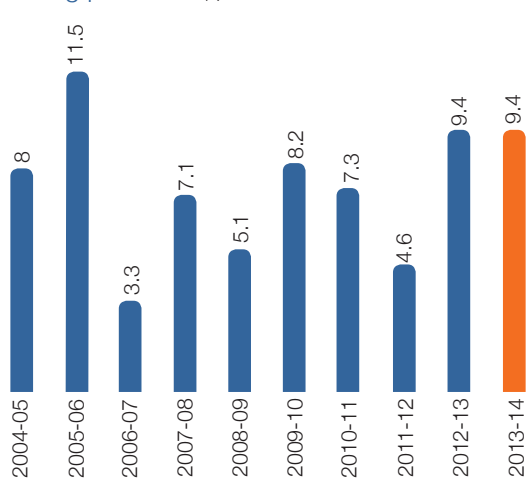
Revenue (₹ Billion)



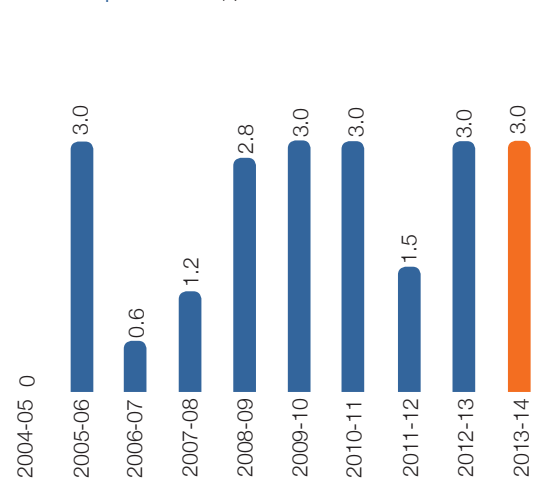
Profit after Tax (₹ Million)



Earning per share (₹)



Dividend per share (₹)



Awards & Accolades



Rajiv Mehta, IIFL receiving the India's Best Market Analyst Awards 2013 for Equity - Banking at the hands of Shri Narendra Modi



'Best Customer Service in Financial Services, 2013'



Best Private Banking Services
Overall – India



Internal tabloid - IIFL Buzz
awarded by Association of
Business Communicators
of India (ABCi)



IIFL receives award for its internal newsletter 'IIFL Buzz' at the 53rd Association of Business Communicators of India (ABCi) Award, 2013



Karan Bhagat, CEO, IIFL Wealth receiving award from Mr K V Kamath, Non Executive Chairman, ICICI at the UTI & CNBC-TV18 Financial Advisor Award, 2013



Fastest Growing Wealth
Management Company in India



Highest Asset
Growth Champion



India's Best Market Analyst Awards 2013 for
Pharmaceutical, Banking and Oil & Gas sector



Prayesh Jain, IIFL receiving the India's Best Market Analyst Awards 2013 for Equity - Oil and Gas at the hands of Shri Narendra Modi



Aditya Gadge, CEO, AIWM presenting the award to Arun Chopra, IIFL Securities Pte Ltd



Best Wealth Management
Company in India (>50
employees) and Highly
Commended Private
Bank in India



Best Wealth Management
House in India,
2013, 2012 and 2011



Awarded for the Most Number of Active Accounts'
in non -bank category



IIFL won award for most number of active accounts in Non Bank Category, in NSDL DP at the 28th DP Conference of NSDL

The Biggest Conference ever

The theme of IIFL's fifth Investors' conference 'Enterprising India V' was EPS – Economics, Politics and Sentiment held in February, 2014. It was IIFL's biggest event so far with participation by 83 companies and over 600 investors. In addition, 15 specialist speakers including Dr Jim

Walker, renowned Economist, Dr KC Chakrabarty, Deputy Governor of RBI, Rajan Anandan, CEO of Google India, Rahul Dravid, Indian Cricketer, Nipun Mehta, Philanthropist and Ashish Dhawan, Social Entrepreneur, among others joined in the knowledge sharing. Investors' mood was of

cautious optimism and politics remained a key topic of discussion. The participating companies played down any expectations of quick turnaround in consumption demand or the investment cycle.



Balram Yadav, MD, Godrej Agrovet and Nirmal Jain, Chairman, IIFL



Dr. Jim Walker, Founder & MD, Asianomics



Rajan Anandan, MD, Google India



Dr. K. C. Chakrabarty, Deputy Governor, RBI

Accountability Creates Excellence (ACE) Wealth client's meet

This year will be a year of accountability, good governance, consistent progress and rapid change. To mark this paradigm shift, IIFL Private Wealth hosted ACE, an acronym for the theme – 'Accountability Creates Excellence.' The event attracted HNI and UHNI clients at the Grand Hyatt in Mumbai. Dr. Arun Shourie, eminent Journalist, Author and Politician, spoke on 'The

Politics of Reform' and participated in an interactive session hosted by Nirmal Jain, Chairman, IIFL. Dr. Subramanian Swamy, who recently joined the BJP, dwelt on corporate governance & accountable leadership while Zarina & Ronnie Screwvala, Founders, Swades Foundation shared their insights on social welfare.

Earlier in the day, Swami Parthasarathy, Founder of Vedanta Academy, spoke on 'When Enough is Enough,' translating subtle philosophical themes into practical techniques of living. The other speakers included Vineet Nayar, Founder, Sampark Foundation and former CEO, HCL Tech.



Listening to a Wealth of Advice: Accountability Creates Excellence (ACE)



Tete A tete: Dr Arun Shourie in conversation with Nirmal Jain



Philanthropic Investors: Zarina & Ronnie Screwvala with Amit Shah, ED, IIFL Pvt Wealth



Accountable Leadership: Dr. Subramanian Swamy, Academician, Politician, Author and Activist

Across the country Investor meet

IIFL successfully conducted many investor meets across the country. The theme unveiled in December was 'Are You Ready For The Bull Market.' Investor interest saw a revival as IIFL experts visited multiple cities

and presented an outlook for equity markets in general and certain stocks in particular.

Post the general election verdict, our stance of a Bull Market was vindicated

further and IIFL followed up with 50 meets conducted in less than 20 days which again saw overwhelming response across the country.



Prasanth Prabhakaran, Head – Retail Broking, IIFL, addressing the crowd at Kollam, Kerala



Investor meet in Ahmedabad



Mukesh Singh, Director, IIFL, addressing investors in Indore



Amar Ambani, Head – Retail Research, IIFL, giving a presentation on capital markets in Bhubneshwar

www.indiainfoline.com

When it's about money..



Trust is a must

We value nothing more than your trust, every time you deal with us or through us. We know that you rely on our character, competence and commitment. We hire people with the right DNA, train them rigorously, and have well designed checks and balances to ensure that we pass the trust test convincingly.

Neither profit, nor growth imperatives can make us deviate from our unswerving pledge to be worthy of your trust, one time and every time. After all, it's your trust alone that's the very reason for our existence.

WHEN IT'S ABOUT MONEY..



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'The bull market has just begun'

Managing Director's message



Dear Shareholders,

“Let’s take the good times as they go, and I’ll meet you further on up the road.”

– Bruce Springsteen

If a beginning, as Plato said, is the most important part of the work, then we are confident that the Indian capital market has entered a bullish period.

The elevation of Shri Narendra Modi as India's Prime Minister and the landslide victory of the BJP-led NDA represent an inflection point in Indian electoral history. For the first time since 1984, a single party has won a decisive majority to lead the country. This indicates that the Indian electorate, many of them first-time voters, has voted unambiguously for development. It is a widely shared feeling that a stable government at the Centre, free of coalition compulsions, will now be empowered to take prudent macro-economic decisions to accelerate national growth.

Focus on economic revival

There is now a renewed focus on driving economic revival. The President's address to the newly elected Parliament reflected the government's development agenda: friendlier tax regime, FDI liberalization across the sectors including defence, GST implementation, inflation management, job creation, 24x7 power and housing for all by 2022.

India is finally moving towards a progressive, capitalist model with a focus on growth and governance. This progressive environment will be based on a policy-drive approach conducive to sustainable growth, coupled with modifications in tax and labour laws. We believe that with the environment turning positive and supply-side bottlenecks being

removed, industrialists will increase their manufacturing and infrastructure investments leading to job creation.

The new government expects to focus on economic growth with the objective to alleviate poverty instead of enhancing subsidies even as it expects to improve subsidy efficiency through enhanced technology and plug systemic leakages. We are optimistic that the government will build on the Achche Din positioning to implement tough decisions that right-track India's economy to growth without comprising fiscal discipline.

India's macro economy had begun to improve even before the elections, marked by a significant improvement in the current account deficit, currency stability and controlled inflation. It is our perspective that if retail inflation begins to ease, then interest rates will moderate, creating just the right ingredients for a sustained stock market recovery. We are also optimistic that economic growth will translate into increased corporate earnings; when coupled with declining interest rates, could represent a sweet spot for Indian equities.

It would be naïve to believe that there will be no external risks to this India story; on the immediate horizon, we see a weak monsoon, geo-political tensions and higher crude oil prices affecting the economic recovery though we also do believe that these factors can be mitigated over the long-term.

The result is that the sentiment revival is only partly captured in the rebound of most stocks on the secondary capital market.

Return of the domestic investor

The big question that needs to be addressed is whether the domestic

investors will return?

The answer is 'yes'.

In the recent past, we saw a savings shift to gold and real estate following which equity's share of household savings sharply declined. In FY08, 7.3% of savings moved into equities - directly or indirectly (mutual funds and insurance), which declined to 0.5% [Shraddha please confirm whether this number is indeed true] in FY13 (Source: RBI, IIFL Research). As gold prices weaken, we believe that a large portion of investable cash will flow back into equities.

The next important question: with Indian indices hitting lifetime highs, have investors missed the rally?

The answer is 'no'.

History is a reliable guide; no bull market has ended in a couple of months. Being a shareholder, you are among the few in the country who have made equity investments. My advice to all retail investors is to increase their allocation to equities – and as fast as possible. Most people wait for corrections when markets run up sharply but here my advice is that since nobody has been able to catch all the micro-movements of the market, not to time the market but focus on getting more time in the market. My advice to those retail investors who cannot engage in research to buy individual stocks would be to buy large cap diversified mutual funds or Sensex / Nifty funds, investing each month in a disciplined manner without affected by market movements.

When It's About Money... trust, knowledge, technology and reach matter

Your company is attractively positioned to capitalise on the emerging

opportunity. We have invested in building capabilities during the downturn – whether in research or technology. We have demonstrated a customised approach to different investor categories –institutional, retail, HNI or NRI. We are positioned proximate to customers through our wide network of branches and partners in India and international finance centres. More importantly, we enjoy the customer's enduring trust through every single interface, transaction and moment of truth.

People matter the most

One of the reasons why we are optimistic about our prospects is the quality of our human resources. During the industry downtrend over the last few years, we consistently invested in our people, training infrastructure and delivery mechanism, making it possible for us to successfully address the ever-changing needs of our esteemed customers.

We are optimistic that the combination of a stable Central government, able RBI Governor, improving macro-economic climate and increased investor interest will drive the Indian capital markets to new highs sustained around a sentiment expected to remain positive for a long time.

Someone correctly said, 'Life has tested us with bad times; life has gifted us with good times.'

This applies to India now more than ever before.

IN THE BUSINESS OF FINANCIAL INTERMEDIATION, MARKED BY A GROWING NUMBER OF VARIABLES, THE CORE COMPETENCE IS DRIVEN BY THE ABILITY TO MAKE INFORMED DECISIONS, WHICH, IN TURN, IS DERIVED FROM CREDIBLE RESEARCH.

At the IIFL Group, its principal advantage lies in research which is in-depth and caters to the growing needs of both institutional and retail clients. IIFL has completely segregated research teams for its retail and institutional clients.

At the heart of IIFL's research capability lies a competent analyst team that covers more than 275 stocks (across sectors and market capitalization). This research is showcased through various mediums including print and online. The quality of research has been well acclaimed by the industry experts, which is reflected in the India's Best Market Analyst awards our analysts have won on various occasions.

Deep engagement: The IIFL research team is engaged in a continuous dialogue with executives (of companies researched and other financial product providers) to identify inflection points that could influence investment returns.

Tracking outcomes: The research

team tracks each recommendation with call closure notes, a rarity in the business.

In-depth reports: IIFL's exhaustive, thematic and thought-provoking research reports have helped differentiate it from others.

Key initiatives, 2013-14

Ask Analyst – a tool for our customers to get in touch with the analysts and ask their queries on stocks and sectors

Tweetinar – IIFL has successfully leveraged the power of social media to reach out to the investing community on Twitter. The queries are instantly answered directly by the Head of Research and team.

IQ Series – A quarterly magazine covering select pieces from our research desk, sage advice from leading experts, thought provoking articles and much more giving a bird's eye view of market to the reader.

Institutional research

IIFL Institutional research published several thought provoking pieces covering various themes. Also the team closely tracked elections and captured the turning points. It now covers 180 companies including 10-15 companies where coverage was initiated in FY13-14.

The research team continues to add value through "The Front Page", a daily synopsis of Indian stock markets with actionable ideas. The product has received an overwhelmingly positive feedback. Other in-depth and thematic printed reports during FY13-14 were on Indian Media sector, Technology, Banking and Telecom.

For the past 5 years, IIFL Institutional equities has successfully hosted the annual institutional investor conference – Enterprising India, which sees participation from leading international and domestic funds as well as large corporate.



2 Business Enablers Brand



FINANCIAL INTERMEDIATION IS MARKED BY A NEED TO REACH THE WIDEST PRODUCT RANGE ACROSS THE LARGEST NUMBER OF PEOPLE. SUCCESS HERE IS DERIVED BY THE ABILITY TO MARKET PERSUASIVELY, DISTINCTIVELY AND EFFECTIVELY.

Over the years, IIFL has enhanced its visibility through print and outdoor media advertisements, commercials on business television channels, radio channels and theatres, product-specific regional marketing and online marketing. IIFL has reinforced offerings through trained relationship managers and financial planners. Personalized customer attention is emphasized and traders are provided with timely research reports. IIFL has repositioned itself to 'When it's about money...', a theme that covers all our businesses. The main theme is supported by four key tenets of our business captured in 'Knowledge is the edge'; 'Trust is a

must' 'Technology does wonder' and 'Being close helps' IIFL continues to organise investor meets for clients to enable them to connect with the senior management of the company.

Key initiatives, 2013-14

IIFL has strengthened its marketing through the following initiatives:

- Periodic investor meets; engaged in several financial awareness programmes
- Enhanced visibility for the proprietary book on financial literacy (108 Mantras for Financial Success) under its FLAME initiative
- In the process of upgrading branch signages for all branches across the country
- Classification of customers into groups (premium, priority and primary) with related services
- Increased interaction with clients and prospects through social media vehicle – Facebook, Twitter, LinkedIn, etc.
- Enhanced visibility in semi-urban and rural areas through billboards, cable TV, other local mediums and advertisements in local newspaper

3 Business Enablers

Intellectual capital

DEDICATED AND DILIGENT WORKFORCE IS IIFL'S KEY STRENGTH. PEOPLE DEVELOPMENT REMAINS ITS CORE FOCUS AREA. IIFL IS AN EMPLOYER OF CHOICE WITH OVER 10,500 WORKFORCE STRENGTH AS ON MARCH 31, 2014. IIFL'S EMPLOYEES ARE DRIVEN BY OWNER MINDSET. IIFL CREATES OWNERS OUT OF ITS EMPLOYEES NOT JUST BY OFFERING A FINANCIAL STAKE BUT ALSO BY EMPOWERING THEM TO TAKE DECISIONS.

Resource base

IIFL looks to build a younger workforce. Efforts are directed to connect with them through various mediums be it on social platforms, campuses or through portals of mutual interest. Localisation and repatriation becomes a key driver of fulfilling manpower needs as the company gets into "Bharat". Coupled with the opportunity to explore abilities as business leaders at early stages of their lives, it creates a motivated workforce. Agents and distributors of local repute are appointed to augment core businesses creating indirect employment opportunities

Culture

IIFL has an open culture where the senior management is accessible at

all times. There are defined policies to encourage employees to convey any matter that they might need to highlight such as 'Whistle Blower' policy and the employees are provided with adequate opportunity to meet senior officials personally. The company also has well defined policy to deal with stray cases of sexual harassment. A company with robust performance management systems, IIFL promotes meritocracy and has the ability to fast track employees who have shown passion and delivery.

Training is a consistent catalyst covering functional, specialized and behavioural areas. With the focus on single window for lead generation for any product, efforts have been to train people across businesses on distribution and lending products. Tie-up with FLIP Learning

Association has helped IIFL to create customized courses on mortgage lending which have been further disseminated to the financial products distribution and capital markets team. The company also continues its tie-up with SkillSoft Singapore for behavioural courses which are open to self – registration as well as through assignment through Training Need Analysis.

Key initiatives, 2013-14

- Implementation of manpower planning process
- Strengthen and customize induction programs to suit business needs
- Strengthen performance – reward linkages
- Standardise goal sheets for positions



4 Business Enablers

Information Technology



FOR ANY COMPANY PROVIDING FINANCIAL SERVICES, IT PLAYS A CRUCIAL ROLE IN ITS OVERALL OPERATION.

IIFL's NBFC business runs on a platform with 3 tier architecture developed in house. These system's have the capability of end to end customer data capture, computation of income, and repayment management. The application provides flexibility, caters to the demands of a changing business environment thus providing a significant competitive advantage. The system ends dependency on external vendors and allows quick enhancements without any additional cost implication

IIFL's broking activity takes place on an internet- based platform.

Beginning with the trading platform (developed in-house) to connectivity of a branch to a data centre and the main server which are posted in the data centre, they all play a crucial role for each and every trade that happens at IIFL.

IIFL has launched CRM (Customer Relationship Management) software last year. It is a comprehensive workflow

application for sales, marketing and customer service department for all business. It entails all aspects of interaction that a company has with its customer and is also used to manage businesses, contacts, clients, contract wins and sales leads.

On the application front, IIFL has a highly distributed application design. This ensures that the Company is not vulnerable to any points of failure especially in crucial areas. The IT team optimally manages the infrastructure without exerting stress on the existing systems or unnecessary additional procurement.

Key Initiatives, 2013-14

- IIFL has initiated security measures and mobile device management setup to ensure that the data remains safe even in the event of loss of a device which is working flawlessly and providing expected security.
- IIFL is ISO 27001 certified.

- From the applications point of view, IIFL has moved very strongly on the mobile front and the IIFL website is now accessible through mobile.

- IIFL has introduced dual connectivity in every important branch to ensure that if one link fails traffic is diverted to the second link automatically without any delay.

- IIFL has implemented VOIP technology at nine of their major offices providing ease in communication.

- Introduced an advanced business intelligence platform for better Management Information Systems (MIS) across the organization enabling report generation in real time for senior management.

- New products on the trading platform have been added successfully, like IIFL Find to provide cutting edge market analysis.

5 Business Enablers

Internal audit

IN A GEOGRAPHICALLY-DISPERSED BUSINESS WHERE DECISIONS HAVE TO BE TAKEN ACROSS DELEGATED LEVELS, ESTABLISHED CONTROLS AND ORGANIZATIONAL INTEGRITY IS PROTECTED BY A PERIODIC AUDIT DISCIPLINE.

The internal audit function comprises more than 200 individuals in addition to the engagement of multiple audit firms. Ernst & Young, the Group's internal auditors, report directly to the Board of Directors and the Audit Committee.

IIFL has an Audit Committee comprising respected experts with a deep market understanding and industry standing who bring a wealth of their experience to the audit process.

The company has invested in the following audit types:

Risk-based internal audits: To perform audits based on a risk assessment of the audit universe and carrying out a heat map for audit areas; the heat map makes it possible to

classify risk categories and define audit frequency.

Regulatory audits: Audits mandated by regulations or regulators are conducted by the team of specialised internal/ external auditors as mandated and findings discussed with management and submitted to the regulators

Concurrent audits: Pre- or post-audit of transactions and documents carried out prior to a transaction or immediately subsequent to the transaction to ensure continuous control and to keep a check on any possible frauds etc.

Payment review audit: Verification of expenses subsequent to payment to ensure no leakages or operational

mistakes are made.

Certification audits: Audits that ensure specific purpose certification required to the Company, carried out by specific external agencies with coordination from the internal audit team.

Key initiatives, 2013-14

- Initiated audit process automation
- Commenced audit scoring for risk analysis and controls
- Continued with credit audit process
- Strengthening of audit areas by periodic reviews of external audit firms and fine tuning all the audit applications.



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Our Advisory Board



From Left to right: Mr. Sat Pal Khattar, Mr. Nirmal Jain, Mr. Keki Dadiseth, Mr. Ashok Jha, Mr. Somasekhar Sundaresan,

THE COMPANY AND THE MANAGEMENT DERIVE THE PRIVILEGE AND BENEFIT OF ADVISORY BOARD CONSISTING OF DISTINGUISHED AND EMINENT PEOPLE WITH RICH EXPERIENCE AND ENVIABLE REPUTATION IN THE FINANCIAL SERVICES SECTOR. THE ADVISORY BOARD MEETS ON A REGULAR BASIS AND DISCUSSES ON THE STRATEGIC DIRECTIONS OF THE GROUP, NEW INITIATIVES BESIDES OTHER IMPORTANT MATTERS SEEKING THEIR INPUTS.

1

Mr. Keki Dadiseth is former Chairman of Hindustan Unilever Limited ("HUL") and former Director of Unilever Plc and Unilever NV. Mr Dadiseth is a Fellow of the Institute of Chartered Accountants of England & Wales and had joined Hindustan Lever Ltd in 1973 as Manager in Audit department. He became Chairman of HUL in 1996. He was appointed Director on the Board of Unilever Plc and Unilever NV in May 2000 and served with distinction till his retirement in 2005.



Mr. Keki Mistry, Mr. S Venkatachalam, Mr. R Venkataraman

2

Mr. Keki Mistry is the Vice Chairman & Chief Executive Officer of HDFC Limited. Mr. Mistry began his career with AF Ferguson & Co., a renowned Chartered Accountancy Firm, followed by short stints with Hindustan Unilever Limited and Indian Hotels Company Limited. Besides being on the board of several HDFC group companies, Mr. Mistry is also on the Board of other reputed public limited companies like IL&FS, Sun Pharmaceuticals and Torrent Power.

3

Mr. Ashok Jha, IAS (Retd.), served as the Finance Secretary of the Government of India. Mr. Jha held crucial positions in India's State and Central Government apparatus. For about two years, Mr. Jha was in the Finance Ministry first as Secretary, Economic Affairs and later as Finance Secretary, while continuing his former role. Mr. Jha was India's alternate Governor in the World Bank and the Asian Development Bank. Prior to working with Finance Ministry, Mr. Jha served as the Secretary, Department of Industrial Policy and Promotion and headed Foreign Investment Promotion Board (FIPB).

4

Mr. Sat Pal Khattar, a prominent lawyer, is the founder of Khattar Wong & Partners, one of the largest law firms in Singapore, and the Chairman of Khattar Holdings, a private investment firm. Among the many portfolios that he holds, Mr. Khattar is the Chairman of the Singapore Business Federation, and Co-chairman of the Singapore-India Partnership Foundation. He was awarded with the prestigious Padma Shri award by Government of India in 2011.

5

Mr. Somasekhar Sundaresan is an eminent Corporate Lawyer. He heads the Securities Law practice of M/s J Sagar Associates, Advocates and Solicitors. Mr. Somasekhar is a permanent invitee to the executive committee of FICCI and is an active member of its Capital Markets Committee. He was also a member of the Takeover Regulations Advisory Committee constituted by SEBI.

6

Mr. S Venkatachalam, a Chartered Accountant by profession, worked with Citibank India for over three decades. He is currently the Chairman of the Board of Directors of Oracle Financial Services Software Limited. He also serves on the boards of State Bank of India, Equifax Credit Information Services Private Limited and Canara Robeco Asset Management Company Limited.

Corporate

Social Responsibility

AID TO GOONJ FOR UTTARAKHAND VICTIMS

In the month of August 2013, ₹5,49,765 was donated by IIFL to the organization 'Goonj' for the Uttarakhand victims. A one-day leave was contributed by pan-India employees to pool up the money for this donation.

In the month of March 2014, IIFL gifted ₹1,00,000 to the Widows of Gallant Soldiers in the Golden Jubilee Function at Jaisalmer (Rajasthan). Household items were purchased from Canteen 9 Guards and gifted to the widows.

SPONSORING EYE SURGERY CAMP FOR BARSANA CAMP

For the 5th year in a row, IIFL Foundation has been sponsoring the Barsana camp, which has been successfully organised by the Bhaktivedanta Hospital. Over 3,500 people lose their eyesight every year in the nearby villages due to lack of adequate healthcare services. Bhaktivedanta Hospital along with IIFL Foundations organise the camp to ensure that least number of people suffer.

Since 1992, the Hospital has been conducting free eye and dental camps at Barsana (Mathura district). Thousands of villagers - majority of them over the age of 60 years - have been benefited through these camps annually.

This year, the camp commenced on 10th February 2014 and the screening took place over three days.. Around 2,760 patients were screened, out of which 950 patients were identified for cataract and other surgeries. The camp not only conducted these surgeries, but also followed up with each of the cases after few weeks.

About 2,100 patients attended the dental camp between 10th February and 13th February. All related procedures like scaling; filling and extraction were performed by a 45-member dental team consisting of dentists, volunteers and other paramedical staff. Over 80 dentures were given to needy patients on the spot with active follow-ups being facilitated.





Flame Initiative

IIFL's financial literacy mission is intrinsically wedded to the spirit of inclusion which demands unconditional effort to strike a chord with the target groups before attempting to define their needs. A report on IIFL's recent financial literacy program for various target groups includes school and college students, teachers and working women.

NATIONAL SOCIETY FOR EQUAL OPPORTUNITIES FOR THE HANDICAPPED (NASEOH)

IIFL under its FLAME initiative to spread financial literacy, partnered with K J Somaiya Institute. A six -month program was undertaken to impart financial knowledge to the physically-handicapped of NASEOH (National Society for Equal Opportunities for the Handicapped). Financial literacy activities were also undertaken for Adarsh Vidyalaya in Mumbai.

This project for NASEOH, which is a six-month long program covers lessons on savings, budgeting, banking, micro-finance and self-help groups (SHGs). Thirteen differently-abled students completed the course in December 2013.



FINANCIAL LITERACY FOR UNDER-PRIVILEGED

The financial literacy project for the under-privileged section of society (Fin-Lit) saw an increase in the number of students. On an average, the number of students increased by more than 100 percent every year. IIFL sponsored financial literacy books for the 442 students. Financial literacy was imparted in three batches through the year.

Additionally, a course in basic English was also conducted for the students. Students were awarded certificates on completion of the course.

The key highlights of the project during the year, was the increase in the number of students, distribution of IIFL-FLAME books to all students, revision of financial literacy material to make it visually appealing and an interactive session of IIFL representatives with students of Adarsh Vidyalaya.



HEALTHCARE AND EMPLOYMENT EDUCATION

IIFL Foundation's program in Jawhar on financial education and career counselling for young adults was launched at the panchayat office by the lady sarpanch. She urged IIFL Foundation to extend our development work to include women as well.

Vocational Training is a four-month program. Tracking initiatives includes following up with them over a period of two years on parameters such as getting employment and continuing to stay employed over a period of time. A total of 120 schools have been identified from over 40 villages in Jawhar and Mokhada Talukas of Thane District. On an average, there are 80 children per school in standards VIII, IX and X. This ongoing initiative is set to benefit over 8000 children.



OTHER INITIATIVES

Engaging with the Warli community: IIFL Foundation is supporting Warli Art and has made a beginning by taking initiatives to help market some of the Warli products besides educating them on designing new products. IIFL aims to provide them with the last mile connectivity as selling their products remains the biggest challenge which they face.

Project Udaan Initiative: As part of Prime Ministers initiative for the youth of Jammu and Kashmir, IIFL was chosen to partner with National Skill Development Corporation to train youth from the region. Around 60 youths from Jammu and Kashmir are undergoing training at our premises under the initiative.

Blood donation camp: IIFL's blood donation drive took place in different offices. In Hyderabad alone, blood donation was made to the NTR Trust. Besides, the blood donation camps were conducted in IIFL premises across the country. Our employees continue to proactively donate blood at various camps held in and around our offices.

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Review of key businesses

IIFL HOLDINGS LTD (IHL) CONDUCTS ITS CORE BUSINESSES THROUGH ITS SUBSIDIARIES. THE FOLLOWING TABLE DEPICTS THE CORPORATE ENTITIES CONDUCTING KEY BUSINESSES REVIEWED HEREUNDER.

Reference to IIFL or the Company in this section may refer to respective corporate entity engaged in the business.



Company [#]	IIFL stake	Core Business
India Infoline Finance Limited	98.87%	NBFC
India Infoline Housing Finance Limited*		
India Infoline Wealth Limited	78.37%	Wealth and Asset Management
India Infoline Limited	100%	Equity Broking
India Infoline Commodities Limited	100%	Commodities Broking
India Infoline Insurance Brokers Limited	100%	Insurance Distribution

[#]Does not include all subsidiaries. ^{*}India Infoline Housing Finance is a wholly owned subsidiary of India Infoline Finance Limited

1 Lending and Finance

Introduction

IIFL offers a diversified bouquet of secured products fulfilling credit needs of vast sections of retail consumers, SMEs and corporates. The products offered by IIFL are:

- Home Loans
- Loans against Property
- Loans secured against Gold Jewellery
- Commercial Vehicle Finance
- Health Care Financing for medical equipments
- SME and Trader Loans
- Capital Market Finance secured against securities

IIFL has established appropriate credit selection process and underwriting procedures that consider both the adequacy and quality of collateral, profile and cash flow of the borrower. IIFL also has well defined collection processes and an experienced team. The business is supported by robust risk management and audit systems. Therefore IIFL has consistently maintained high quality of its loan assets and NPAs at a low level

Overview FY 2014

- The loan book grew by 16% to ₹108.9bn as of March 31, 2014 as against the previous year
- Mortgage assets contributed to 48% of loan book, followed by Gold Loan accounting for 36%, Capital Markets about 9%, and Commercial Vehicle and Medical Equipment Loans each about 4%
- Gross and Net NPAs (Non

performing assets) were 0.86% and 0.33% respectively

- Provision coverage (including for standard assets) was 94% as at FY14 end
- Higher safety margins was maintained in leverage as reflected in the capital adequacy ratio of 17.65%, comprising Tier I capital ratio of 12.74% (as against minimum of 7.5%) and Tier II capital ratio of 4.91%
- Various process and quality initiatives were introduced to further streamline the speed to market and provide a delightful experience to customer

Outlook

Mortgage: New Government's policy intent of housing for all by 2020 as well as raising demand with increasing level of urbanisation is likely to give impetus to demand for home loans across the country. IIFL is well placed to seize the opportunity by leveraging our large network of branches.

The demand for affordable housing is key segment for growth thrust.

Gold Loans: Lending against Gold jewellery continues to focus on providing short term loans for working capital needs to MSME as well as need based credit to households for marriage, education and medical etc purposes. Many of customers in this segment are first time borrowers from organized and regulated businesses. IIFL has time tested policies to ensure margin of safety in loan to value ratio, quick KYC process and stringent checks to ensure fair valuation of jewellery.

Commercial Vehicles: This assets class has witnessed healthy growth rate over long term. During the year under review, it passed through challenging times due to overall slowdown in the economy. With recovery in economic growth, demand for commercial vehicles loans is expected to rebound strongly.

Medical Equipment Financing:

It is targeted at doctors or clinics needing finance for purchase of medical equipments. India has a large population with healthcare needs and facilities at small clinics and hospitals need upgradation, driving demand for this segment.

Strategy

Steadily grow high quality, diversified retail assets focusing on under-banked segments, keeping cost and risk under control through well defined processes, leveraging technology

VARIOUS PROCESS AND QUALITY INITIATIVES WERE INTRODUCED TO FURTHER STREAMLINE THE SPEED TO MARKET AND PROVIDE A DELIGHTFUL EXPERIENCE TO CUSTOMER.

2 Wealth Management

Introduction

IIFL Private Wealth, from its inception in 2008, has built an advisory practice as opposed to a commission-based model. It has also included employee ownership as a key founding principle. Both together have helped in establishing long-term relationships with all – clients, employees and partners.

Innovations such as fixed fee structures, pricing of structured products at par, independent fixed-income trading desk, have helped the team sit on the same side of the table as the client and at the same time gain market share.

IIFL Wealth has a holistic approach towards managing client's assets which not only include financial investments but also the overall wealth structuring keeping in mind the family's needs and objectives. This includes advice on structure of investment entities and also succession planning through use of wills and trusts. Through tie ups with taxation and legal specialists, IIFL has been able to add significant value to its clients.

Overview FY 2014

- Won over 9 awards, amongst these the most prestigious being 'Best Private Banking Services Overall – India' from Euromoney Private Banking Survey & 'Best Wealth Management Company in India' – by The Asset Triple A Awards, for three consecutive years
- Total AUM (Domestic + Offshore) is now close to ₹580 bn making IIFL one of the leading wealth management companies in the country

- IIFL is also one of the first wealth managers to focus on discretionary managed accounts through the AIF platform. Collected close to ₹25 bn of committed client capital in AIF/VCF structure over the last year

- Product innovation remains a key driver. IIFL launched the first of its kind 10 year FMP with the underlying security of WPI Inflation Indexed Bonds, collected over ₹4 bn

Outlook

An improving economic outlook, high expectations from the new government, a relatively young and increasing population of High Net Worth individuals and families are just some of the reasons why wealth management in India is poised to grow exponentially. Increasingly, most families are actively looking to have their assets managed professionally in a cost efficient manner.

In terms of allocation of assets, real estate continues to remain a popular choice for most HNI investors however with improving sentiments; allocation to financial investments should continue to increase. One of the key drivers for the next year would be improved allocation towards equities (seeing renewed interest and participation) and alternate investment opportunities such as high yield debt, real estate funds etc.

In terms of client behavior, increasingly the focus is on performance management and risk management with clients increasingly looking for transparency and access to information. Another challenge faced is that allocation to discretionary products

and / or proprietary products is increasingly being capped in most client portfolios. Over the next year, we aim to build discretionary managed accounts through the AIF platform, which would offer our clients unprecedented alignment of interests and superior regulatory compliance.

Strategy

The overall business objective is to ensure stable long term margins and increasing annuity income on a growing asset base. Asset gathering continues to be a key area of focus with emphasis on new client acquisition and deepening of wallet share of existing clients. For this, the aim would be to attract the best talent from the industry to help improve our reach both domestically and internationally.

Finally, IIFL has been at the forefront of product innovation, in the past six years, and will continue to do so. Key areas of innovation over the next year would be discretionary managed accounts (AIF), direct equities (increasingly seeing high volume and interest) and real estate structured lending.

**IIFL WEALTH HAS A
HOLISTIC APPROACH
TOWARDS MANAGING
CLIENT'S ASSETS WHICH
NOT ONLY INCLUDE
FINANCIAL INVESTMENTS
BUT ALSO THE OVERALL
WEALTH STRUCTURING.**

3 Financial Products Distribution

Introduction

IIFL is one of the leading distributors of financial services products such as Life Insurance, Mutual Funds, Fixed deposits, NCDs, Tax Free Bonds, National Pension Scheme, IPOs, etc. IIFL has an extensive distribution network of more than 10,000 empanelled sub-brokers with more than 2,700 business locations pan India catering to the investors, even at remote locations.

IIFL follows an 'open architecture' policy to distribute products of all major players. Life insurance is the dominant product in IIFL's distribution portfolio. IIFL distributes insurance policies through 9 telecalling centers and its pan – India seminar sales' outlets. Insurance premium collection is conducted through a dedicated telecalling team of over 2000 telemarketing executives and over 100 seminar sales locations.

IIFL has experienced and qualified personnel at its branches to educate and assist customers and is in constant touch with the customers through direct meetings, newsletters, call centers, emails etc.

Overview FY14

- IIFL mobilized close to ₹170 bn of Mutual Fund assets during the year. This has put IIFL among the top 8 mutual fund distributors in the country
- IIFL's innovative approach of mobile van has allowed the company to even smaller places
- Leading non bank insurance broker and has partners like ICICI Prudential, HDFC Life Insurance and Reliance Life

Insurance

- Mobilised over ₹5,000mn in tax free bonds and over ₹4,500mn in fixed deposit receipts of AAA rated companies during the year
- IIFL has invested in training over 7,059 employees in distance tele marketing
- Invested in infrastructure for dialers, welcome calling, renewal calling, customer service and for various reminders for FD renewal, redemption etc.
- During the year, approximately 60% of the IIFL's NCD collection was mobilized by this channel

Outlook

A significant increase in the young working population and improving penetration could drive a 15-20% CAGR for the life insurance sector over the next 15-20 years. Of the insured population, a significant percentage remains under-insured. So, while premium as percentage of GDP is 4.47%, the sum assured as a multiple of GDP is just 0.3. With expected relaxations of FDI limits for insurance, a huge flow of new capital is expected in the sector, driving new products and growth.

The mutual industry in India is still in its early stages of volume growth and has potential for exponential growth over the next decade. Total AUM of the mutual fund industry clocked a CAGR of 16.8% over FY07–13 to USD150 bn, and 18% growth during the financial year 2013-14.

Securities and Exchange Board of

India (SEBI) has announced various measures aimed at increasing the penetration and strengthening distribution network of mutual funds. SEBI has allowed AMC's to hike expense ratio up to 0.3% on the condition of generating more than 30% inflow from smaller cities

Strategy

IIFL plans to widen its face to face and sub broker network to grow its presence in semi-urban and rural areas. IIFL plans to enhance sales through feet on street model and through online portals to emerge as a leading distributor for all financial products. IIFL plans to leverage on its existing branches to cross sell financial products and to gain maximum reach. The idea is to attend to investors through the entire gamut of financial planning by being a one stop shop for all financial needs of a customer

THE MUTUAL INDUSTRY IN INDIA IS STILL IN ITS EARLY STAGES OF VOLUME GROWTH AND HAS POTENTIAL FOR EXPONENTIAL GROWTH OVER THE NEXT DECADE

4

Equities, commodities and currency

IIFL is a leading online and offline broking and advisory services provider for cash and derivative segments to retail and institutional clients. In over a decade, the company has created a brand, marked by informed research, systemic uptime, transaction speed, cutting edge technology, extensive footprint, high service standard and competitive brokerage. It has further extended into commodities and currency trading to emerge as an integrated financial intermediary.

IIFL is a premier broker for Foreign Institutional Investors, Mutual Funds, Insurance Companies and Private Equity Funds. IIFL's research is internationally acclaimed and port of first call. IIFL's institutional team has facilitated block trades, including some marquee trades

Our investment banking practice is well placed to leverage our in-depth research capabilities, institutional placement capabilities, and wide reach across retail and high net worth individuals. IIFL is arguably the only investment bank in India with a very strong distribution franchise across all the investor buckets.

Overview, FY 2014

- Equity cash trading volumes have declined further and the low yield options segment continues to see growth. Average daily turnover in the equities segment was ₹56.3 bn in 2013-14 compared with ₹50.4 bn in the previous year; equity market share on NSE was 3.4% in 2013-14 compared to 3.6% in the previous year. This is following the economic slowdown

starting from 2012-13 and extending into 2013-14

- In the currency business, average daily turnover stood at ₹2.87 billion during 2013-14 against ₹6.44 billion in the previous year, whereas average daily commodity turnover stood at ₹10.97 billion during 2013-14 as against ₹17.46 billion in the previous year
- Launched IIFL Find in the online research section – a tool which gives scrip-wise analytics based on live news and quantitative analytics for derivative scrips.
- Tradewiz is made available on India IIFL's trading portal to enable clients to take informed decisions based on technical analysis
- Live streaming TV – ET NOW is now available on the proprietary Trading software (TT).

Outlook

The brokerage revenue pool showed a steep decline in 2013-14 as compared with 2012-13, for reasons which included a slowing economy along with the collapse of the currency and commodity segments at the exchanges. Inflation in 2013-14 remained sticky and the expected RBI measures also did not materialise as per market expectations.

However, with the impending elections in 2014-15, the last quarter saw a bottoming up of the equity markets. Expectations of a stable government and subsequent restarting of the reform process helped the equity markets to regain some of its lost

momentum. Along with this the current account deficit has been decisively reigned in, and the fiscal deficit is also under control. All these factors are an encouraging signs for the capital market in the long term.

The commodities market is slowly trying to regain its lost momentum and the long term potential for this market is immense considering the basic agricultural backbone of the country.

With currency stabilising in the last quarter, the currency segment of the market will again pick up in the years to come. This is a very nascent market and has huge potential.

Strategy

With the changing political scenario, Equity as an asset class with again take prominence and activation of inactive accounts along with acquiring fresh clients into the capital markets will be a key focus area for IIFL. IIFL plans to continue focusing on building a culture of advisory and financial planning with the client profitability being the primary focus. IIFL will also continue to leverage its research capabilities to expand and service its retail customer base for commodities and currency.

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To know how our service works, **SMS IIFL to 56767** or give a **Missed Call** on **080 6671 9444**.

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Business

Goals

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Business Solution
Business concept
Business world
Business Solution
Business concept
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Business world



Statutory & Financial Section

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report along with the audited statements of accounts of your Company for the financial year ended March 31, 2014.

Financial results:

A summary of the financial performance of the Company and its major subsidiaries, for the financial year ended March 31, 2014, is as under:

(₹ Million)		
Name of Company	Revenues	Profit after tax
Consolidated	28,372.9	2,913.8
IIFL Holdings Limited	886.7	977.7
India Infoline Limited	4,061.8	120.7
India Infoline Finance Limited	18,653.3	1,794.6
I-> India Infoline Housing Finance Limited	1,134.4	310.5
India Infoline Insurance Brokers Limited	551.5	(88.3)
India Infoline Insurance Services Limited	31.5	16.4
India Infoline Commodities Limited	478.1	23.7
IIFL Wealth Management Limited	2,137.3	409.3
I-> India Infoline Asset Management Company Limited	120.0	62.9
I-> India Infoline Trustee Company Limited	0.2	(0.5)
I-> IIFL Distribution Services Private Limited	65.5	5.1
I-> IIFL Investment Advisors And Trustee Services Limited	3.4	(9.6)
I-> IIFL Alternate Assets Advisors Limited	188.1	44.9
IIFL Realty Limited	1,214.8	186.6
India Infoline Media and Research Services Limited	430.7	(2.3)
IIFL Inc.	68.0	5.6
IIFL Private Wealth (Dubai) Limited	42.7	(10.9)
IIFL Private Wealth (Mauritius) Limited	223.6	(16.3)
IIFL Wealth (UK) Limited	49.5	2.8
IIFL (Asia) Pte. Limited	20.4	(132.0)
I-> IIFL Capital Pte. Limited	62.3	5.7
I-> IIFL Securities Pte Limited	156.5	77.3
IIFL Private Wealth Hong Kong Limited	4.7	(12.1)
Inter Company Adjustments	(2,336.6)	(843.2)
Other Subsidiaries	124.5	(14.8)

A summary of the consolidated financial performance of your Company, for the financial year ended March 31, 2014, is as under:

(₹ Million)

Name of Company	2013-14	2012-13
Gross total income	28,372.9	26,652.6
Profit before interest, depreciation and taxation	16,409.3	13,536.0
Interest and financial charges	11,532.3	8,692.5
Depreciation	678.9	839.2
Profit before tax	4,198.1	4,004.3
Taxation – Current	1,593.9	1,420.3
- Deferred	(301.5)	(227.2)
- Short or excess provision for income tax	(8.1)	17.8
Net profit for the year	2,913.8	2,793.4
Less: Exceptional item (net of tax)	–	–
Net profit before minority interest	2,913.8	2,793.4
Less: Minority interest	(133.0)	(71.4)
Net profit after minority interest	2,780.8	2,722.0
Less: Appropriations		
Dividend	(888.1)	(927.4)
Dividend Distribution Tax	(157.8)	(150.5)
Minority interest – opening retained earnings	(24.4)	–
Goodwill write off	(4.5)	–
Transfer to General Reserve	(341.5)	(306.0)
Transfer to Special Reserve	(427.2)	(378.0)
Debenture Redemption Reserve	(1,190.0)	(220.0)
Less: Adjustments for Minority Interest and fair value	–	(31.8)
Add: Balance brought forward from the previous year	3,688.3	2,979.9
Balance to be carried forward	3,435.6	3,688.3

A summary of the standalone financial performance of your Company, for the financial year ended March 31, 2014, is as under:

(₹ Million)

Name of Company	2013-14	2012-13
Gross total income	886.7	5,504.7
Profit before interest, depreciation and taxation	826.8	1,292.6
Interest and financial charges	–	90.9
Depreciation	0.7	132.9
Profit before tax	826.1	1,068.8
Taxation – Current	–	109.0
- Deferred	(151.6)	1.7
- Short or excess provision for income tax	–	–
Net profit for the year	977.7	958.1
Less: Appropriations	–	–
Interim Dividend	(888.1)	(883.1)
Dividend Distribution tax	(0.2)	(18.9)
Transfer to General Reserve	(98.0)	(96.0)
Add: Balance brought forward from the previous year	1,811.6	1,801.1
Add:-Due to merger of India Infoline Marketing Services Limited	–	50.4
Balance to be carried forward	1,803.0	1,811.6

Review of operations:

On a consolidated basis, during the year under review, your Company's income increased by 6.5% to ₹28.4 bn and EBITDA increased by 21.2% to ₹16.4 bn. Profit before tax increased by 4.8% to ₹4.2 bn and Profit after tax before minority interest increased by 4.3% to ₹2.9 bn.

Our Lending and financing business has emerged as the dominant segment of the Group income, contributing 71% of total revenues. NBFC income increased by 11.6% to ₹20.3 bn from ₹18.2 bn in the previous year. Equity broking and related income decreased by 37.3% to ₹3.5 bn. Income from marketing and distribution of financial products such as life insurance etc also registered a robust growth of 55.2% to ₹4.5 bn from ₹2.9 bn in the previous year. Within this, income from wealth and asset management business grew significantly by 48% to ₹2,420 mn. Other income contributed ₹153.9 mn.

Dividend on equity shares:

During the year under review, the Company declared and paid an interim dividend of ₹3 per share (150% of face value of ₹2 per share) and this entailed an outgo of ₹888.1mn excluding dividend distribution tax. The same is considered as final. The total dividend paid during the previous year 2012-13 was ₹3 per share.

Restructuring and change of name of the Company:

With a view to achieve simplified business structure facilitating dedicated management structure for core businesses, the Board of Directors of your Company had approved transfer of Company's (Transferor Company) Broking, Depository Participant, Portfolio Management, Mutual Fund Distribution and Investment Banking businesses ("Financial Services Undertaking") to a wholly owned subsidiary, India Infoline Distribution Company Limited ("IIDCL") (Transferee Company), through a scheme of arrangement in terms of Section 391 to 394 of the Companies Act, 1956 and other regulatory approvals in April, 2013. In this regard, Hon'ble High Court of Bombay vide its Order dated December 20, 2013, issued on January 16, 2014 ("Order"), approved the Scheme of Arrangement ("Scheme") and the same is effected with the filing of the Order with the Registrar of Companies vide its acknowledgement dated February 13, 2014 and other regulatory approvals.

The Scheme details are as follows:

1. The "Financial Services Undertaking" consisting of capital market Broking, Depository Participant, Portfolio

Management, Mutual Fund Distribution and Investment Banking business were transferred from the Transferor Company to the Transferee Company i.e. India Infoline Distribution Company Limited, a wholly owned subsidiary of the Company, on a going concern basis and accordingly, the businesses/services stands continued by the Transferee Company. As the said transfer is only to a wholly owned subsidiary, it does not involve any change in share capital of the Transferor Company. The effective date of the Scheme is April 1, 2013.

2. The name of the Transferor Company i.e. India Infoline Limited which is listed on NSE and BSE is changed to "IIFL Holdings Limited" in terms of Fresh Certificate of incorporation dated February 18, 2014, issued by Registrar of Companies, Maharashtra, Mumbai.
3. The name of the Transferee Company i.e. India Infoline Distribution Company Limited is changed to "India Infoline Limited" in terms of Fresh Certificate of Incorporation dated February 27, 2014, issued by the Registrar of Companies, Maharashtra, Mumbai.

Key initiatives:

- i. Public issue of bonds and securitization by Group's NBFC subsidiary, India Infoline Finance Limited (IIFL) & housing finance subsidiary, India Infoline Housing Finance Limited (IIHFL)
 - (a) During the year under review, the NBFC subsidiary successfully completed the Public Offering of Secured Redeemable Non-Convertible Debentures ("NCDs") aggregating to ₹10,500mn (the "Issue"). The issue received over whelming response from the public investors and was oversubscribed. These NCDs are listed and traded on the NSE and BSE.
 - (b) The housing finance subsidiary successfully completed the maiden Public Offering of:
 - i. Non convertible Debentures (NCDs) amounting to ₹2,500mn with an option to retain over-subscription upto ₹2,500mn aggregating to ₹5,000mn by way of public issue. The issue got oversubscribed and the NCDs are listed on NSE and BSE on January 1, 2014 and
 - ii. Non convertible Debentures (NCDs) in the nature of subordinate debt amounting to ₹1,000mn with an option to retain over-subscription upto ₹1,000mn aggregating to ₹2,000mn by way of public issue.

The issue got oversubscribed and the NCDs are listed on NSE and BSE on April 7, 2014

- (c) During the year, the NBFC subsidiary initiated securitization and assignment of eligible loans to the extent of ₹8,771mn under the revised Securitisation & Assignment Guidelines of RBI.

ii. SEBI approval for Investment Advisory Services

During the year under review, the Company's subsidiaries namely India Infoline Limited and IIFL Investment Adviser and Trustee Services Limited have received approvals from SEBI to undertake Investment Advisory Services. This enables rendering investment advisory services as a segregated service which will compliment with our existing equity and distribution services to our customers in line with the new regulatory requirements. Your Company believes that going forward; the advisory services platform poses immense opportunities for servicing our large and growing client base.

iii. Funds Management Business

Mutual Funds and Alternative Investment Funds

- (a) During Financial Year 2013-2014, IIFL Mutual Fund launched two debt schemes namely IIFL Dynamic Bond Fund and IIFL Short Term Income Fund and a Liquid Scheme – IIFL Liquid Fund. As on March 31, 2014, IIFL Mutual Fund managed 6 schemes, with Net Assets under Management of ₹2,240mn.
- (b) Company's AMC subsidiary India Infoline Asset Management Company Limited ("IIFL AMC") received approval from SEBI to undertake Investment Management and Advisory Services for pooled assets including Alternative Investment Funds (AIF), Offshore Funds and to undertake Portfolio Management Services. Pursuant to this, Investment Management of IIFL AIFs and venture capital funds consisting of IIFL Venture Fund (Category I- AIF), IIFL Private Equity Fund (Category II- AIF), IIFL Opportunities Fund(Category III –AIF) and India Infoline Venture Capital Fund are being carried on by IIFL AMC as the Investment Manager from March 1, 2014. Thus enabled consolidation of all investment management activities of the Group under IIFL AMC which will further be strengthened with the proposed portfolio management services. During the year, Three AIF Schemes were launched namely IIFL Income Opportunities Fund as a debt fund under category II AIF scheme and IIFL Income Opportunities

Fund Series – Special Situations as a debt fund focused on real estate sector under Category II- AIF and IIFL Asset Revival Fund as a equity fund under Category III AIF. All these funds received excellent response from our HNI investors and enables a strong foundation and leadership in this highly promising business. As on March 31, 2014, the total funds commitment under IIFL AIFs/Venture Capital Fund managed by IIFL AMC is about ₹22,500mn.

- (c) IIFL Wealth Management Ltd. ("IIFL Wealth"), subsidiary of the Company, acquired majority stake in India Alternatives Investment Advisors Private Limited ("India Alt"), the Investment Manager to India Alternatives Private Equity Fund ('India Alt Fund') and the same was effected on April 4, 2014. IIFL Group has also committed a significant contribution to India Alt Fund. India Alt Fund, a private equity fund registered with SEBI, is a distinctive private equity fund with an initial commitment of ₹2,300mn that invests primarily in mid growth stage companies. This acquisition will enable IIFL Group to widen its presence in the PE industry and provide an added offering under the asset management platform.

iv. Investor Conferences

Institutional Investors' conference

IIFL's Fifth Global Investors Conference, Enterprising India – V Global was the biggest conference so far. The theme of this three day conference was EPS: Economy, Politics and Sentiment. The conference saw wide participation by about 90 companies and over 600 investors. Besides the conference had participation from renowned economist, political leaders, thought leaders and celebrity speakers.

ACE: Wealth Conference

IIFL Wealth Management hosted a conference in Mumbai captioned ACE, an acronym for the theme – 'Accountability Creates Excellence' signifying this coming year for accountability, good governance, consistent progress and rapid change. The event attracted an overwhelming response from over a thousand High Networth Individual clients.

v. Corporate Social Responsibility

Financial Literacy (FLAME)

The educational initiative of FLAME (Financial Literacy Agenda for Mass Empowerment) has received an overwhelming response and crossed one lakh students

across the length and breadth of India including the north eastern states like Assam and also Andaman & Nicobar Islands and the Union Territory of Lakshadweep. The FLAME initiative has a comprehensive Financial Literacy Certification Course called FIN-LITES for the students of STD. VIII, IX and X. The key highlights of the course are to evaluate and certify students on day-to-day money management based on their understanding of key concepts including financial and economic terms, principles of savings and budgeting, prudent investments avenues, basic accountancy and entrepreneurial skills through a specially designed FIN-LITE workbook. This workbook has been translated in Hindi and Marathi too.

India Infoline Foundation

India Infoline Foundation (IIFL Foundation) has been set up as not –for-profit Company for channelizing the Group's Corporate Social Responsibility (CSR). This is established as a company limited by guarantee with IIFL Holdings Limited as the Promoter.

Earlier under IIFL Foundation, we took up a number of community engagement activities in Jawhar and conducted site visits in Rajsamand, Rajasthan; the objective being to take a holistic approach towards development and growth of the region. The coming year will see a rollout of various community building activities in these regions and social development initiatives.

The Company and the identified subsidiaries have formulated the Corporate Social Responsibility (CSR) policy in April, 2014 and have constituted CSR Committee to consider and recommend the expenditure towards CSR from time to time and monitor the CSR policy.

For the last 5 years, IIFL Foundation has been partnering with Bhaktivedanta Hospital and sponsoring eye camps and dental camps. Since 1992, the Hospital has been conducting free eye and dental camps at Barsana (Mathura district) and this year alone 2,760 patients underwent initial screening and 950 patients were identified for cataract and other surgeries. The dental camp saw about 2,100 patients attending the camp and over 80 dentures were provided on the spot. In both the eye camp as well as dental camp, active follow-up sessions were conducted after few weeks of the camps.

IIFL conducted blood donation drives in different offices including one in Hyderabad where blood donation was made to the NTR Trust.

IIFL Foundation's program conducted in Jawhar, on the outskirts of Mumbai, on financial education and career counseling for young adults was launched at the panchayat office by the lady sarpanch. A total of 120 schools have been identified from over 40 villages in Jawhar and Mokhada Talukas of Thane District.

IIFL Foundation's financial literacy initiative received overwhelming response. Besides over one lakh school students covering 400 schools across the country, under-privileged students including those from National Society for Equal Opportunities for the Handicapped (NASEOH) were also catered to. 442 under-privileged students were imparted financial literacy in sessions spread over six months. Besides a course in basic English was also conducted for these students.

Other activities conducted include donation of ₹5,49,765 made to Goonj' for the Uttarakhand victims; this was contributed by the employees by foregoing a day's leave. Besides, widows of gallant soldiers were gifted ₹1,00,000 by IIFL at Golden Jubilee Function at Jaisalmer (Rajasthan) where household items were provided.

vi. Awards and Recognitions:

Your Company was conferred with the following awards during the financial year ended March 31, 2014:

- (a) Prestigious NSDL award for 'The Most Number of Active Accounts' in non -bank category at the 28th DP Conference of NSDL.
- (b) Best Customer Service in Financial Services, 2013 – Retailer Customer Service Awards
- (c) Three of the analysts from the Pharma, Banking and Oil & Gas sector respectively won the India's Best Market Analyst Awards 2013 by Zee Business
- (d) BSE Group felicitated IIFL for being one of the top performers in the 'Equity FI' category on Mahurat Trading day
- (e) IIFL Buzz won the prestigious award for the internal tabloid at the 53rd annual awards night of the Association of Business Communication of India (ABCI)
- (f) Best Private Banking Services Overall – India – Euromoney Private Banking Survey 2014
- (g) Best wealth Management company in India – Wealth Briefing Asia Awards 2013

- (h) Fastest Growing Wealth Management Company – CNBC TV 18 Financial Advisor Awards 2013
- (i) Highest asset Growth Champion – The Wealth Forum Advisor Awards 2013
- (j) The Best Wealth Management House in India” by the Asset Triple A Investment Awards – 2013
- (k) IIFL Wealth Management was also ranked as “Best Equity Portfolio Management” and “Best Real Estate Investment” in India by Euromoney Private Banking Survey 2013

Employees Stock Option Schemes (ESOS)

The Company granted 5,00,000 stock options to employees during the year under its Employee Stock Option Scheme 2008. Details as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Option Purchase Scheme) Guidelines, 1999, are attached as an annexure.

During the year under review, the Company allotted 969,120 equity shares of ₹2/- each to the eligible employees.

Deposits

During the year, the Company did not accept/renew any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under and as such, no amount of principal or interest was outstanding as on the balance-sheet date.

Subsidiary Companies

As on March 31, 2014, the Company had 27 subsidiaries (including step down subsidiaries) located in India and overseas. During the financial year, the Company incorporated India Infoline Foundation, a Section 25 company. IIFL Securities Ceylon (Private) Limited and IIFL Capital Ceylon Limited ceased to be subsidiaries of the Company pursuant to sale of our stake to the joint venture partner in March, 2014. Pursuant to the general exemption granted by the Ministry of Corporate Affairs vide circular dated February 8, 2011, the Board of Directors had at their meeting held on May 13, 2014 approved attaching the consolidated financials of all the subsidiaries of the Company along with that of the Company. 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 previous financial year 2013-14. Your Company will make available these documents/details 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 also at the registered offices of the concerned subsidiaries. The Annual Report of all the subsidiaries shall be uploaded upon the website of the Company. As required by 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 incorporates the accounts of its subsidiaries. A summary of key financials of the Company's subsidiaries is also included in this Annual Report.

Management Discussion and Analysis Report and Report of the Directors on Corporate Governance

In accordance with Clause 49 of the listing agreements, the Management Discussion and Analysis Report and the Report of the Directors on Corporate Governance form part of this report.

A certificate from Statutory Auditors Messrs Sharp & Tannan Associates, Chartered Accountants, regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is also attached.

Directors

In accordance with Sections 152 of the Companies Act, 2013 read with Article 137 of the Articles of Association of the Company, Mr. Sunil Kaul is liable to retire by rotation at the ensuing annual general meeting. Being eligible, he offers himself for reappointment. The Board recommends the same for shareholders' approval. Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. A K Purwar, Dr. S Narayan, Mr. Kranti Sinha and Mr. Nilesh Vikamsey as Independent Directors for five consecutive years from April 1, 2014. The said Directors fulfill the conditions specified in section 149 of the Companies Act, 2013 and the rules made thereunder for appointment as an Independent Director of the Company.

Directors' Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 and based on the information provided by the management, your Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards were followed;
- (b) Appropriate accounting policies were selected and applied

consistently and that judgments and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2014, and of its profit for the year ended on that date;

- (c) Proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts of the Company were prepared on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The additional information required in accordance with sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is appended to and forms part of this Report.

Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the registered office of the Company. Any shareholder interested in the said information may write to the Company Secretary at the registered office of the Company.

Statutory Auditors

Messrs Sharp & Tannan Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a confirmation from Messrs Sharp & Tannan Associates to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The Audit Committee and Board of Directors recommend the re-appointment of Messrs Sharp & Tannan Associates, Chartered Accountants as Statutory Auditors of the Company.

Appreciation

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

Your Company's employees are instrumental in your Company scaling 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.

On behalf of the Board

Place: Mumbai
Date: May 13, 2014

Nirmal Jain
Chairman



Annexure to the 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 of Section 217(1)(e) of the Companies Act, 1956.

(a) Conservation of energy

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

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

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

(b) 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.

Network: The management invested considerable resources in deploying the latest technologies in the areas of wide area networking using MPLS, video communications, VoIP, automated dialers and other customer relationship management (CRM) tools and software. A consolidated nationwide deal with Airtel has helped us roll out a reliable MPLS network with redundant MPLS clouds and automated failover in most locations. The Company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or down of capacity in line with business requirements.

Software: The Company's in-house technology team developed and deployed several software applications for our loan and finance business as well as our support functions. These applications are developed in Microsoft technology using .Net and Microsoft SQL. These web applications are deployed on cloud behind load balancer. This makes the application more robust and scalable. The company has also invested in hardware and has ensured that it has an optimum infrastructure to handle the load.

The technology team has also improved the trader terminal, our proprietary trading platform, which is more user-friendly and has better features than other trading platforms available in the market. The Company also successfully developed a browser-based trading platform using .NET technology, which is light weight and efficient and at the same time developed in-house, and Commodity and currency capabilities were also added available on the same platform. Mobile and tablet friendly versions of the trading platform have been launched and have gained significant adoption.

Security & Compliance: The management is aware of increasing threats in the Information Security domain and has taken several steps to ensure that the Company is safe guarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

(c) Foreign exchange earnings/outgo

a) The foreign exchange earnings of the Company were ₹ : NIL

b) The foreign exchange expenditure was ₹ : NIL

(d) Research and Development (R & D):

The Company is engaged in finance and financial services and so there were no activities in the nature of research and development involved in the business. Being in financial services, we provide financial and equity research to the customers, which is not in the nature of research and development.

Amount of expenditure incurred on Research and Development:

Particulars	March 31, 2014	March 31, 2013
Capital	Nil	Nil
Revenue	Nil	Nil

Disclosure in the Directors' Report as per SEBI Guidelines:

	Particulars	ESOP 2007	ESOP 2008
	Options outstanding as at the beginning of the year	4,288,330.00	24,626,400.00
a	Options granted during the year	-	500,000.00
b	Pricing Formula		The Exercise Price may be decided by the compensation committee in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines and any amendments thereto, subject to a maximum discount of 35% to the market price.
c	Options Vested**	500,000.00	3,633,500.00
d	Options Exercised**	113,270.00	855,850.00
e	Total no. of shares arising as result of exercise of Options	113,270.00	855,850.00
f	Options lapsed *	99,960.00	22,200.00
g	Variation in terms of Options	None	None
h	Money realised by exercise of Options (In Millions)	0.58	3.63
i	Total number of options in force**	4,075,100.00	24,248,350.00
	** The number of options have been reported as on 31-03-2014		
	* Lapsed Options includes options cancelled/lapsed.		
		ESOP 2008	
j	Employee wise details of options granted to:		
	- Senior Management	Nil	
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	
	- employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant	Nil	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share'		
l	Pro Forma Adjusted Net Income and Earning Per Share		

	Particulars	₹
	Net Income	
	As Reported	977,679,647
	Add: Intrinsic Value Compensation Cost	–
	Less: Fair Value Compensation Cost	–
	Adjusted Pro Forma Net Income	977,679,647
	Earning Per Share: Basic	
	As Reported	3.31
	Adjusted Pro Forma	3.31
	Earning Per Share: Diluted	
	As Reported	3.21
	Adjusted Pro Forma	3.21
m	Weighted average exercise price of Options granted during the year whose	ESOP 2008
(a)	Exercise price equals market price	58.10
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA
	Weighted average fair value of options granted during the year whose	
(a)	Exercise price equals market price	27.32
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA
n	Description of method and significant assumptions 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 has been detailed below:
		Weighted average values for options granted during the year
	Variables	ESOP 2008
	Stock Price	59.00
	Volatility	55.44%
	Riskfree Rate	8.53%
	Exercise Price	58.10
	Time To Maturity	4.75
	Dividend yield	2.83%
		27.32

Stock Price: Closing price on NSE as on the date of grant has been considered for valuing the grants.

Volatility: We have considered the historical volatility of the stock till the date of grant to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: The Exercise Price may be decided by the compensation committee in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines and any amendments thereto, subject to a maximum discount of 35% to the market price.

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 maximum 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 four financial years preceding the date of the grant.

Management's Discussion and Analysis

Macroeconomic Overview

India's economic growth remained muted at 5% for the second consecutive year, although there was a slight uptick from 4.5% growth in FY13 to an estimated 4.8% in FY14. This weakness growth reflects the continued sluggishness in the investment cycle even as consumption growth is moderating. Real Gross Fixed Capital Formation (GFCF) growth was negative in FY14, the weakest it's been this cycle. Although inflation declined in FY14, at 9.5% (average for the year, 8.3% in March), it remains unacceptably and stubbornly high. While food prices moderated sharply in the last few months of the year, core inflation has remained sticky around 8% for many months now.

That said, the twin deficits moderated during the year. Current account deficit declined sharply from about 5% in FY13 to less than 2% in FY14. While a part of this decline was due to the restrictions on Gold imports (and thus artificial), weak domestic demand and the resultant contraction in non-Gold imports also played a major role in improving the current account. Exports too recovered after a decline in FY13, but the growth seemed to taper off towards the end of FY14. The Central Government, in FY14, managed to contain its fiscal deficit within its budgeted number and at 4.6% the deficit marks a significant improvement over almost 6% deficit two years back.

Post elections, with a stable government at the centre, we expect growth to revive as the stalled projects come on line gradually, business confidence improves and capital availability also improves as capital flows pick up. Accordingly, growth can go back to 6% plus over medium term. A pick up in the investment cycle will also be disinflationary and thus overall quality of growth will improve. The prospect of lower than

normal rainfall is the key near-term risk for the country, although much will depend on the temporal and spatial distribution of rainfall. This coupled with RBI's strong anti-inflation bias means that interest rates will remain on hold for an extended period with risks of them rising further if food inflation rises sharply. The other major risk to the economy is geo political tensions in the middle east that can drive crude prices higher causing cascading damage.

IIFL Group Overview

Our group has an extensive network of over 2,700 outlets spread across India. This network includes our NBFC branches, distribution company branches, wealth management locations and also broking branches. This extensive presence has given us a great understanding and knowledge of local businesses, their constituents and their interdependencies, which is crucial for serving clients in these areas. We also have over 25 lakh satisfied customers across various business segments and spread across the country.

IIFL Segment Overview

This section covers discussion on consolidated financials of IIFL Holdings Limited along with all its subsidiaries. As 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 as compared to the standalone. Therefore management's discussion and analysis pertains to consolidated results.

The consolidated income includes the following:

	Year ended March 31, 2014	% of total income	Year ended March 31, 2013	% of total income
Fund Based activities	20,271.8	71.4%	18,167.0	68.2%
Financial Products distribution	4,484.3	15.8%	2,888.8	10.8%
Capital Market activities	3,462.9	12.2%	5,525.3	20.7%
Other Income	153.9	0.6%	71.5	0.3%
Total Income	28,372.9	100.0%	26,652.6	100.0%

Fund Based Activities

The income from fund based activities was ₹20.3bn during the year, up 11.6% y-o-y. The company's product offerings include home loans, loans against property, gold loans, commercial vehicle loans, margin funding, loans against shares and healthcare equipment financing. The company's loan portfolio stood at ₹108.9bn as at March 31, 2014, (₹93.8bn in FY13), up 16% y-o-y. The loan book as at March 31, 2014, comprised ₹51.7bn (₹38.6bn in FY13) of mortgage loan, ₹39.1bn (₹38.7bn in FY13) of gold loan, ₹9.5bn (₹12.7bn in FY13) of loan against securities and ₹8.5bn (₹3.8bn in FY13) of other loans. The growth in loan book in the current year was driven by the company's capability to originate secured loans through its nationwide distribution network.

The capital adequacy ratio of the NBFC entity stood at 17.65% as at March 31, 2014 against a statutory requirement of 15%. The Tier I capital ratio was 12.74%, and Tier II capital ratio was 4.91%. Similarly the capital adequacy ratio of HFC stood at 39.63% as against the mandated 12% as on March 31, 2014, thus giving adequate room to grow the loan book in near future, without need to infuse more equity.

We currently have 1,355 branches in the NBFC, making us present in 661 towns and cities across the country.

Financial Products Distribution

Financial products distribution income comprises commission, brokerage and marketing income generated from distribution of third party products such as insurance, mutual funds, advisory and distribution income from wealth management products and online marketing on the Company's website and online media property. During the year the company's income from financial products distribution was ₹4.5bn, registering a robust growth of 55.2% y-o-y. The company sold insurance policies of various life Insurance companies including ICICI Prudential Life Insurance, Reliance Life Insurance and HDFC Life Insurance. Total AUM of wealth management business is now close to ₹580bn, an increase of 52% over the previous financial year.

Capital Market Activities

Income from capital market activities includes income from cash & derivatives segments of equities and currency at BSE and NSE and commodities trading on MCX and NCDEX. This includes income from equity advisory and Investment Banking services.

During the year, capital market activities income fell by 37.3% y-o-y to ₹3.5bn. The fall in revenue was mainly due to continued fall in cash market volumes and downward spiral in broking yields. In the total exchange traded volumes, the share of futures and options segment increased to 93.4% in FY14 as compared to 91.7% in FY13. This, in turn, has meant that the cash volumes reduced to 6.6% in FY14 from 8.3% in FY13.

We offer trading in the currency segments of NSE and MCX-SX. Our average daily currency turnover during 2013-14 has been ₹2.9bn as against ₹6.4bn in 2012-13. The currency volumes fell subsequent to regulatory restrictions on trading.

Our average daily volume in the commodities brokerage business was ₹11.0bn during financial year 2013-14 as compared to ₹17.5bn in financial year 2012-13, registering a decline of 37% y-o-y. This was mainly due to introduction of CTT on commodities futures trades. Our overall market share on both exchanges (MCX and NCDEX) increased to 3.5% in FY14 from 3.2% in the previous year.

Costs

The following table sets forth the expenditure that the Company incurred under various heads:

₹ mn	31-Mar-14	31-Mar-13
Employee benefits expense	4,937.9	5,329.1
Finance cost	11,532.3	8,692.5
Depreciation and amortisation expense	678.9	839.3
Other expenses	6,585.7	7,461.2
Provisions and Write off	440.0	326.2
Total	24,174.8	22,648.3

Employee benefits expense

Employee costs were ₹4,938mn for FY2014 from ₹5,329mn in FY 2013, down by 7.3% on a y-o-y basis. The decrease is net result of reduction in headcount from 14,052 in FY13 to 10,669 in FY14 and salary increases. Due to sluggish capital market activities, the Company rationalized its branches as well as manpower.

Finance Cost

Finance cost increased to ₹11.5bn from ₹8.7bn in FY13, an increase of 32.2%. This increase is primarily driven by incremental borrowings to fund the loan book growth as well as higher interest rate and tight money market conditions during the most part of the year.

Depreciation expense

Depreciation expense in FY14 was ₹678.9mn compared to ₹839.3mn in FY13 a decrease of 19.1%. We depreciate assets on straight-line basis, writing off computer and technology assets completely in three years and furniture, electrical and office equipment etc assets in five years. Some of the assets completely written off earlier, do not require further provisioning, resulting in lower provision in the current year, despite incremental depreciation on 8.62% increase in gross block.

Other expenses

Other expenses include direct costs and administrative cost. Direct costs include brokerage related charges paid to sub brokers, agents etc, exchange and statutory charges,

marketing expenses and commissions and direct costs relating to financing business. Administrative costs comprise expenses incurred on rent, electricity, telecommunication, technology, infrastructure, printing & stationery, travel, postage & courier, advertisement, legal & professional fees etc. Both these heads put together decreased to ₹6,585.7mn in FY14 from ₹7,461.2mn in FY13, a decrease of 11.7%, mainly due to cost optimization, rationalization of branches, manpower and overheads.

Provisions and Write off

Provision and write off are made for as per management estimates, subject to minimum provision requirement as per the directions and asset classification norms issued by the Reserve bank of India and National Housing Bank. During the year provisions and write off increased to ₹440.0mn in FY14 from ₹326.2mn in FY13.

We continue to maintain high quality of assets. This is evident in low levels of NPAs. Our gross NPAs and net NPAs stood at 0.86% and 0.33% respectively at as on Mar 31, 2014. Against gross NPA of ₹939mn we have non standard asset provision of ₹577mn and hence our net NPA stands at 0.33%. Besides this, we have a provision of ₹309.9mn, for standard assets, as per statutory requirement. The total provision coverage including provision for standards assets, was 94% of gross NPAs.

BALANCE SHEET

Sources of funds

Share capital

Your Company's share capital has increased from ₹590.5mn last year to ₹592.4mn, as a result of allotment of 969,120 equity shares of ₹2 each to employees under the company's employee stock options schemes.

	As on March 31, 2014		As on March 31, 2013	
	Equity Shares(No.)	₹ mn	Equity Shares(No.)	₹ mn
Share Capital-beginning of the year (paid up ₹2 per share)	295,229,883	590.5	289,024,203	578.0
ESOPs exercised	969,120	1.9	6,205,680	12.4
Share Capital-end of the year	296,199,003	592.4	295,229,883	590.4

Reserves and surplus

The company's net worth (excluding minority interest) was up from ₹19.59bn in 2012-13 to ₹21.5bn in 2013-14, primarily on account of retained earnings. Your company's book value per share increased to ₹72.65 per share from ₹66.34 per share in FY2013 (excluding minority interest). Summary of reserves and surplus is provided in the table below.

(₹ mn)

	Balance as at March 31, 2013	Additions	Deductions / Adjustments	Balance as at March 31, 2014
Securities Premium Account	11,449.4	82.7	(7.9)	11,524.2
General Reserve	1,202.1	355.4	(1.2)	1,556.3
Special Reserve	1,103.0	427.2	–	1,530.2
Employee Stock Options Outstanding Account	–	–	–	–
Foreign Exchange Fluctuation Reserve	218.7	136.2	–	354.9
Capital Reserve	433.7	–	–	433.7
Capital Redemption Reserve	51.1	–	–	51.1
Debenture Redemption Reserve	850.0	1,190.0	–	2,040.0
Profit and loss account	3,688.3	2,913.8	(3,166.5)	3,435.6
	18,996.3	5,105.3	(3,175.6)	20,926.0

Resource Mobilisation

Secured loans outstanding as on March 31, 2014 were ₹75.0bn compared to ₹53.3bn as at the previous year end. The company availed of long term secured loans from banks primarily to fund the medium to long term requirements of its lending business. These loans are mainly secured against receivables of the company.

We continue to diversify our sources of funds and augment long term sources of funds. During the year, we successfully mobilised ₹17,500mn through three bond issues. These bond issues received overwhelming response from investors.

We have also reduced dependence on short term borrowing during the year. Share of Commercial paper in total borrowing has

come down from 36.4% in FY13 to 22.2% in FY14, further strengthening our asset liability duration matching profile.

Your company's unsecured loans as on March 31, 2014 stood at ₹30.18bn compared to ₹42.45bn as at the previous year end. 22.2% of our funding was through commercial paper, 43.9% through cash credit and term loan and 33.9% was through NCDs.

Asset Liability Management

As per guidelines of the Reserve Bank of India, NBFCs meeting the criterion of asset base of ₹1bn (whether accepting / holding public deposits or not) or holding public deposits of ₹200mn or more (irrespective of their asset size) as per their last audited Balance Sheet would be required to put in place the Asset Liability Management (ALM) System. In order to ensure successful implementation of ALM system and process the Company shall at all times have a ALM Committee, which shall consist of board members and senior management of the Company. As per the guidelines, following three statements need to be submitted to the regulator.

1. Statement of Short Term Dynamic Liquidity
2. Statement of Structural Liquidity
3. Statement of Interest Rate Sensitivity

Monitoring the gaps for taking necessary remedial action is the basic responsibility of the ALCO Committee. The prudential liquidity gap limits for negative gaps in the first two time buckets (viz. 1 – 14 days and over 14 days to one month) have been fixed at 15% of the cash outflows of each time-bucket and the cumulative gap up to the one year period should not exceed 15% of the cumulative cash outflows up to one year period. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit, should be mentioned by a footnote in the relative statement.

Asset Liability Committee

As per this policy, the Company has constituted Board Level supervising ALCO comprising of Directors and Chief Financial officer along with ALCO operating committee comprising of senior officials of the company i.e., CEO, CFO, Head of Departments and the Executive Directors. ALCO operating committee meets once in a month and Board level ALCO meets once a quarter. The Company has taken prudent measures and assets in the ALM are categorized, as mentioned below, based on the behavioural pattern, past data or studies, industry practices:

1. Loan against Property – As per the contractual maturity and behavioural maturity.
2. Capital Markets – As per the behavioural maturity
3. Gold Loans – As per the behavioural maturity
4. Health care - As per the contractual maturity.
5. Commercial Vehicles - As per the contractual maturity and behavioural maturity.

The Company managed to adhere to the RBI guidelines and was able to maintain gaps within the prudential norms all the time. As of March 2014 there is a positive gap in the required buckets.

Application of funds

Fixed Assets

During the year, the company's gross block rose by 8.62% to ₹7.9bn from ₹7.3bn in FY2013. The company has invested in the state-of-the-art technology to support inter alia its branch operations, back-office, customer service and call centre operations. The company continues to invest in technology, call centre infrastructure, up-gradation of existing offices as well as new regional offices in the country.

A statement of movement in fixed assets is given below:

As on March 31	2014	2013	Growth %
Computers	689.9	625.7	10.2%
Electrical equipment	732.2	689.2	6.2%
Furniture & Fixture	1,921.4	1,845.4	11.0%
Office equipment (Air conditions. etc.)	802.9	761.0	5.5%
Buildings (including land)	1,837.6	1,430.7	28.4%
Land/Leasehold land	1,830.0	1,828.8	0.1%
Vehicles	11.4	7.3	56.2%
Software	112.2	84.3	33.1%
Non compete fees	–	12.4	-100%
Database	–	21.0	-100%
Gross Block	7,937.5	7,305.7	8.6%
Less : accumulated depreciation	3,548.5	2,988.6	18.7%
Net Block	4,389.0	4,317.1	1.7%
Add : Capital work in progress	237.8	138.1	72.3%
Net fixed assets	4,626.8	4,455.2	3.8%
Depreciation	678.9	839.3	19.1%
as % of revenue	2.4%	3.1%	-22.6%
as % average gross block	8.9%	11.0%	-23.3%
Accumulated depreciation as % of gross block	44.7%	40.9%	9.3%

Depreciation is calculated on the basis of estimated useful life of the assets and the rates applied are as under:

Class of assets	Depreciation Rate
Buildings	5%
Computers	33.33%
Electrical & Office equipment	20%
Furniture and fixtures	20%
Vehicles	20%
Software	33.33%

Investments

Treasury Investments are typically of temporary surpluses and are primarily made for liquidity management purposes. The company primarily invests in inter corporate deposits, G-sec, T-Bill, bank deposits and liquid schemes in mutual funds to meet these requirements.

All investments are approved by the CFO or the Treasurer and the treasury department updates the management on weekly basis. Board of directors are updated on the summary of investments on quarterly basis.

Your Company's investment portfolio stood at ₹10.12bn, as compared with ₹11.28bn as at FY 2013. Of this ₹1,697.0mn (₹2,854.5mn as at March 2013) were deployed in fixed income schemes of various mutual funds, ₹6,186.8mn (₹5,723.2mn as at March 2013) in debentures and bonds for financing real estate projects, Govt. securities of ₹438.8mn (₹1,000mn as at March 2013), nil (₹12.6mn as at March 2013) in equity of various companies and other investments of ₹1,826.2mn, besides ₹16.8mn in 130,000 shares in The Bombay Stock Exchange Ltd. (₹16.8mn as at March 2013).

Cash and cash equivalent

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

	(₹ mn)	
As on March 31	2014	2013
Cash balance	226.2	1,291.7
Bank balances in India		
Current accounts	8,699.0	6,625.5
Deposit accounts	4,514.3	5,708.3
Unclaimed dividend account	7.8	6.8
Bank balances held by subsidiaries outside India		
Current accounts	668.4	346.7
Deposit accounts	6.4	5.8
Total cash and bank balances	14,122.1	13,984.8
Deposits (reported under 'Loans & advances')	–	–
Investment in fixed income schemes of mutual funds/Equity shares (reported under 'Investments/Stock in trade')	1,835.4	3,558.2
Total cash and cash equivalents	1,5957.5	17,543.0
Cash and equivalents / Total assets	10.9%	13.4%
Cash and equivalents / revenues	56.2%	65.8%

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 are ₹851.9mn as on March 31, 2014 as compared to ₹729.1mn as on March 31, 2013.

Human Resources

People are our most valued assets. Our achievement over the years can be attributed to the extraordinary efforts put in by our dedicated and competent people, sometimes in trying circumstances. We realise that it is our last mile delivery that counts towards an exalted customer experience. It has been our endeavour through right fitting resources as well as equipping them with adequate skills and knowledge through our training programs to ensure superior customer experience. Total employee strength of the Company and its subsidiaries as on March 31, 2014 was 10,669.

At the same time, we have remained focused on effectiveness of resources. The new businesses have also seen us deploy manpower through internal transfers at an optimum level. It has helped the employees utilize their skills to the full extent and realize their true potential. It has also given them opportunity to significantly enhance their knowledge and capability levels.

Establishing and monitoring productivity norms was a key business lever last year. We instituted productivity norms across most of our retail businesses, which yielded rich dividends. It has allowed us to categorize employee performances across various levels based on these norms. The Reward Management system has been developed and implemented with a strong linkage with the Performance Management system to help promote meritocracy.

Besides providing formal classroom training we have adequately utilized e-learning courses with coverage of more than 60% of the employee base to help people upgrade their skills and knowledge. Behavioural e-Learning courses have been certified through Skill Soft, Singapore.

Among all the interventions, entrepreneurial spirit receives due encouragement. The Company has been able to build an employer brand, which stands for open and transparent system with a culture that promotes independent decision making.

Risk Management

At IIFL, Risk management is integrated seamlessly into business strategy. The objective of our risk management process is to insulate the Company from risks associated with the business while simultaneously creating an environment conducive for its growth. It entails a comprehensive estimation, control and review of risks to protect organizational value. The top management has a "hands on" approach at a strategic level, at the same time delegating and decentralizing operations. Risk Management also forms a critical part of our training module across all levels so that all employees are trained on risk management and implications thereof. The Company's well-defined organizational structure, documented policies and

Standard Operating Procedures (SOPs), authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and regulatory requirements.

At the Company, a governance process has been institutionalized, which ensures that risk management concepts and policies are applied to all business and risk types. Decision making levels are based on the Company's objectives and risk tolerance limits. Many of the critical decision levels for investments, major lending, and policy initiatives are institutionalized through appropriate committees consisting of senior officials and experts. Strategies, policies and limits are designed to ensure that risks are prudently diversified. Risk mitigating activities are reviewed periodically by senior management and further at the Board.

Our experienced compliance, audit and risk management team plays a vital role in ensuring that the rules and regulations are strictly followed in all its process, not just in letter but also in spirit. The risk management discipline is centrally initiated but prudently decentralized; percolating to the line managers and helping them mitigate risks at the transactional level, the most effective form of risk management.

Market Risk

The financial services sector is aligned to a variety of factors linked to the domestic economic development and also global developments. Any economic event happening across the globe can have a direct or indirect impact on your Company. To mitigate this, your company diversified its revenue streams across multiple product lines and businesses involving fund and non fund based, advisory and distribution businesses. Under the fund based business we have a diversified portfolio of mortgage/home loans, gold loans, loans against securities, medical equipment financing and commercial vehicles loans. Similarly in non fund based business we have a diversified offering of equity, currency, commodity broking, wealth management and depository services, asset management for mutual fund, alternate investment funds, domestic and offshore fund management/advisory/distribution of financial products business including insurance policies/bonds etc.

Reputation Risk

Over the years, your Company has built in systems, processes, checks and balances, which ensures that operating managers say 'No' to poor quality in pursuit of instant results, short cuts, stop-gap alternatives, and unfair / ad hoc policies and cutting corners, among others. Also, it has in place stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company's policy ensures monitoring and strict disciplinary actions against those deviating from the same.

The company has institutionalized a number of measures to secure customer interests. Trader terminals provide real-time data and ledger balances of the stocks and funds position enabling customers on their online positions. The Company transfers client funds/securities to the customers in designated banks/demat accounts. All receipts and payments from/to customers are done through account payee cheques/DDs with Client Ids and no cash acceptance is permitted. Our lending business system provides for day to day customer security vaults, loan balances and interest dues whereby customers can get to know their up-to-date dues instantly through the branches. We have established a strong system of proper custody/safe keeping of securities documents at a centralized vault system and gold jewellery at the respective branches in safe vaults and controls through webcam, access control, alarms, etc. The Company makes a constant and concerted effort to educate customers of the Do's and Don'ts.

Credit, Liquidity and Finance Risk

For credit and Finance business, we have a multi-level credit & Investment Committee consisting of directors of the board / HODs to consider medium to bigger credit proposals while the smaller proposals are decided at lower levels as per our approval matrix. Proposal formats for each type of loans have been standardized and contain comprehensive information on the proposal. The credit proposals are formally presented in the standard format, which are then evaluated and approved by the committee.

Your Company has in place Risk Management Committee and Asset Liability Management Committee (ALCO) consisting of directors and senior officials, which regularly meet and review the policies, systems, controls and positions of credit and finance business. The risk committee reviews the risk management processes covering credit and underwriting controls, operations, and technology and compliance risks. The ALCO committee reviews the strategic management of interest rate and liquidity risk, review of product pricing for various loans and advances, desired maturity profile and mix of the incremental asset and liabilities. It also reviews the funding policies of your Company in the light of interest rate movements and desired fund mixes particularly fixed / floating rate funds, wholesale / retail funds, money market funding etc. In order to enable frequent reviews and actions, an internal ALCO committee has also been put in place consisting of the business heads, finance and treasury heads, which meet on a monthly basis, analyse and initiate appropriate actions keeping in view the emerging conditions. Your Company had also engaged a senior consultant with wide banking and treasury management experience to help us on setting up ALCO systems and review process. The supervisory

ALCO Committee of the Board ensures that the business and risk management strategy operates within the limits/parameters set by the Board and reviews the functioning of the internal ALCO Committee. It also reviews the company's funding strategy and implementation of ALCO decisions.

Technology Risk

Technology absorption and innovation

The Management understands the importance of technology in the business segments it operates and lays utmost emphasis on the 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.

Software: The Company's in-house technology team developed and deployed several software applications for our loan and finance business as well as our support functions. These applications are developed in Microsoft technology using .Net and Microsoft SQL. These web applications are deployed on cloud behind load balancer. This makes the application more robust and scalable. The company has also invested in hardware and has ensured that it has an optimum infrastructure to handle the load. The technology team has also improved the trader terminal, our proprietary trading platform, which is more user-friendly and has better features than other trading platforms available in the market. The Company also successfully developed a browser-based trading platform using .NET technology, which is light weight and efficient and at the same time developed in-house, and Commodity and currency capabilities were also added available on the same platform. Mobile and tablet friendly versions of the trading platform have been launched and have gained significant adoption.

Network: The management invested considerable resources in deploying the latest technologies in the areas of wide area networking using MPLS, video communications, VoIP, automated diallers and other customer relationship management (CRM) tools and software. A consolidated nationwide deal with Airtel has helped us roll out a reliable MPLS network with redundant MPLS clouds and automated failover in most locations. The company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or down of capacity in line with business requirements.

Security & Compliance: The management is aware of the increasing threats in the Information Security domain and

has taken substantial steps to ensure the organization is safe guarded against hacking attacks, data leakage and security breaches. The IT & certain business processes have been re-certified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitors any violations.

Compliance Risk

Your Company operates primarily under the finance and financial services space. Each of its businesses is carried on under separate division/ companies and is regulated by a respective regulator and as such compliance forms a critical part of operations of the group. We are registered and regulated by SEBI for merchant banking, stock broking, depository participant, portfolio management, mutual fund and alternate investment fund businesses. India Infoline Finance Ltd is an NBFC registered with Reserve Bank of India and housing finance subsidiary namely India Infoline Housing Finance Ltd is registered with National Housing Bank. Our commodities broking subsidiary is regulated by Forward Markets Commission and our insurance broking subsidiary is registered with IRDA. Besides, our foreign subsidiaries are registered with respective overseas regulatory authorities. Your Company has a full-fledged compliance department manned by knowledgeable and experienced professionals in compliance, secretarial, legal and audit fields, which guides the businesses/support functions on all regulatory compliances and monitors implementation of new or changes in regulations/circulars, ensuring all the regulatory compliances and reporting of the group.

At your Company, the compliance and audit discipline extends across the entire transaction cycle: KYC process, term sheet/ agreements, vetting transaction execution, transaction settlement involving securities, loan documentations, pre and post disbursement, fund transfer, customer reporting, regulatory information/returns/reports to various regulatory authorities etc. Being in the finance and financial services, the company has put in place adequate systems and controls to ensure compliance with anti-money laundering standards. We have instituted special purpose audits for credit audit, systems audit, portfolio management audit, fund management etc. The compliance requirements across the various service points have been communicated comprehensively to all through compliance manuals and circulars. To ensure complete involvement in the compliance process, heads of the every business/zones/area offices and departments submit quarterly compliance reports, the compilations of which are reviewed by the Audit Committee/ Board and also submitted to regulatory bodies periodically.

Human Resources Risk

Your Company has established over the years several initiatives for development of HR and retention of human capital. The following are some major initiatives:

- Created a professional environment, which is conducive for the overall growth and progress of our employees
- Empowered employees to take decisions. With the fundamental ethos of 'Owner Mindset' people are treated more like 'co-owners' than employees
- Goal setting in consultation with key business executives, enhancing a sense of ownership
- Rolling out an attractive ESOP scheme, where-in 'Owner Mindset' does not just remain as an esoteric proposition but it actually makes owners out of employees
- Encouraged growth from within as a strategy to plug vacancies.

IIFL encourages its employees to register themselves for UID-AADHAAR program. The Company has instituted a policy encouraging all existing staff and associates to submit their UID-AADHAAR number or UID-AADHAAR enrolment number as part of HR records.

Internal Controls

The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business and the size of our operations. The internal control system is supplemented by concurrent and internal audits as well as special audits and regular reviews by management. The Company has retained a reputed global firm Ernst & Young as its Group Internal Auditors. The Company also retains a few specialized 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, KYC process, demat transfers, pay-outs, systems audit, branches & sub brokers audits, mutual fund and AIF operations audit, credit audit, loan documentation audits, pre and post disbursement audit etc. The Company also has an internal team of audit professionals at head office in Mumbai, supported by regional teams at zonal offices. The internal team undertakes special situation audits and follows up on implementation of Internal Auditors' recommendations and action taken reports. The Auditors' reports and rectifications / implementations of audit observations, action taken report are reviewed by the top management and Audit Committee at regular intervals.

The Board/Audit Committee, on a quarterly-basis reviews instances of fraud and action taken on the same as well as

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 at every stage. The processes are reviewed periodically by Internal Auditors as well as Audit Committee and strengthened from time to time. Your Company also has to comply with several specific audits that are required by regulatory authorities such as SEBI / Exchanges / Depositories and the reports are submitted to the regulators periodically.

Outlook Favourable

With new government at the Centre with clear majority, there are expectations of stable policy regime, pragmatic reforms and impetus to investment. The economic growth therefore is likely to accelerate. Financial services sector will be one of major beneficiaries of faster economic growth and favourable investment climate. Therefore outlook for all of your Company's core businesses is very positive.

Lending & financing business: Retail credit penetration in India is quite low and improve in a favourable macro environment. The new government's policy thrust on housing for all will drive growth for home loans. Credit demand for commercial vehicles, medical equipment loans, gold loans etc. are also likely to register steady growth. Flow of capital from foreign investors is likely to ease liquidity and drive interest rates down, helping us to reduce cost of funds.

Equity broking: Investor sentiment has improved and is visible in significant increase in volumes at stock exchanges. The trend is likely to continue and equity broking business should do well. Commodities and currency broking were primarily impacted by imposition of commodities transaction tax and regulatory restrictions. With the reform oriented government, one would expect favourable policy changes, driving growth in volumes.

Financial products distribution: Due to favourable demographics in India, improved penetration and increased awareness, we expect distribution of financial products like insurance, mutual fund and other products to increase. We expect a great revival of IPO/FPO market which is expected to bring back retail investment in the market as well as give a fillup to the investment banker's/marketing and distribution business of the Company. We also expect healthy growth in assets under advise of wealth management business group. In the medium term, we expect increase in allocation of assets to equity linked products

To sum up, outlook for the Indian economy, capital market and financial services has brightened and your company is well poised to grow and capitalize on this opportunity.

Corporate Governance Report

1. Corporate Philosophy

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and it also protect the interest for all stakeholders in the long term. It further inspires and strengthens investor's confidence and commitment to the Company. The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Prevention of Insider Trading and Code of Corporate Disclosure Policies. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

We at IIFL group continue to focus on good corporate governance practices in line with local and global standards. Its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders. Corporate Governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders

The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. The Company has in place an Information Security Policy that ensures data security and proper usage of IT system.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause

49 of the Listing Agreements with the Stock Exchanges. 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.

The Report on Corporate Governance, as per the applicable provisions of Clause 49 of the Listing Agreement, is as under

2. Board of Directors

(a) Composition of the Board

The Board of Directors ("Board") of the Company has an optimum combination of executive and independent directors, who have in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management. The brief profiles of the Directors are as follows:

The Chairman of the Board is an Executive Director and majority of the Board comprises of Independent Directors.

Mr. Nirmal Jain (*Chairman*)

Mr. Nirmal Jain is the founder and Chairman of IIFL Holdings Limited (erstwhile 'India Infoline Ltd.'). He is a PGDM (Post Graduate Diploma in Management) from IIM (Indian Institute of Management), Ahmadabad, a rank holder Chartered Accountant and Cost Accountant.

His professional track record is equally outstanding. He started his career in 1989 with Hindustan Lever Limited (HUL), the Indian arm of Unilever. During his stint with HUL, he handled a variety of responsibilities, including export and trading in agro-commodities. He contributed immensely towards the rapid and profitable growth of HUL's commodity export business, which was then the nation's as well as the company's top priority.

He founded Probity Research and Services Pvt. Ltd. (later re-christened as India Infoline Limited) in 1995; perhaps the first independent equity research company in India. The company's work set new standards for equity research in India. Mr. Jain was one of the first entrepreneurs in India to seize the internet opportunity, with the launch of www.indiainfoline.com in 1999. Under his leadership, the company not only steered through the dotcom bust and one of the worst stock market downtrends but also grew from strength to strength and the India Infoline Group grew into a dominant and diversified player in the financial services space.

Mr. R. Venkataraman (*Managing Director*)

Mr. R. Venkataraman, Co-Promoter and Managing Director of IIFL Holdings Limited (erstwhile 'India Infoline Ltd.'), 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 previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US, BZW and Taib Capital Corporation Limited. He worked as the Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 22 years in the financial services sector.

Mr. Kranti Sinha (*Independent Director*)

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

Mr. Nilesh Vikamsey (*Independent Director*)

Mr. Nilesh Vikamsey — Board Member since February 2005 — is a practicing Chartered Accountant for 29 years and Senior Partner at M/s Khimji Kunverji & Co., Chartered Accountants, a member firm of HLB International, a world-wide organization of professional accounting firms and business advisers, ranked amongst the top 12 accounting groups in the world.

Mr. Vikamsey is an elected member of the Central Council of Institute of Chartered Accountants of India (ICAI) for two consecutive terms for 2010-2013 and 2013-2016, Mr. Vikamsey is a Chairman of Financial Reporting Review Board (FRRB), Vice Chairman of Corporate Laws and Corporate Governance Committee and Committee on Information Technology and member of various Committees like Accounting Standard Board, Expert Advisory Committee, Committee on Banking, Insurance and Pension. He is convenor of ICAI Central Council Study Groups to give suggestions to Reserve Bank of India (RBI) on uniform Accounting Policies for Asset Reconstruction Companies, suggestions on Companies Act, 2013 & its various Rules, Study Group to respond to various Exposure Drafts of International Financial Reporting Standards (IFRS) particularly Financial Instruments etc of ICAI.

Mr. Vikamsey is also Chairman of Qualified Audit Report Committee (QARC) of SEBI. (erstwhile member of SEBI Committee on Disclosure and Accounting Standards (SCODA)), member of Taxonomy Development & Review Committee and membership Development Committee of XBRL India.

Mr. Vikamsey is also on the Board of Directors of other public and private limited companies and Trustee in Sayagi U Ba Khin Memorial Trust (Vipassana International Academy) and also in few trusts focusing on education."

Mr. A. K. Purwar (*Independent Director*)

Mr. Purwar is a board member since 10th March, 2008. He is also the Chairman of India Venture Advisors Pvt. Ltd., Investment Manager to India Venture Trust – Fund I, the healthcare and life sciences focused on private equity fund sponsored by the Piramal Group. He has also taken over as the Chairman of IL & FS Renewable Energy Limited in March 2008.

Mr. Purwar was the Chairman of State Bank of India, the largest bank in the country, from November '02 to May '06 and held several important and critical positions like Managing Director of State Bank of Patiala, Chief Executive Officer of the Tokyo branch covering almost the entire range of commercial banking operations in his illustrious career at the bank from 1968 to 2006. Mr. Purwar also worked as Chairman of Indian Bank Association during 2005 -2006. Mr. Purwar was the chairman of our NBFC Company, India Infoline Finance Limited till June 27, 2012.

He is working as Independent Director in leading companies in sectors such as Telecom, Steel, Textiles, Power, Auto Components, Renewable Energy, Engineering Consultancy, Financial Services and Healthcare Services. He is an Advisor to Mizuho Securities in Japan, Member of the Board of Management of Bombay Hospital Trust and is also a member of Advisory Board for Institute of Indian Economic Studies (IIES), Waseda University, Tokyo, Japan.

Awards received by Mr. Purwar: "CEO of the year" award from the Institute for Technology & 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. Sunil Kaul (*Non Executive Director*)

Mr. Sunil Kaul is the Non Executive Director of IIFL Holdings Limited since November 05, 2011. He is also the Managing Director for Carlyle's Asia Buyout Fund focused on investments in the financial services sector across Asia. He is based in Singapore. Since joining Carlyle, apart from IIFL Holdings Limited (erstwhile 'India Infoline Limited'), Mr. Kaul has worked on several notable portfolio company investments including HDFC Ltd, India's leading financial services group, TC Bank, a leading mid-sized bank in Taiwan and Caribbean Investment

Holdings, one of the largest provider of offshore company incorporation and trust services in Asia. Mr. Kaul serves as a director on the board of TC Bank and a member of its Risk and Executive Committees. He is also a member of the Asia Pacific Infrastructure Partnership.

Prior to joining Carlyle, Mr. Kaul served as the president of Citibank Japan, covering the bank's corporate and retail banking operations. He concurrently served as the chairman of Citi's credit card and consumer finance companies in Japan. He was also a member of Citi's Global Management Committee and Global Consumer Planning Group.

Mr. Kaul has over 25 years' experience in commercial and investment banking of which more than 15 years have been in Asia. He has lived and worked in India, the United States, Japan, Netherlands and Singapore. In his earlier roles, Mr. Kaul served as the Head of Retail Banking for Citi in Asia Pacific. He has also held senior positions in Business Development for Citi's Global Transaction Services based in New York, Transaction Services Head for Citi Japan and Global Cash Business Management Head for ABN Amro, based out of Holland.

Mr. Kaul earned his post graduate degree in management from the Indian Institute of Management, Bangalore and a bachelor's degree in technology from the Indian Institute of Technology, Bombay.

Mr. Chandran Ratnaswami (*Non Executive Director*)

Mr. Chandran Ratnaswami is the Non Executive Director of IIFL Holdings Limited since 15th May, 2012. He is a Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Hamblin Watsa provides discretionary investment management services to all of the insurance and reinsurance subsidiary companies of Fairfax.

Prior to joining Hamblin Watsa, Mr. Ratnaswami was owner/president of an industrial distribution company and a senior executive at a large multinational consumer packaged food company. At Hamblin Watsa, he is responsible for all Fairfax and subsidiary investments in Asia. Mr. Ratnaswami holds a Bachelor's degree in Civil Engineering from I.I.T Madras, India and an MBA from the University of Toronto, Canada.

Mr. Ratnaswami serves on the Boards of ICICI Lombard General Insurance Company Limited, Thomas Cook (India) Limited, and Fairbridge Capital in India, Ridley Inc. in the United States and ZoomerMedia Limited in Toronto, Canada. He is also the Chairman of the Board of Trustees of Lansing United Church in Toronto, Canada.

Dr. S. Narayan (*Independent Director*)

Dr. S Narayan, a retired IAS, was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets.

Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies. Mr. Narayan joined IIFL Holdings Limited (erstwhile 'India Infoline Limited') board on August 01, 2012 as an independent Director.

The other Board and Board Committees in which the Director is Member or Chairman are as under:

Name of the Director	Relationship with other Director	Directorships in India under Section 165 of the Companies Act, 2013 ¹	Membership of the Board / Committee ²	
			Member	Chairman ³
Mr. Nirmal Jain	N.A.	6	1	Nil
Mr. R. Venkataraman	N.A.	10	5	Nil
Mr. Kranti Sinha	N.A.	4	2	1
Mr. Nilesh Vikamsey	N.A.	10	4	4
Mr. A. K. Purwar	N.A.	17	5	3
Mr. Sunil Kaul	N.A.	1	1	Nil
Mr. Chandran Ratnaswami	N.A.	4	Nil	Nil
Dr. S. Narayan	N.A.	8	1	Nil

Note:

1. Directorship held by the Directors, as mentioned above; include Directorships in Private Limited Companies and companies not carrying business for profit.
2. The committees considered for above purpose are those prescribed in the Listing Agreement viz. Audit Committee and Share Transfer and Investor Grievance Committee.
3. This is in addition to the number of committees in which the director is designated as a committee member.

(b) Meeting of Board of Directors

The Board Meetings were convened after giving proper notice and detailed agenda. The Board meets at least once a quarter and the time gap between two Board Meetings is not more than four (4) calendar months. The Board of the Company met Eight (8) times during the last financial year on April 1, 2013, May 11, 2013, June 27, 2013, July 23, 2013, August 09, 2013, October 24, 2013, January 29, 2014 and March 29, 2014.

The attendance of Directors at the Board Meeting and last Annual General Meetings was as under:

Name of the Director	Total board meetings	Board meetings attended	Annual General Meeting dated July 23, 2013 whether attended
Mr. Nirmal Jain	8	8	Yes
Mr. R. Venkataraman	8	8	Yes
Mr. Kranti Sinha	8	7	Yes
Mr. Nilesh Vikamsey*	8	8	Yes
Mr. A. K. Purwar	8	7	Yes
Mr. Sunil Kaul**	8	7	No
Mr. Chandran Ratnaswami***	8	7	No
Dr. S. Narayan****	8	7	Yes

* Mr. Nilesh Vikamsey attended two board meetings dated June 27, 2013 and August 09, 2013 through video conference.

**Mr. Sunil Kaul attended two board meetings dated August 09, 2013 and March 29, 2014 through video conference.

*** Mr. Chandran Ratnaswami attended four board meeting dated July 23, 2013, August 09, 2013, October 24, 2013 and January 29, 2014 through video conference.

**** Dr. S. Narayan attended two board meetings dated June 27, 2013 and August 09, 2013 through video conference.

The following information is given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

- Annual operating plans, budgets and performances.
- Quarterly, half-yearly and annual results of your Company and its' subsidiary companies
- Minutes of meeting of Audit Committee and other committees of the Board of Directors
- Minutes of all the subsidiary companies
- Information on appointment of all the key managerial personnel below the Board level
- Significant regulatory matters/development and litigations.
- Detailed risk analysis
- New business initiatives.
- Corporate Business Restructuring.
- Details of potential acquisitions or disinvestments
- Details of potential joint venture or collaborations
- Details of investments
- Compliance of statutory regulations, listing agreements
- Significant investments, transactions, developments and arrangements of subsidiary companies
- Such other material and significant information

The Board performs following functions in addition to overseeing the overall business and management:

- Review, monitor and approve major financial and business strategies and corporate actions;
- Assess critical risks facing your Company and review steps taken for their mitigation;
- Ensure that processes are in place for maintaining the integrity of
 - The Company and the financial statements
 - Compliance with laws, regulations
 - Relationships with customers, suppliers and other stakeholders
- Delegation of appropriate authority to the senior executives of the Company for effective management of operations.

(c) Details of Director's remuneration

The details of remuneration paid during the year ended March 31, 2014 were as follows:

Name of the Director	Salary and perquisite	Commission	Cont to PF and other funds	Sitting fees	Stock options	No. of equity shares held
Mr. Nirmal Jain	22,265,475	–	9,360	–	–	51,252,000
Mr. R. Venkataraman	15,552,250	–	9,360	–	–	19,909,432
Mr. Kranti Sinha	–	1,000,000	–	250,000	37,500	77,500
Mr. Nilesh Vikamsey	–	2,000,000	–	260,000	75,000	90,000
Mr. A. K. Purwar	–	1,000,000	–	140,000	100,000	65,000*
Mr. Sunil Kaul	–	–	–	–	–	–
Mr. Chandran Ratnaswami	–	–	–	–	–	–
Mr. S. Narayan	–	1,000,000	–	140,000	–	–

* Mr. A K Purwar sold 65,000 shares on April 09, 2014 through market

(d) 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. Your Company obtains report on compliance from all the branch managers, heads of departments and business on a periodical basis, which is monitored by the dedicated team and verified further through surprise inspections and internal audit. A consolidated compliance certificate based on this inputs along with the compliance status in respect of various laws, rules and regulations applicable to your Company is placed before the Board on quarterly basis and reviewed by the Board. Necessary reports are also submitted to the regulatory authorities as per the requirements from time to time.

3. Audit Committee

The Audit Committee of your Company comprises two Independent Directors and one Executive Director. The Committee is chaired by an Independent Director, Mr. Nilesh Vikamsey, a qualified Chartered Accountant and diploma holder in information system audit. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

The Audit Committee of the Company met five (5) times during the last financial year on April 12, 2013, May 09, 2013, July 22, 2013, October 23, 2013 and January 29, 2014. The gap between two Audit Committee Meetings was not more than four (4) months:

The constitution of the Audit Committee and attendance of each member of the committee is given below:

Name of the members	Designation	Non-Executive/ Independent	Profession	No. of committee meetings held	Committee meeting attended
Mr. Nilesh Vikamsey	Chairman	Independent	Chartered Accountant	05	05
Mr. Kranti Sinha	Member	Independent	Corporate Consultant	05	05
Mr. R Venkataraman	Member	Executive Director	B. Tech and MBA	05	05

The scope of the Audit Committee includes the references made under Clause 49 of the Listing Agreements as well as and applicable provisions of Companies Act besides the other terms that may be referred by the Board of Directors. The Broad terms of reference of the Audit Committee are:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;

- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

The minutes of the Audit Committee Meetings form part of the agenda papers circulated for the Board Meeting.

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

4. Compensation/ Remuneration Committee

The Compensation/ Remuneration Committee comprises of three Independent Directors with Mr. Kranti Sinha as the Chairman of the Committee, Mr. Nilesh Vikamsey and Mr. A K Purwar as members of the Committee. The Compensation/ Remuneration Committee reviews and makes recommendations on annual salaries, perquisites, performance linked bonus, stock options, pensions and other employment conditions of Executive and Non-Executive Directors and senior employees. The Committee conducts discussions with the HR department and lays down suitable remuneration policies for the employees.

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

5. Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee comprises of Mr. Kranti Sinha, Independent Director as the Chairman and Mr. Nirmal Jain and Mr. R. Venkataraman, Executive Directors as the Members. During 2013-2014, the Company received 32 complaints from SEBI/ Stock Exchanges / MCA/ Investors. All complaints were redressed to the satisfaction of the shareholder. No complaints were pending either at beginning or at the end of the year. There were no shares pending for transfer as on March 31, 2014. Further, the investor complaints on SEBI Scores System are also regularly monitored and resolved within a specified time period. The Share Transfer and Investor Grievance Committee of the Company met one time during the last financial year on February 28, 2014.

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

Name and designation	Mr. Sunil Lotke, Company Secretary
Address:	IIFL Centre, Kamala City, Off. Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Contacts:	Tel: +91 22 4249 9000 Fax: +91 22 40609049 E-mail: shareholders@indiainfoline.com

6. Subsidiary Companies

Your Company has one material non-listed Indian subsidiary, India Infoline Finance Limited whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately

preceding accounting year. Mr. Nilesh Vikamsey, Independent Director on the Board of IIFL Holdings Limited (Formerly India Infoline Limited) (holding Company) is also Director on the Board of India Infoline Finance Limited (material non-listed Indian subsidiary).

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

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

7. Disclosures

(a) Basis of related party transactions

The statement of transactions with the related parties, if any, is duly placed before the Audit Committee on a quarterly basis. During 2013-14, there were no materially significant related party transactions entered into by your Company with its Promoters and Directors or Management or their relatives, among others, that may conflict with the Company's interests. All the transactions are on arms' length basis and in the ordinary course of business.

The related party transactions including material related party transactions with the subsidiaries pursuant to clause 49 of the listing agreement are disclosed under Notes to Accounts No. 32 of the Annual Accounts.

(b) Disclosure of accounting treatment

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

(c) Disclosure on risk management

The internal auditors and statutory auditors test and ensure that your Company has adequate systems of internal control to ensure reliability of financial and operational information. Your Company adheres to strict policies to ensure compliance with all the regulatory/statutory requirements. The procedures and policies for risk assessment and minimization are regularly reviewed by the Board.

The management understands that the information is the prime business asset and has therefore laid down strict policies and procedure to safeguard your Company's information. The InfoSec policy of your Company is put on Company's intranet for all employees to adhere to.

(d) 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 2013-14.

(e) Compensation paid to Non-Executive Directors

The Non-Executive Directors and Independent Directors are paid ₹20,000 (Rupees Twenty Thousand) each towards sitting fees for attending the Board Meeting in accordance with the resolution passed in the Meeting of Board of Directors on February 11, 2005 and ₹20,000 (Rupees Twenty Thousand) each towards sitting fees for attending the Audit Committee Meetings and ₹10,000 (Rupees Ten Thousand) each towards attending other committee meetings, in accordance with the resolution passed in the Meeting of Board of Directors on March 21, 2005.

The Non-Executive Directors and Independent Directors are paid commission of a sum not exceeding ₹50,00,000 (Rupees Fifty Lakhs only) per annum in aggregate, subject to a maximum ceiling of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act and approved by the shareholders at the Annual General Meeting held on July 29, 2011. The payment of commission is decided by the Board taking into account the contribution made by the non Whole Time Directors and time spent on the Company affairs.

(f) Details of non-compliance

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

(g) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

(h) Code of Conduct

The Board of Directors adopted the Code of Conduct for Board Members and senior management personnel. The said code was communicated to the Directors and members of the senior management and they affirmed their compliance with the said Code. The Code adopted is posted on the Company's website www.indiainfoline.com.

Code of Conduct and Corporate Disclosure Practices for Prevention of Insider Trading:

Your Company adopted Code of Conduct and Corporate Disclosure Practices for prevention of Insider Trading for monitoring adherence to the rules for the preservation of price sensitive information, pre clearance and monitoring of trade. Your Company appointed the Company Secretary as the compliance officer to ensure compliance of the said code by

all the Directors, senior management personnel and employees likely to have access to price sensitive information.

(i) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

Your Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Besides complying with all the mandatory requirements of Clause 49, we also have a Remuneration Committee of the Board (known as Compensation/ Remuneration Committee).

(j) CEO/ CFO Certificate

The Certificate required under Clause 49(V) of the Listing Agreement duly signed by the CEO and CFO was given to the Board and the same is annexed to this Report.

(k) 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.indiainfoline.com. The Annual Report, quarterly results, shareholding pattern and material events copies of press releases, 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 Listing Agreement entered with the Stock Exchanges.

The quarterly and annual results of your Company are published in widely circulated newspapers. Your Company also regularly makes presentation to the analysis in their meetings held from time to time, transcripts of which are uploaded on your Company's website.

8. General body meeting

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

Date of AGM	Location	No. of special resolutions passed
July 23, 2013	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	2
August 10, 2012	Royal, Sunville Banquet, 9, Dr. Annie Besant Road, Worli, Mumbai 400018	3
July 29, 2011	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	2

The special resolution was passed by show of hands.

9. General shareholders' information

1	Annual General Meeting	Wednesday, July 30, 2014 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018
2	Financial calendar (2014-2015)	<p>Financial Year April 1, 2014 to March 31, 2015</p> <p>Results for the quarter ended June 30, 2014 – within 45 days from the end of the quarter</p> <p>Results for the quarter ended September 30, 2014 – within 45 days from the end of the quarter</p> <p>Results for the quarter ended December 31, 2014 – within 45 days from the end of the quarter</p> <p>Results for the quarter and year ended March 31, 2015 – within 60 days from the end of the quarter</p>
3	Book closure date	July 23, 2014 to July 30, 2014 (both days inclusive)
4	Interim dividend	During 2013-14, your Company has declared and paid interim dividend at ₹3 per equity share of ₹2 each on February 04, 2014.
5	Listing of equity shares on stock exchanges at	National Stock Exchange of India Limited BSE Limited
6	Stock code	National Stock Exchange of India Limited – IIFL BSE Limited - 532636
7	Demat ISIN numbers in NSDL and CDSL for equity shares	ISIN No. INE530B01024
8	Registrar & Transfer Agent	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078. Tel: 022-25963838 rnt.helpdesk@linkintime.co.in
9	Share transfer system	<p>Your Company's shares are compulsorily traded in dematerialized form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt.</p> <p>All share transfers and other share related issues are approved in the Share Transfer and Investor Grievance Committee Meeting, which is normally convened as and when required.</p>
10	Dematerialisation of shares	As on March 31, 2014, 99.88% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
11	Correspondence for dematerialisation, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078. Tel: +91 22 2596 3838
12	Any query on Annual Report contact at corporate office:	Mr. Sunil Lotke, Company Secretary and Compliance Officer, IIFL Centre, Kamala City, Off Senapati Bapat Marg, Lower Parel, Mumbai – 400013 shareholders@indiainfoline.com
13	Outstanding convertible instruments, conversion date and likely impact on equity	The Company has outstanding unexercised ESOPs (vested or Not vested) of 2,83,23,450 stock options under its ESOP plan 2007 and 2008 which may be exercised by the grantees after its vesting in tranches. 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.

10. Shareholding pattern

Categories of Equity Shareholders as on March 31, 2014:

Category	Number of equity shares held	Percentage of holding
Promoters & Promoters Group	9,23,61,432	31.18
Indian Public & others	3,57,86,322	12.08
Mutual Fund	99,467	0.03
Corporate Bodies	54,38,712	1.84
Banks, Financial Institutions	20,93,142	0.71
Foreign Institutional Investors	12,72,36,904	42.96
NRI's/OCBs/Foreign Nationals/FC/QFI	3,31,83,024	11.20
Grand Total	29,61,99,003	100.00

11. Distribution of shareholding as on March 31, 2014

The distribution of shareholders as on March 31, 2014 is as follows:

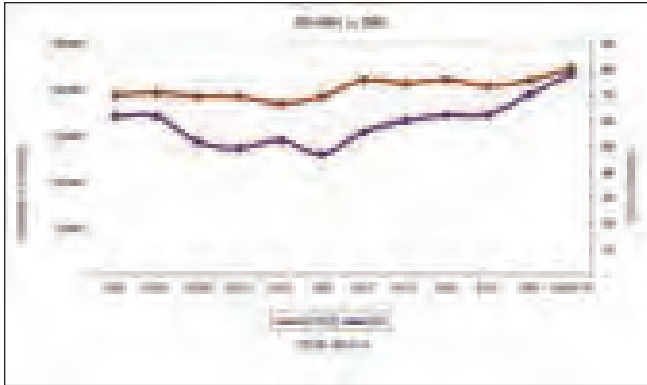
No. of equity shares held (range)	No. of shareholders	% of shareholders	No. of shares	% of share holdings
1 – 1000	29452	94.16	4,840,646	1.63
1001 – 2000	726	2.32	1,091,074	0.37
2001 – 4000	392	1.25	1,115,395	0.38
4001 - 6000	175	0.56	885,770	0.30
6001 - 8000	85	0.27	606,170	0.20
8001 - 10000	86	0.27	810,526	0.27
10001 – 20000	124	0.39	1,762,969	0.60
20001 and more	240	0.78	285,086,453	96.25
Total	31280	100.00	296,199,003	100.00

12. Stock market data

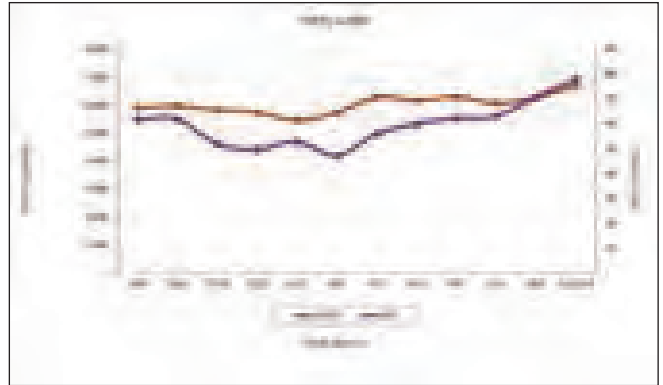
Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the current year. The chart below plots the monthly closing price of IIFL Holdings Limited (Formerly India Infoline Limited) versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2014.

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2013	65.0	55.00	5,57,864	64.75	55.10	31,16,152
May, 2013	77.3	60.6	16,08,300	77.55	60.55	49,95,405
June, 2013	66.0	49.5	56,26,280	66.80	49.30	76,29,721
July, 2013	57.2	47.05	8,56,417	57.30	47.40	32,71,466
August, 2013	54.5	40.0	7,43,604	54.75	39.95	27,98,337
September, 2013	53.05	46.5	6,01,997	53.35	46.40	40,88,686
October, 2013	58.4	47.15	6,27,252	58.25	47.00	24,18,774
November, 2013	65.7	56.05	14,00,326	65.70	55.50	33,49,199
December, 2013	65.95	56.7	17,57,617	66.25	56.85	25,00,606
January, 2014	73.45	59.9	10,94,041	73.45	58.70	39,59,546
February, 2014	73.45	60.7	3,96,761	73.45	59.30	15,96,429
March, 2014	80.0	70.0	13,99,092	80.00	69.85	34,83,611

IIFL Holdings Limited (Formerly India Infoline Limited) share price versus the BSE Sensex



IIFL Holdings Limited (Formerly India Infoline Limited) share price versus the NSE S&P CNX Nifty



Annexure

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Nirmal Jain, Chairman and Dhruv Jain, Chief Financial Officer of IIFL Holdings Limited (Formerly India Infoline Limited), to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 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 and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control.

Place: Mumbai
Date: May 13, 2014

Nirmal Jain
Chairman

Dhruv Jain
Chief Financial Officer

Declaration on Compliance with the Code of Conduct

This is to confirm that the Company 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, 2014, 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

Place: Mumbai

Date: May 13, 2014

Nirmal Jain

Chairman

Auditor's Certificate on Compliance of conditions of Corporate Governance

To the members of
IIFL Holdings Limited

We have examined the compliance of conditions of corporate governance by IIFL Holdings Limited (Formerly India Infoline Limited), for the financial year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

Sharp & Tannan Associates

Chartered Accountants

By the hand of

Tirtharaj Khot

Partner

Place: Mumbai

Date: May 13, 2014

Membership No. (F) 037457

Independent Auditor's Report

To the Members of
IIFL Holdings Limited (Formerly India Infoline Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of IIFL Holdings Limited (Formerly India Infoline Limited ("the Company")), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the board of directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Tirtharaj Khot
Partner

Place: Mumbai
Date : May 13, 2014

Membership No. (F) 037457

Annexure to the Auditor's Report

The Annexure referred to in of our report dated May 13, 2014 to the members of **IIFL Holdings Limited** (Formerly India Infoline Limited) ("the Company") for the year ended 31 March 2014. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has formulated a programme of physical verification of its fixed assets in a phased manner. In accordance with this program, a physical verification of certain fixed assets has been carried out by management during the year and there are no material discrepancies observed between assets physically verified and book balances. In our opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As a part of restructure of Company's business in terms of approval by Hon. High Court, Bombay of a Scheme of Arrangement under Section 391 to 394 and other applicable provisions of the Companies Act, 1956, the Company has transferred its "Financial Services Undertaking" as defined in the said approved Scheme. Since the transfer is made to one of its wholly owned subsidiaries over which the Company retains full operational control, in our opinion, this transfer is not of that nature to affect its going concern status.
2. The Company is not carrying on any manufacturing or trading activity. Therefore, the provisions of sub clause (a), (b), and (c), of clause (ii) of paragraph 4 of the Order are not applicable to the Company.
3. (a) The Company has granted loan to one Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amounts involved during the year were ₹21,84,733/- and the yearend balance of loans granted to such Company was ₹21,84,733/-
- (b) The rate of Interest on loan given is, in our opinion, not prima facie prejudicial to the interest of the Company. There are no other terms and conditions prescribed.
- (c) There are no stipulations as to repayment of principal and interest amounts.
- (d) There is no overdue amount in excess of ₹1 lakh in respect of loan granted to Companies listed in the register maintained under Section 301 of the Companies Act, 1956 since repayment schedule is not stipulated.
- (e) The Company has not taken any loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub clause (e), (f) and (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control

systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets and sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

5. (a) in our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 and those brought to our notice, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are not comparable since the prevailing market prices of such services, in view of the management, are not readily available.
6. The Company has not accepted any deposits from the public of the nature, which attracts the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules made there under. Therefore, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. As per the information and explanations given to us, in respect of the class of industry the Company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies act, 1956. Therefore, the provision of clause (viii) of paragraph 4 of the Order is not applicable to the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues as and wherever applicable to the Company, with the appropriate authorities. Based on the information furnished to us, there are no undisputed statutory dues as on 31st March 2014, which are outstanding for a period exceeding six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of sales tax/excise duty/service tax/income tax/custom duty/wealth tax/cess as at 31st March 2014

which have not been deposited on account of a dispute pending, and amount involved and the forum where dispute is pending is as under;

Name of the Statute	Nature of the Disputed Dues	Amount of Tax (₹)	Period to which the amount relates	Forum where dispute is pending
MVAT Act, 2002	Delay in filing VAT Audit Report for the period 2007-2008	5,63,342	F.Y. 2007-2008	Jt. Comm. Of Sales Tax
Income Tax Act, 1961	Disallowance of Expenses U/S 14 A	6,07,817	A.Y.2006-2007	CIT (Appeals) of Income Tax has partly decided the appeal in favour of the Company. Order giving effect to CIT appeal order is pending with the assessing officer.
Income Tax Act, 1961	Disallowance of Depreciation, Disallowance U/S 14A and Disallowance of Expenses	70,25,888	A.Y.2007-2008	Order giving effect to ITAT order is pending with the assessing officer.
Income Tax Act, 1961	Disallowance of Expenses U/S 14 A and Esop Expenses	4,43,78,710	A.Y.2008-2009	CIT (Appeals) of Income Tax has partly decided appeal in favour of the Company. Order giving effect to CIT (A) order is pending. The Company has also filed appeal before ITAT in respect of disallowance of ESOP expenses.
Income Tax Act, 1961	Disallowance of Expenses U/S 14 A and Esop Expenses	9,62,47,624	A.Y.2009-2010	CIT Appeals of Income Tax
Income Tax Act, 1961	Disallowance of Expenses U/S 14 A and Esop Expenses	5,51,65,596	A.Y.2010-2011	CIT Appeals of Income Tax
Profession Tax	Profession Tax, Penalty and Interest	15,53,529	A.Y.2007-2008	Dy. Comm. of Sales Tax- Appeals

10. At the end of the financial year, the Company has neither accumulated losses nor has incurred any cash loss during the financial year covered by our audit, and in the immediately preceding financial year.
11. As the Company has not borrowed from financial institution or bank or debenture holders during the year, therefore, the clause 4(xi) of the order is not applicable to the Company.
12. According to the information and explanations given to us, since the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, in our opinion, the Company need not maintain relevant documents and records.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provision of clause (xiv) of paragraph 4 of the order is not applicable to the Company.
15. The Company has granted Corporate Guarantees to Banks/ Financial Institutions in respect of loans availed by its subsidiary companies. Based on the information and explanations given to us, we are of the opinion that the terms and conditions on which the guarantees are given are prima facie, not prejudicial to the interest of the Company.
16. The Company has not availed any term loan during the period. Therefore, the provision of clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. According to the information and explanations given to us

and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.

18. The Company has not made preferential allotment of shares to parties and companies including those, covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Therefore, the provision of clause (xix) of the paragraph 4 of the Order is not applicable to the Company.
20. The Company has not raised any money through a public issue during the year. Therefore, the provision of clause (xx) of paragraph 4 of the Order is not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by management.

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

Tirtharaj Khot
Partner

Place: Mumbai
Date : May 13, 2014

Membership No. (F) 037457

Standalone Balance Sheet as at March 31, 2014

(Amount in ₹)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	592,398,006	590,459,766
(b) Reserve and Surplus	4	12,642,210,909	12,509,838,629
(c) Money received against share warrants		–	–
Sub total		13,234,608,915	13,100,298,395
(2) Share application money pending allotment	34	356,300	–
(3) Non current liabilities			
(a) Long-term borrowings		–	–
(b) Deferred tax liabilities (Net)		–	–
(c) Other long-term liabilities	5	–	3,736,000
(d) Long-term provisions	6	2,359,852	7,761,253
Sub total		2,359,852	11,497,253
(4) Current liabilities			
(a) Short-term borrowings		–	–
(b) Trade payables	7	–	5,970,194,573
(c) Other current liabilities	8	7,834,899	1,235,667,720
(d) Short-term provisions	6	5,412,692	309,563,282
Sub total		13,247,591	7,515,425,574
TOTAL		13,250,572,658	20,627,221,223
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	9,324,625	147,119,574
(ii) Intangible assets		–	877,874
(iii) Capital work-in-progress		–	4,343,982
(iv) Goodwill		–	–
Intangible assets under development		–	–
Sub total		9,324,625	152,341,430
(b) Non-current investments	10	12,662,139,737	12,467,390,219
(c) Deferred tax assets (Net)	29	187,302,269	196,371,556
(d) Long-term loans & advances	11	193,645,323	1,175,937,121
(e) Other non-current assets	16	–	2,399,569
Sub total		13,043,087,329	13,842,098,465
(2) Current assets			
(a) Current investments	12	–	452,842,586
(b) Trade receivables	13	–	1,656,932,910
(c) Cash and cash equivalents	14	7,754,161	4,095,461,157
(d) Short-term loans & advances	15	2,184,733	145,104,445
(e) Other current assets	16	188,221,810	282,440,229
Sub total		198,160,704	6,632,781,327
TOTAL		13,250,572,658	20,627,221,223
See accompanying notes forming part of the Financial Statements	1-35		

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary



Standalone Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

Particulars	Note No.	2013-14	2012-13
INCOME			
Revenue from operations	17	886,673,873	5,495,459,286
Other income	18	–	9,265,845
Total Revenue		886,673,873	5,504,725,131
EXPENDITURE			
Employee cost	19	48,241,910	1,840,914,575
Finance cost	20	–	90,899,285
Depreciation	21	703,747	132,933,841
Administration and other expenses	22	11,603,495	2,371,183,636
Total expenses		60,549,152	4,435,931,337
Profit before tax		826,124,721	1,068,793,794
Tax expenses :			
Current tax		–	108,952,174
Deferred tax expenses		(151,554,927)	1,736,819
Total Tax expenses		(151,554,927)	110,688,993
Profit for the year		977,679,648	958,104,801
Earnings per equity share (Face Value ₹2)			
Basic	23	3.31	3.30
Diluted	23	3.21	3.25
See accompanying notes forming part of the Financial Statements	1-35		

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

Standalone Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

Particulars	As at March 31, 2014		As at March 31, 2013	
Cash flows from operating activities				
Net profit before taxation and extraordinary item		826,124,721		1,068,793,794
Adjustments for:				
Depreciation & Amortisation	703,747		132,933,841	
Provisions for Gratuity	2,041,323		18,403,606	
Provision for Expenses	5,060,000		–	
Dividend Income	–		(776,813,395)	
Provisions for Leave Encashment	671,221		6,884,255	
Deferred Employee Compensation	–		(12,238,526)	
Provision for Doubtful Debts	–		51,651,329	
Loss / (Profit) on Sale of Investments	–		–	
Interest expense	–	8,476,291	90,899,285	(488,279,605)
Operating profit before working capital changes		834,601,012		580,514,189
Increase / (Decrease) in Trade Payable	(5,970,194,573)		(1,044,823,685)	
Increase / (Decrease) in Other long-term liabilities	(3,736,000)		(200,000)	
Increase / (Decrease) in Other current liabilities	(1,227,832,821)		(953,971,760)	
(Increase) / Decrease in Trade Receivable	1,656,932,910		820,368,850	
(Increase) / Decrease in Short term Loan & Advances	142,919,712		87,494,329	
(Increase) / Decrease in Long term Loan & Advances	981,235,055		(140,137,880)	
Increase / (Decrease) in Short term & Long term Provision	(317,324,535)		(12,457,183)	
(Increase) / Decrease in Other current assets	94,218,419		806,078,956	
(Increase) / Decrease in Other Non current assets	2,399,569		(14,570,297)	
(Increase) / Decrease in Trade inventories	–		395,383,933	
		(4,641,382,264)		(56,834,737)
Cash generated from operations		(3,806,781,251)		523,679,452
Tax (Paid) / Refund		1,056,744		(15,079,984)
Net cash from/(used in) operating activities (a)		(3,805,724,508)		508,599,468
Cash flows from investing activities				
Purchase / (Sale) of fixed assets (includes intangible assets) (net)	302,937,272		(23,104,485)	
(Investment) / Sale in subsidiaries(net)	(194,749,518)		(168,631,576)	
Dividend Income	–		776,813,395	
Purchases of non current investment	–		(216,199,636)	
Bank balances not considered as cash & cash equivalents - (Placed)/Matured	2,824,823,271		(594,935,791)	
Proceeds from current investment	452,842,585		(442,842,586)	
Net cash from/(used in) investing activities (b)		3,385,853,610		(668,900,679)
Cash flows from financing activities				
Proceeds from issuance of share capital	45,297,848		283,537,512	
Repayment of short term borrowings	–		(168,004,696)	
Interest paid	–		(90,899,285)	
Dividend Paid (including dividend distribution tax)	(888,310,675)		(901,955,167)	
Net cash from / (used in) financing activities (c)		(843,012,827)		(877,321,636)
Net increase/(decrease) in Cash and cash equivalents (a+b+c)		(1,262,883,725)		(1,037,622,847)
Cash and cash equivalents at beginning of the year		1,270,637,886		2,308,260,733
Cash and cash equivalents at end of the year (Refer Note no. 14)		7,754,161		1,270,637,886
Net increase/(decrease) in Cash and cash equivalents		(1,262,883,725)		(1,037,622,847)

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS-3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous year's figure are re-grouped /re-arranged wherever considered necessary.

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 1. CORPORATE INFORMATION

IIFL Holdings Ltd was incorporated on October 18, 1995 and is now the apex holding company of the entire IIFL Group. The group business of finance and finance services, distribution of financial products, wealth management services business are carried out by separate subsidiaries of IIFL Holdings Limited

1.1 In order to achieve simplified business structure, focused management, strengthen core competencies and enhance value creation for the group, the Board of Directors of the Company had approved transfer of Company's broking, Depository Participant, Portfolio Management, Mutual Fund Distribution and Investment Banking businesses ("Financial Services Undertaking") to a wholly owned subsidiary, India Infoline Distribution Company Limited ("IIDCL"), through a scheme of arrangement in terms of Section 391 to 394 of the Companies Act, 1956 in April, 2013. In this regard, Hon'ble High Court of Bombay vide its Order dated December 20, 2013, issued on January 16, 2014 ("Order"), approved the Scheme of Arrangement ("Scheme") between India Infoline Limited ('Transferor Company' or 'ILL' or 'Company') and India Infoline Distribution Company Limited ('Transferee Company' or 'IIDCL') and their respective shareholders under sections 391 to 394 of the Companies Act, 1956, and the same is effected upon filing of Order with the Registrar of Companies vide its acknowledgement dated February 13, 2014 and receipt of other regulatory approvals. The Scheme is effective from April 1, 2013.

Pursuant to the Scheme approved by the High Court, the following have been effected:

- a. The "Financial Services Undertaking" consisting of capital market Broking, Depository Participant, Portfolio Management, Mutual Fund Distribution and Investment Banking business stands transferred from the Company to India Infoline Limited (formerly India Infoline Distribution Company Limited), on a going concern basis and accordingly, the businesses/services stands continued by the Transferee Company.
- b. The name of the Company is changed from India Infoline Limited to "IIFL Holdings Limited" in terms of Fresh Certificate of incorporation dated February 18, 2014, issued by Registrar of Companies, Maharashtra, Mumbai.
- c. The name of the Transferee Company i.e. India Infoline Distribution Company Limited is changed to "India Infoline Limited" in terms of Fresh Certificate of Incorporation dated February 27, 2014, issued by the Registrar of Companies, Maharashtra, Mumbai."

The effect of the said Scheme is reflected in the books of accounts for the year ended March 31, 2014. Accordingly, the previous period figures are not comparable.

Note: 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of estimates:

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

2.3 Fixed Assets and Depreciation and Amortization:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below, or the rates specified in accordance with the provision of schedule XIV of the Companies Act, 1956, whichever is higher.

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 / transferred.

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

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
Electrical & office equipment	5
Furniture and fixtures	5
Vehicles	5
Software	3

2.4 Translation of foreign currency items:

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

2.5 Revenue recognition:

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

- (a) Brokerage income earned on secondary market operations are accounted on trade dates.
- (b) Income related to depository and investments banking activities are accounted on accrual basis.
- (c) Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following;
 - (i) Profit / loss on sale of securities is determined based on the FIFO cost of the securities sold.
 - (ii) Profit / loss on arbitrage transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Currency Futures and or Equity Index / Stock Options / Currency Options which are released on final settlement/squaring-up of underlying contracts are disclosed under other current assets. "Mark-to-market margin- Equity Index / Stock Futures / Currency Futures" representing the amounts paid in respect of mark to market margin is disclosed under other current assets.

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis (e.g. Nifty, SBI, HDFC etc.) with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored

2.6 Other income recognition:

- (a) Interest Income is recognized on accrual basis
- (b) Dividend income is recognized when the right to receive payment is established.

2.7 Employee benefits:

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

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

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.8 Deferred Employee Stock Compensation:

The stock options granted by the Company are accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase) Guidelines, 1999 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 is charged to the Statement of Profit and Loss on a straight line basis over the vesting period of the options. The Employee Stock Options Outstanding Account, net of unamortised Deferred Employee Compensation is shown separately as part of Reserves and Surplus.

2.9 Provisions, Contingent liabilities and Contingent assets:

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

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

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

2.10 Taxes on income:

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

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

2.11 Operating leases:

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

2.12 Investments:

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

2.13 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 scrip.

2.14 Earnings per share:

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

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

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 3. SHARE CAPITAL

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

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised :		
600,000,000 (Previous Year - 600,000,000) Equity Shares of ₹2 each	1,200,000,000	1,200,000,000
Issued, Subscribed and Paid Up :		
296,199,003 (Previous Year – 295,229,883) Equity Shares of ₹2 each fully paid – up	592,398,006	590,459,766
Total	592,398,006	590,459,766

b. Reconciliation of the shares outstanding.

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the beginning of the year	295,229,883	590,459,766	289,024,203	578,048,406
Add:- Issued during the year on exercise of ESOPs	969,120	1,938,240	6,205,680	12,411,360
Outstanding at the end of the year	296,199,003	592,398,006	295,229,883	590,459,766

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, 2014, the amount of per share dividend recognised as distribution to equity shareholders was ₹3 (Previous Year ₹3).

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

Name of the shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹2 each fully paid				
Nirmal Bhanwarlal Jain	51,252,000	17.30	51,252,000	17.36
Venkataraman Rajamani	19,909,432	6.72	19,909,432	6.74
Madhu N Jain	17,000,000	5.74	16,975,000	5.74
Carlyle Mauritius Investment Advisors Ltd.				
A/C Carlyle Mauritius III	28,761,409	9.71	28,761,409	9.74
HWIC Asia Fund Class A Shares	27,910,000	9.42	27,910,000	9.45
Bharat H Parajia	16,221,778	5.48	16,221,778	5.49

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

Particulars	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	No. Shares	No. Shares	No. Shares	No. Shares	No. Shares
Equity shares bought back by the company	–	–	–	12,998,877	–

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 28.



Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 4. RESERVES AND SURPLUS

		(Amount in ₹)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Capital Reserve			
Opening balance	597,700,000	2,242,711,953	
Deduction:- Due to merger of India Infoline Marketing services Limited (Refer note below)	–	(1,645,011,953)	
Closing balance	597,700,000	597,700,000	
Capital Redemption Reserve			
Opening balance	51,113,584	31,113,584	
Addition:- Due to India Infoline Marketing services Limited Merger (Refer note below)	–	20,000,000	
Closing balance	51,113,584	51,113,584	
Securities Premium Account			
Opening Balance	9,293,422,174	7,411,541,771	
Addition : Additions on ESOP's exercised	43,003,308	271,126,152	
Addition :- Due to India Infoline Marketing services Limited Merger (Refer note below)	–	1,574,620,000	
Addition: Transfer from Share Option Outstanding Account	–	36,134,251	
Closing balance	9,336,425,482	9,293,422,174	
Share Options Outstanding Account			
Gross employee stock compensation for options granted in earlier years	–	52,264,312	
Deduction :- Written back to Statement of Profit and Loss during the year	–	16,130,061	
Deduction:-Transferred to Securities premium Account	–	36,134,251	
Closing balance	–	–	
General Reserve			
Opening balance	756,000,000	660,000,000	
Addition :- due to transfer during the year from surplus in the Statement of Profit and Loss	98,000,000	96,000,000	
Closing balance	854,000,000	756,000,000	
Suplus/(Deficit) in the Statement of Profit and Loss			
Opening balance	1,811,602,871	1,801,061,286	
Addition:- Due to India Infoline Marketing services Limited Merger (Refer note below)	–	50,391,951	
Addition: Profit / (Loss) for the year	977,679,647	958,104,801	
Less:- Appropriations			
Interim dividend	888,072,909	883,094,049	
Dividend distribution tax	237,766	18,861,118	
General Reserve	98,000,000	96,000,000	
Net Surplus in the Statement of Profit and Loss	1,802,971,843	1,811,602,871	
Total Reserve and Surplus	12,642,210,909	12,509,838,629	

As informed in the last annual report , the Hon'ble High Court, Bombay, vide its order dated March 1, 2013 had approved modification to the earlier scheme of amalgamation between India Infoline Marketing Services Limited, a wholly owned subsidiary, with the Company which was effective from April 1, 2011. In terms of the above order, an appropriate modification had been effected under the head "Reserves & Surplus" for the previous year.

Note: 5. OTHER LONG-TERM LIABILITIES

		(Amount in ₹)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Security deposits received	–	3,736,000	
Total	–	3,736,000	

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 6. PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Current	Non Current	Current	Non Current
Provision for compensated absences	155,433	515,788	27,117,275	7,761,253
Provision For Gratuity	197,259	1,844,064	17,132,374	–
Provision for expenses	5,060,000	–	265,313,633	–
Total	5,412,692	2,359,852	309,563,282	7,761,253

Note: 7. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables:		
- Trade payables*	–	5,968,009,840
Total	–	5,968,009,840

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

Note: 8. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Bank Overdraft	–	636,596,518
Accrued Salaries & Benefits	–	219,829,141
Contractually reimbursable expenses	–	9,184,942
Statutory Liabilities Payable	–	62,384,638
Unearned Revenue – (Income received in advance)	–	2,434,550
Unpaid Dividend	7,324,899	6,601,412
Other Payables	510,000	298,636,519
Total	7,834,899	1,235,667,720

Note: 9. FIXED ASSETS

Tangible assets

(Amount in ₹)

Particulars	Buildings	Computers	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicles	Total
Cost or Valuation							
At April 1, 2013	14,074,920	340,891,854	167,104,478	439,910,304	259,159,262	7,304,055	1,228,444,873
Addition	–	–	–	–	–	–	–
Deductions/Adjustments during the year	–	340,891,854	167,104,478	439,910,304	259,159,262	7,304,055	1,214,369,953
As at March 31, 2014	14,074,924	–	–	–	–	–	14,074,924
Depreciation							
At April 1, 2013	4,046,552	306,630,616	136,391,869	397,911,031	233,058,405	3,286,826	1,081,325,299
Depreciation For the year	703,747	–	–	–	–	–	703,747
Deductions/Adjustments during the year	–	306,630,616	136,391,869	397,911,031	233,058,405	3,286,826	1,077,278,747
Upto March 31, 2014	4,750,299	–	–	–	–	–	4,750,299
Net Block							
At March 31, 2014	9,324,625	–	–	–	–	–	9,324,625
At March 31, 2013	10,028,368	34,261,238	30,712,609	41,999,273	26,100,857	4,017,229	147,119,574

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 9. FIXED ASSETS

Intangible assets

(Amount in ₹)

Particulars	Software	Non Compete Fees	Total
Cost or Valuation			
At April 1, 2013	75,281,750	12,421,958	87,703,708
Addition	–	–	–
Deductions/Adjustments during the year	75,281,750	12,421,958	87,703,708
As at March 31, 2014	–	–	–
Depreciation			
At April 1, 2013	74,403,876	12,421,958	86,825,834
Depreciation For the year	–	–	–
Deductions/Adjustments during the year	74,403,876	12,421,958	86,825,834
Up to March 31, 2014			
Net Block			
At March 31, 2014	–	–	–
At March 31, 2013	877,874	–	877,874

Note: 10. NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Investments (At cost):					
Non-Trade					
Mutual Fund :					
IIFL Real Estate Fund (Domestic)- series 1, the scheme launched by India Infoline Venture Capital Fund (Partly paid up @ 50%)	₹100	–	–	7,500,000	375,000,000
Investment In IIFL Venture Fund Category i – AIF	₹10	–	–	–	100,000
Investment In IIFL Opportunities Fund Category ii –AIF	₹10	–	–	–	100,000
Investment In IIFL Private Equity Fund Category iii – AIF	₹10	–	–	–	100,000
IIFL Income Opportunities Fund (Partly paid up @ 50%)	₹10	–	–	15,000,000	75,000,000
Sub Total		–	–	–	450,300,000
Preference Shares :					
CL Educate Limited	₹10	–	–	23,980	9,999,660
Sub Total		–	–	–	9,999,660
Total		–	–	–	460,299,660
Investments in Subsidiaries:					
Equity Shares :					
India Infoline Finance Limited	₹10	234,467,549	9,72,31,50,400	234,467,549	9,723,150,400
IIFL Realty Limited	₹10	9,000,000	605,175,000	9,000,000	605,175,000
India Infoline Commodities Limited	₹10	209,000	20,000,000	209,000	20,000,000
IIFL Wealth Management Limited	₹2	45,000,000	225,000,000	45,000,000	225,000,000
India Infoline Media & Research Services Limited	₹10	50,000	500,000	50,000	500,000
IIFL Capital Limited	₹10	3,050,000	120,500,000	3,050,000	120,500,000

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 10. NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Investments in Subsidiaries:					
Equity Shares :					
India Infoline Trustee Company Limited	₹10	—	—	300,000	3,000,000
India Infoline Asset Management Company Limited	₹10	—	—	17,500,000	175,000,000
IIFL Alternate Asset Advisors Limited	₹10	—	—	50,000	500,000
India Infoline Insurance Brokers Limited	₹10	500,000	5,000,004	500,000	5,000,004
India Infoline Insurance Services Limited	₹10	280,630	10,000,008	280,630	10,000,008
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	₹10	16,900,100	953,125,800	1,400,100	85,126,000
Equity Instruments :					
IIFL (Asia) Pte Ltd, Singapore *	S\$1	25,000,000	794,468,382	25,000,000	794,468,382
IIFL Inc, USA *	\$0.01	140	46,885,622	140	46,885,622
IIFL Private Wealth (Mauritius) Limited *	\$1.00	69,975	3,229,076	69,975	3,229,076
IIFL Wealth (UK) Limited *	£1.00	150,000	11,197,657	150,000	11,197,657
IIFL Private Wealth Hong Kong Limited *	HK\$1	6,476,324	43,607,791	6,476,324	43,607,791
IIFL Securities Ceylon (Pvt) Limited	LKR 10,000	—	—	7,600	31,899,159
IIFL Capital Ceylon Limited	LKR 10,000	—	—	2,166	8,449,463
IIFL Private Wealth Management (Dubai) Limited *	AED 3.67	918,442	42,436,895	918,442	42,436,895
India Infoline Commodities DMCC.	AED 1000	950	11,755,102	950	11,755,102
IIFL Private Wealth (Suisse) SA *	CHK 1000	100	5,815,000	100	5,815,000
IIFL Capital Inc	\$0.01	100	40,293,000	100	17,525,000
Sub Total			12,662,139,737		11,990,220,559
Trade (Valued At Cost) Equity Shares					
Bombay Stock Exchange Limited (Valued at written down value of the Membership card)	1	—	—	130,000	16,870,000
Sub Total		—	—	—	16,870,000
Total Investments			12,662,139,737		12,467,390,219
Aggregate Book value - Quoted			—		—
- Unquoted			12,662,139,737		12,467,390,219

*During the year under review, the Board of Directors have approved in-principle to transfer these subsidiaries to IIFL Wealth Management Limited, subsidiary company, subject to necessary regulatory and other approvals. The said regulatory approvals are under process.

Note: 11. LONG-TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Capital advances	—	844,758
Security Deposits	—	807,190,297
Deposit with stock exchange	—	173,200,000
Advance Income Tax (Net of Provision for income tax ₹3,082,529,146) (Previous year ₹3,040,156,384)	193,645,323	194,702,066
Total	193,645,323	1,175,937,121

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 12. CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Non Traded (Unquoted) (valued at lower of cost & fair value)					
In Mutual Fund :					
Union Kbc Capital Protection Oriented Fund- Series 1 NFO	₹10	–	–	99,990	1,000,000
HDFC Debt Fund for Cancer Cure	₹10	–	–	1,000,000	10,000,000
In Equity Shares :					
Arch Pharmalabs Ltd	₹10	–	–	73,106	29,244,055
Total (a)		–	–	–	40,244,055
Traded (Quoted) (valued at lower of cost & fair value)		Number	Amount in ₹	Number	Amount in ₹
In Equity Shares :					
Nirlon Ltd.	₹10	–	–	320,166	12,598,531
In Government Securities :					
8.15 % GOI 2022	₹100	–	–	4,000,000	400,000,000
Total (b)		–	–	–	412,598,531
Grand Total (a+b)		–	–	–	452,842,586
Aggregate Book value - Quoted		–	–	–	40,244,055
- Unquoted		–	–	–	412,598,531

Note: 13. TRADE RECEIVABLE

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from date they are due for payment		
- Considered good	–	28,323,928
- Considered doubtful	–	37,921,487
Sub- Total	–	66,245,415
Other		
- Considered good	–	1,628,608,982
Provision for doubtful receivables	–	(37,921,487)
Total	–	1,656,932,910

Note: 14. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash & Cash Equivalent :		
Cash on hand	–	6,177,877
Balances with banks		
In current accounts		
Client bank accounts	–	380,357,145
Others	–	877,308,661
In earmarked accounts :		
Unpaid Dividend Accounts	7,754,161	6,794,203
In deposit accounts (maturity less than 3 months)	–	–
Total Cash & Cash Equivalent (a)	7,754,161	1,270,637,886
Balance with banks:		
In deposit accounts (maturity from 3 months to 12 months)*	–	835,368,060
In deposit accounts (maturity more than 12 months)*	–	1,989,455,211
Total (b)	–	2,824,823,271
Grand Total (a+b)	7,754,161	4,095,461,157

*Includes fixed deposits to the extent of ₹ Nil/- (previous year ₹2,813,401,042/-) pledged with banks for bank guarantees/overdraft facilities and with the stock exchanges for margin purposes.

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 15. SHORT-TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Loans & advances to related parties	2,184,733	2,184,733
Advances recoverable in cash or in kind or for value to be received.	–	90,438
Other Loans & Advances	–	200,000
Deposit with Exchange	–	133,125,000
Service Tax credit receivable	–	9,504,274
Total	2,184,733	145,104,445

Note: 16. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)			
	As at March 31, 2014		As at March 31, 2013	
	Current	Non Current	Current	Non Current
Interest Accrued on bank Deposits	–	–	40,009,405	–
Prepaid expenses	–	–	86,992,132	–
Due from subsidiary (refer note-32)	188,221,810	–	–	–
Others	–	–	155,438,692	2,399,569
Total	188,221,810	–	282,440,229	2,399,569

Note: 17. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	2013-2014	2012-2013
Revenue from operations		
Capital Market activities:		
Equity Brokerage & related income	–	4,047,699,139
Fund Based activities :-		
Dividend from subsidiaries	886,673,873	766,944,121
Dividend from Mutual Fund	–	8,881,454
Dividend from Equity Shares	–	987,820
Capital Gain - Mutual Fund - Current	–	88,951,818
Interest Income :		
Interest on bank deposits	–	242,834,563
Interest on loan and advances	–	149,360,327
Other Interest	–	26,070,715
Interest Income from Real Estate Fund (Domestic) Series-1	–	19,012,865
Others	–	1,042,997
Financial Products distribution:		
Brokerage , Commission & Fees	–	143,673,467
Total	886,673,873	5,495,459,286

Note: 18. OTHER INCOME

Particulars	(Amount in ₹)	
	2013-2014	2012-2013
Miscellaneous income	–	3,615,635
Net Gain on Foreign Currency transactions	–	5,650,211
Total	–	9,265,846

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 19. EMPLOYEE COST

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Salaries and bonus	44,665,045	1,786,042,669
Contribution to provident and other funds **	864,321	23,607,697
Gratuity *	2,041,323	18,403,606
Staff Welfare Expenses	–	18,214,874
Leave Encashment	671,221	6,884,255
Deferred employee compensation expenses	–	(12,238,526)
Total	48,241,910	180,914,575

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

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Assumptions		
Discount rate previous year	8.00%	8.50%
Salary Escalation previous year	5.00%	5.00%
Discount rate current year	9.14%	8.00%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation		
Liability at the beginning of the year	–	90,080,272
Interest Cost	–	7,656,823
Current Service Cost	129,430	19,345,619
Benefit paid	–	(9,244,248)
Actuarial (gain)/ Loss on obligations	–	(8,625,607)
Liability Transferred in/(out)	1,911,893	–
Liability at the end of the year	2,041,323	99,212,859
Amount Recognised in the Balance Sheet		
Liability at the end of the year	(2,041,323)	(1,244,462)
Fair value of plan Assets at the end of the year	–	18,376,836
Differences	(2,041,323)	17,132,374
Amount of liability Recognised in the Balance Sheet	(2,041,323)	17,132,374
Expenses Recognised in the Income statement		
Current Service cost	129,430	17,728,704
Interest Cost	–	7,656,823
Expected return on plan assets	–	(7,853,927)
Actuarial Gain or Loss	–	872,006
Expense Recognised in P&L	129,430	18,403,606
Balance Sheet reconciliation		
Opening Net liability	–	(1,244,462)
Expense as above	129,430	18,376,836
Net Transfer in	1,911,893	–
Employers contribution	–	–
Amount Recognised in Balance Sheet	2,041,323	17,132,374

**Defined Contribution Plans:

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

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Contribution to provident & other fund	850,542	16,209,973

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 20. FINANCE COSTS

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Interest Expenses on :		
(i) Borrowings	–	15,201,554
(ii) Others (Inter Company loans and Advances)	–	75,697,731
Total	–	90,899,285

Note: 21. DEPRECIATION AND AMORTISATION EXPENSE

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Depreciation of tangible assets	703,747	129,464,130
Amortization of intangible assets	–	3,469,711
Total	703,747	132,933,841

Note: 22. OTHER EXPENSES

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Advertisement	–	33,409,769
Books & Periodicals	–	(428,090)
Exchange and statutory Charges	160,246	7,002,429
Investment & Finance Cost	–	86,733,898
Commission & sitting fees to non executive directors	5,830,000	6,190,560
Direct operating expenses	–	1,142,137,093
Bank Charges	–	38,237,961
Communication	–	117,175,774
Donation	–	2,728,817
Electricity	–	70,272,824
Legal and professional charges	–	72,896,779
Office expenses	–	68,507,053
Business Promotion & Subscription	–	9,920,654
Postage and courier	–	19,850,648
Printing and stationery	–	21,032,003
Provision for doubtful debts and bad debts	–	51,674,408
Rent	–	313,074,802
Insurance	–	3,516,905
Rates & taxes	–	51,729,370
Repairs & Maintenance		
- Computer	–	2,471,633
- Others	–	25,428,596
Remuneration to Auditors :		
As auditors - statutory audit	510,000	2,010,000
Certification work and other matters	–	144,500
Out of pocket expenses	–	135,962
Software Charges	–	95,985,739
Loss on sale of Long Term Investment (Net)	5,103,249	–
Travelling and conveyance	–	115,860,778
Miscellaneous expenses	–	13,482,774
Total	11,603,495	2,371,183,636

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 23. EARNINGS PER SHARE

		(Amount in ₹)	
Particulars		2013-2014	2012-2013
Face value of equity shares in ₹ fully paid up		2	2
Basic EPS :			
Profit/(Loss) after tax as per Statement of Profit and Loss	A	977,679,647	958,104,801
Weighted Average Number of Shares Subscribed (Basic)	B	295,568,869	290,430,555
Basic EPS	A/B	3.31	3.30
Diluted EPS :			
Profit/(Loss) after tax as per Statement of Profit and Loss	A	977,679,647	958,104,801
Weighted Average Number of Shares Subscribed		295,568,869	290,430,555
Add : Potential Equity Shares on account of conversion of Employee Stock Option		8,675,577	4,803,896
Weighted Average Number of Shares Outstanding	B	304,244,446	295,234,451
Diluted EPS	A/B	3.21	3.25

Note: 24.

The claim against the Company not acknowledged as debt were ₹ - Nil (previous year ₹16,939,813/-), As of March 31, 2014, the Company had certain contingent liabilities not provided for, including the following:

		(Amount in ₹)	
Sr. No.	Name of the Statute	March 31, 2014	March 31, 2013
(i)	In respect of Income tax demands	186,439,108	118,232,751
(ii)	In respect of MVAT demands	563,342	563,342

Note: 25. CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE:

There were outstanding commitments for capital expenditure (net of advances) to the tune of ₹- Nil (previous year ₹19,738,682/-) and Other Commitment to the tune of ₹ Nil (previous year ₹450,000,000/-) of the total contractual obligation entered during the year.

Note: 26.

The Company had taken office premises on operating lease at various locations. Lease rents in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging from one to five years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party after giving a prior notice period between 30 to 90 days. The Company had also taken some other assets under operating lease. The minimum future Lease rentals outstanding as at March 31, 2014, are as under

		(Amount in ₹)	
Minimum Lease Rentals		2013-2014	2012-2013
Due for:			
- Up to one year		-	42,321,650
- One to five years		-	82,464,798
- Over five years		-	62,191,787
Total		-	186,978,235

Note: 27.

The Company has provided Corporate Guarantee on behalf of the following subsidiaries.

Sr. No.	Name of the Subsidiary	Amount
1	India Infoline Commodities Limited	₹1,350,000,000 (₹1,350,000,000)
2	India Infoline Finance Limited (Formerly Known as India Infoline Investment Services Ltd.)	₹56,650,000,000 (₹54,450,000,000)
3	India Infoline Housing Finance Ltd	- (₹1,600,000,000)
4	IIFL Realty Ltd	₹4,650,000,000 (₹2,060,000,000)
5	IIFL Inc	US \$ 141,414 (US \$ 141,414)

(Figure in bracket represents previous year figures):

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 28.

The Company has implemented Employee Stock Option Scheme 2007, 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Remuneration and Compensation Committee and ESOP Schemes.

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

Particulars	ESOP 2007	ESOP 2008
No. of options as on March 31, 2014	4,075,100	24,248,350
Method of accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options
Exercise Period	Five years from the date of grant	Seven years from the date of grant
Grant Dates	October 17, 2008, December 18, 2008, January 1, 2009 and March 5, 2012	December 18, 2008, January 1, 2009, May 27, 2009, December 10, 2009, September 20, 2010, May 7, 2011, May 15, 2012, August 10, 2012, October 29, 2012 and November 05, 2013
Grant Price (₹ Per Share)	₹63.75, ₹45.30, ₹50.90 and ₹70.00	₹45.30, ₹50.90, ₹100.00, ₹136.00, ₹105.00, ₹72.40, ₹45.90, ₹56.60, ₹68.15 and ₹58.10
Market Price on the date of Grant of Option (₹)	₹63.75, ₹45.30, ₹50.90 and ₹69.90	₹45.30, ₹50.90, ₹129.30, ₹135.15, ₹104.55, ₹72.40, ₹45.90, ₹56.6, ₹68.15 and ₹59.00

b) Movement of options granted:

(Amount in ₹)

Particulars	ESOP 2007	ESOP 2008
Options outstanding at the beginning of the year	4,288,330	24,626,400
Granted during the year	—	500,000
Exercised during the year	113,270	855,850
Lapsed during the year	99,960	22,200
Options outstanding at the end of the year	4,075,100	24,248,350

Note: 29.

The Company recognized deferred tax assets for the year ended on March 31, 2014, since the management is reasonably / virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset.

Deferred Tax Assets

(Amount in ₹)

Particulars	2013-2014	2012-2013
On Gratuity/Leave Encashment	—	5,558,599
Depreciation	—	143,432,428
Provision for doubtful debts	—	8,730,511
On Capital Gains	187,302,269	38,650,018
Total	187,302,269	196,371,556

Note: 30.

Disclosure of loans/advances in its subsidiaries and associates etc. as required under clause 32 of the Listing Agreement

(Amount in ₹)

No	Name	Particulars	2013-2014	2012-2013
1	India Infoline Commodities DMCC. Dubai	Outstanding at year end	2,184,733	2,184,733
		Maximum Amount Outstanding	2,184,733	2,184,733

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 31.

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

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

Note: 32. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2014

(a) Related parties where control exists:

Nature of relationship	Name of party
Subsidiaries including step down subsidiaries	India Infoline Finance Limited
	India Infoline Housing Finance Limited
	IIFL Wealth Management Limited
	India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)
	India Infoline Insurance Brokers Limited
	India Infoline Insurance Services Limited
	India Infoline Commodities Limited
	IIFL Realty Limited
	India Infoline Media & Research Services Limited
	IIFL Capital Limited
	IIFL Distribution Services Private Limited (Formerly Finest Wealth Managers Private Limited)
	IIFL Investment Advisors And Trustee Services Limited (Formerly known as IIFL Trustee Services Limited)
	India Infoline Trustee Company Ltd.
	India Infoline Asset Management Company Limited
	IIFL Alternate Asset Advisors Limited
	India Infoline Commodities DMCC
	IIFL (Asia) Pte Limited
	IIFL Securities Pte Limited
	IIFL Capital Pte. Ltd formerly known as IIFL Wealth Pte. Ltd.
	IIFL Securities Ceylon (Pvt) Limited*
	IIFL Capital Ceylon Limited**
	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 Private Wealth (Mauritius) Limited
(b) Key Management Personnel	Mr. Nirmal Jain
	Mr. R Venkataraman
(c) Other related parties	Mrs. Madhu Jain (wife of Mr. Nirmal Jain)
	Mrs. Aditi Venkataraman (wife of Mr. R Venkataraman)
	India Infoline Foundation

(*) IIFL Securities Ceylon (Pvt) Limited was related party up to 30th December 2013.

(**) IIFL Capital Ceylon Limited was related party up to 20th March 2014.

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Investment Made (refer note 10)				
India Infoline Asset Management Company Limited	10,000,000	–	–	10,000,000
	(25,000,000)	–	–	(25,000,000)
IIFL Private Wealth (Suisse) Sa	–	–	–	–
	(5,815,000)	–	–	(5,815,000)
IIFL Capital Inc	22,768,000	–	–	22,768,000
	(17,525,000)	–	–	(17,525,000)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	867,999,800	–	–	867,999,800
	–	–	–	–
India Infoline Finance Limited	–	–	–	–
	(85,126,000)	–	–	(85,126,000)
IIFL Inc.	–	–	–	–
	(11,732,773)	–	–	(11,732,773)
IIFL Wealth (UK) Ltd	–	–	–	–
	(3,956,657)	–	–	(3,956,657)
IIFL Private Wealth Hong Kong Ltd	–	–	–	–
	(10,331,751)	–	–	(10,331,751)
IIFL Private Wealth Management (Dubai) Ltd	–	–	–	–
	(9,144,395)	–	–	(9,144,395)
Investment Sold to (refer note 10)				
IIFL Wealth Management Limited	197,150,736	–	–	197,150,736
	–	–	–	–
Sale Consideration from				
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	1,046,844,004	–	–	1,046,844,004
	–	–	–	–
Brokerage Income				
India Infoline Assets Management Company Limited	–	–	–	–
	(1,625,892)	–	–	(1,625,892)
India Infoline Finance Limited	–	–	–	–
	(292,810)	–	–	(292,810)
Madhu N Jain	–	–	–	–
	–	–	(272,948)	(272,948)
Remuneration				
Nirmal Jain	–	22,282,755	–	22,282,755
	–	(21,110,880)	–	(21,110,880)
Venkatraman R	–	15,570,890	–	15,570,890
	–	(14,752,140)	–	(14,752,140)

Numbers in brackets indicate previous years figures

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Interest Income				
India Infoline Asset Management Company Limited	–	–	–	–
	(139,354)	–	–	(139,354)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	–	–	–	–
	(922)	–	–	(922)
IIFL Distribution Services Private Limited	–	–	–	–
	(1,421)	–	–	(1,421)
India Infoline Housing Finance Limited	–	–	–	–
	(12,822)	–	–	(12,822)
India Infoline Insurance Brokers Limited	–	–	–	–
	(1,181,342)	–	–	(1,181,342)
India Infoline Finance Limited	–	–	–	–
	(78,203,273)	–	–	(78,203,273)
IIFL Capital Limited	–	–	–	–
	(228,864)	–	–	(228,864)
IIFL Investment Advisors and Trustee Services Limited	–	–	–	–
	(6,113)	–	–	(6,113)
India Infoline Media & Research Services Limited	–	–	–	–
	(9,056,778)	–	–	(9,056,778)
IIFL Realty Limited	–	–	–	–
	(6,467,187)	–	–	(6,467,187)
IIFL Wealth Management Limited	–	–	–	–
	(7,870,753)	–	–	(7,870,753)
Interest Income ICD/NCD				
India Infoline Finance Limited	–	–	–	–
	(46,338,056)	–	–	(46,338,056)
India Infoline Housing Finance Limited	–	–	–	–
	(212,400)	–	–	(212,400)
Dividend Income				
India Infoline Finance Limited	586,168,873	–	–	586,168,873
	(586,168,873)	–	–	(586,168,873)
IIFL Wealth Management Limited	180,330,000	–	–	180,330,000
	(180,660,000)	–	–	(180,660,000)
IIFL Secuties Ceylon (P) Ltd	–	–	–	–
	(115,249)	–	–	(115,249)
India Infoline Commodities Limited	120,175,000	–	–	120,175,000
	–	–	–	–
Marketing Support/Arranger Fees Income				
IIFL Wealth Management Limited	–	–	–	–
	(2,929,026)	–	–	(2,929,026)
IIFL Distribution Services Private Limited	–	–	–	–
	(4,577,235)	–	–	(4,577,235)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Interest Expenses				
India Infoline Finance Limited	– (213,286)	–	–	– (213,286)
India Infoline Commodities Limited	– (62,164,894)	–	–	– (62,164,894)
India Infoline Insurance Brokers Limited	– (2,439,351)	–	–	– (2,439,351)
IIFL Realty Limited	– (5,494,208)	–	–	– (5,494,208)
India Infoline Insurance Services Limited	– (385,709)	–	–	– (385,709)
India Infoline Limited (Formerly known as India Infoline Distribution Co. Limited)	– (1,708)	–	–	– (1,708)
Interest Expenses - ICD				
India Infoline Finance Limited	– (4,673,014)	–	–	– (4,673,014)
IIFL Wealth Management Limited	– (325,561)	–	–	– (325,561)
Rent Expenses				
IIFL Realty Limited	– (600,000,000)	–	–	– (600,000,000)
Madhu Jain	–	–	–	–
	–	–	(456,000)	(456,000)
Aditi Venkataraman	–	–	–	–
	–	–	(1,800,000)	(1,800,000)
Referral Fees / Authorised Person / Marketing Expenses / SMS Expenses/Arrange Fees/IPO Brokerage Expenses				
IIFL Wealth Management Limited	– (273,846,920)	–	–	– (273,846,920)
IIFL Realty Limited	– (677,021)	–	–	– (677,021)
IIFL Securities Pte Limited	– (210,486,127)	–	–	– (210,486,127)
ICD Taken				
India Infoline Finance Limited	– (3,310,000,000)	–	–	– (3,310,000,000)
ICD Taken Repaid				
India Infoline Finance Limited	– (3,310,000,000)	–	–	– (3,310,000,000)
ICD Given				
India Infoline Finance Limited	– (2,000,000,000)	–	–	– (2,000,000,000)
ICD Given Received Back				
India Infoline Finance Limited	– (2,000,000,000)	–	–	– (2,000,000,000)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Sale of Stock				
IIFL Wealth Management Limited	–	–	–	–
	(21,664,754)	–	–	(21,664,754)
Advance Taken (MAX.)				
IIFL Capital Limited	–	–	–	–
	(4,000,000)	–	–	(4,000,000)
IIFL Wealth Management Limited	–	–	–	–
	(209,002,402)	–	–	(209,002,402)
India Infoline Asset management Company Limited	–	–	–	–
	(6,011,449)	–	–	(6,011,449)
India Infoline Commodities Limited	–	–	–	–
	(1,698,100,000)	–	–	(1,698,100,000)
India Infoline Limited (Formerly Known as India Infoline Distribution Co Ltd)	–	–	–	–
	(728,510)	–	–	(728,510)
India Infoline Insurance Brokers Limited	–	–	–	–
	(232,050,000)	–	–	(232,050,000)
India Infoline Insurance Services Limited	–	–	–	–
	(16,479,623)	–	–	(16,479,623)
India Infoline Media and Research Services Limited	–	–	–	–
	(32,114,970)	–	–	(32,114,970)
India Infoline Finance Limited	–	–	–	–
	(154,891,497)	–	–	(154,891,497)
IIFL Realty Limited	–	–	–	–
	(321,984,500)	–	–	(321,984,500)
Advance Taken Returned (MAX.)				
IIFL Capital Limited	–	–	–	–
	(4,000,000)	–	–	(4,000,000)
IIFL Wealth Management Limited	–	–	–	–
	(209,002,402)	–	–	(209,002,402)
India Infoline Asset management Company Limited	–	–	–	–
	(6,011,449)	–	–	(6,011,449)
India Infoline Commodities Limited	–	–	–	–
	(1,698,100,000)	–	–	(1,698,100,000)
India Infoline Limited (Formerly Known as India Infoline Distribution Co Ltd)	–	–	–	–
	(728,510)	–	–	(728,510)
India Infoline Insurance Brokers Limited	–	–	–	–
	(232,050,000)	–	–	(232,050,000)
India Infoline Insurance Services Limited	–	–	–	–
	(16,479,623)	–	–	(16,479,623)
India Infoline Media and Research Services Limited	–	–	–	–
	(32,114,970)	–	–	(32,114,970)
India Infoline Finance Limited	–	–	–	–
	(154,891,497)	–	–	(154,891,497)
IIFL Realty Limited	–	–	–	–
	(321,984,500)	–	–	(321,984,500)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Advance Given (Max.)				
IIFL Distribution Services Private Limited	–	–	–	–
(Formerly Finest Wealth Managers Private Limited)	(50,000)	–	–	(50,000)
IIFL Capital Limited	–	–	–	–
	(6,295,930)	–	–	(6,295,930)
IIFL Investments Advisors and Trustee Services Limited	–	–	–	–
	(50,000)	–	–	(50,000)
IIFL Wealth Management Limited	–	–	–	–
	(580,231,620)	–	–	(580,231,620)
India Infoline Asset management Company Limited	–	–	–	–
	(10,500,000)	–	–	(10,500,000)
India Infoline Commodities Limited	–	–	–	–
	(200,400,000)	–	–	(200,400,000)
India Infoline Limited (Formerly Known as India Infoline Distribution Co Ltd)	–	–	–	–
	(728,510)	–	–	(728,510)
India Infoline Insurance Brokers Limited	–	–	–	–
	(124,361,501)	–	–	(124,361,501)
India Infoline Media and Research Services Limited	–	–	–	–
	(371,804,220)	–	–	(371,804,220)
India Infoline Finance Limited	–	–	–	–
	(3,426,312,414)	–	–	(3,426,312,414)
IIFL (Asia) Pte Ltd	–	–	–	–
	(81,978,698)	–	–	(81,978,698)
India Infoline Housing Finance Ltd	–	–	–	–
	(1,800,000)	–	–	(1,800,000)
IIFL Realty Limited	–	–	–	–
	(264,250,000)	–	–	(264,250,000)
Advance Given Received Back (Max.)				
IIFL Distribution Services Private Limited	–	–	–	–
(Formerly Finest Wealth Managers Private Limited)	(50,000)	–	–	(50,000)
IIFL Capital Limited	–	–	–	–
	(6,295,930)	–	–	(6,295,930)
IIFL Investments Advisors and Trustee Services Limited	–	–	–	–
	(50,000)	–	–	(50,000)
IIFL Wealth Management Limited	–	–	–	–
	(580,231,620)	–	–	(580,231,620)
India Infoline Asset management Company Limited	–	–	–	–
	(10,500,000)	–	–	(10,500,000)
India Infoline Commodities Limited	–	–	–	–
	(200,400,000)	–	–	(200,400,000)
India Infoline Limited (Formerly Known as India Infoline Distribution Co. Ltd)	–	–	–	–
	(728,510)	–	–	(728,510)
India Infoline Insurance Brokers Limited	–	–	–	–
	(124,361,501)	–	–	(124,361,501)
India Infoline Media and Research Services Limited	–	–	–	–
	(371,804,220)	–	–	(371,804,220)
India Infoline Finance Limited	–	–	–	–
	(3,426,312,414)	–	–	(3,426,312,414)
IIFL (Asia) Pte Ltd.	–	–	–	–
	(134,410,566)	–	–	(134,410,566)
India Infoline Housing Finance Ltd	–	–	–	–
	(1,800,000)	–	–	(1,800,000)
IIFL Realty Limited	–	–	–	–
	(268,209,032)	–	–	(268,209,032)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Allocation / Reimbursement of expenses Paid				
IIFL Capital Limited	–	–	–	–
	(4,534,282)	–	–	(4,534,282)
India Infoline Media and Research Services Limited	–	–	–	–
	(4,491,658)	–	–	(4,491,658)
India Infoline Housing Finance Ltd	8,861,138	–	–	8,861,138
	–	–	–	–
Others Paid				
IIFL Wealth Management Limited	–	–	–	–
	(168,035)	–	–	(168,035)
India Infoline Asset management Company Limited	–	–	–	–
	(45,437)	–	–	(45,437)
India Infoline Commodities Limited	–	–	–	–
	(34,169,488)	–	–	(34,169,488)
India Infoline Insurance Brokers Limited	–	–	–	–
	(5,800)	–	–	(5,800)
India Infoline Insurance Services Limited	–	–	–	–
	(61,409)	–	–	(61,409)
India Infoline Media and Research Services Limited	–	–	–	–
	(147,434,859)	–	–	(147,434,859)
India Infoline Finance Limited	–	–	–	–
	(261,979,230)	–	–	(261,979,230)
IIFL Realty Limited	–	–	–	–
	(4,188)	–	–	(4,188)
India Infoline Housing Finance Ltd	1,243,236	–	–	1,243,236
	–	–	–	–
Allocation / Reimbursement of expenses Received				
IIFL Capital Limited	–	–	–	–
	(1,013,692)	–	–	(1,013,692)
IIFL Wealth Management Limited	–	–	–	–
	(148,160,200)	–	–	(148,160,200)
India Infoline Asset management Company Limited	–	–	–	–
	(3,763,492)	–	–	(3,763,492)
India Infoline Commodities Limited	–	–	–	–
	(521,324,046)	–	–	(521,324,046)
India Infoline Insurance Brokers Limited	–	–	–	–
	(300,321,801)	–	–	(300,321,801)
India Infoline Insurance Services Limited	–	–	–	–
	(2,825,331)	–	–	(2,825,331)
India Infoline Finance Limited	–	–	–	–
	(806,628,353)	–	–	(806,628,353)
IIFL Realty Limited	–	–	–	–
	(131,849,776)	–	–	(131,849,776)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(b) Transactions with Related Parties

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Others Received				
IIFL Alternate Assets Advisors Limited	– (359,991)	–	–	– (359,991)
IIFL Investments Advisors and Trustee Services Limited	– (79,614)	–	–	– (79,614)
IIFL Wealth Management Limited	– (26,331,486)	–	–	– (26,331,486)
India Infoline Asset management Company Limited	– (2,626,259)	–	–	– (2,626,259)
India Infoline Insurance Brokers Limited	– (24,527,474)	–	–	– (24,527,474)
India Infoline Media and Research Services Limited	– (139,008,619)	–	–	– (139,008,619)
India Infoline Finance Limited	– (72,299,374)	–	–	– (72,299,374)
India Infoline Housing Finance Ltd	– (678,041)	–	–	– (678,041)
IIFL Realty Limited	– (3,555,311)	–	–	– (3,555,311)
India Infoline Housing Finance Ltd	58,169	–	–	58,169
IIFL Distribution Services Ltd	– (1,931,542)	–	–	– (1,931,542)

(c) Outstanding as on March 31, 2014

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
India Infoline Finance Limited	– (383,016,677)	–	–	– (383,016,677)
IIFL Wealth Management Limited	– (8,133,244)	–	–	– (8,133,244)
Nirmal Jain	–	– (10,195)	–	– (10,195)
R. Venkataraman	–	– (6,245)	–	– (6,245)
Aditi Venkataraman	–	–	– (8,415)	– (8,415)
Madhu N Jain	–	–	– (15,320)	– (15,320)
Sundry Receivables				
India Infoline Commodities DMCC	2,184,733 (2,184,733)	–	–	2,184,733 (2,184,733)
India Infoline Limited (Formerly Known As India Infoline Distribution Company Limited)	188,221,810	–	–	188,221,810

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(c) Outstanding as on March 31, 2014

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Investments in subsidiaries				
IIFL (Asia) Pte. Limited	794,468,382	–	–	794,468,382
	(794,468,382)	–	–	(794,468,382)
IIFL Alternate Asset Advisors Limited	–	–	–	–
	(500,000)	–	–	(500,000)
IIFL Capital Ceylon Limited	–	–	–	–
	(8,449,463)	–	–	(8,449,463)
IIFL Capital Limited	120,500,000	–	–	120,500,000
	(120,500,000)	–	–	(120,500,000)
IIFL Inc. (USA)	46,885,622	–	–	46,885,622
	(46,885,622)	–	–	(46,885,622)
IIFL Private Wealth (Mauritius) Ltd	3,229,076	–	–	3,229,076
	(3,229,076)	–	–	(3,229,076)
IIFL Private Wealth Hong Kong Limited	43,607,791	–	–	43,607,791
	(43,607,791)	–	–	(43,607,791)
IIFL Private Wealth Management (Dubai) Ltd.	42,436,895	–	–	42,436,895
	(42,436,895)	–	–	(42,436,895)
IIFL Realty Limited	605,175,000	–	–	605,175,000
	(605,175,000)	–	–	(605,175,000)
IIFL Securities Ceylon (Pvt) Limited	–	–	–	–
	(31,899,159)	–	–	(31,899,159)
IIFL Wealth (UK) Limited	11,197,657	–	–	11,197,657
	(11,197,657)	–	–	(11,197,657)
IIFL Wealth Management Limited	225,000,000	–	–	225,000,000
	(225,000,000)	–	–	(225,000,000)
India Infoline Asset Management Company Limited	–	–	–	–
	(175,000,000)	–	–	(175,000,000)
India Infoline Commodities DMCC	11,755,102	–	–	11,755,102
	(11,755,102)	–	–	(11,755,102)
India Infoline Commodities Limited	20,000,000	–	–	20,000,000
	(20,000,000)	–	–	(20,000,000)
India Infoline Finance Ltd	9,723,150,400	–	–	9,723,150,400
	(9,723,150,400)	–	–	(9,723,150,400)
India Infoline Media And Research Services Limited	500,000	–	–	500,000
	(500,000)	–	–	(500,000)
India Infoline Insurance Brokers Limited	5,000,004	–	–	5,000,004
	(5,000,004)	–	–	(5,000,004)
India Infoline Insurance Services Limited	10,000,008	–	–	10,000,008
	(10,000,008)	–	–	(10,000,008)
IIFL Private Wealth (Suisse) SA	5,815,000	–	–	5,815,000
	(5,815,000)	–	–	(5,815,000)
IIFL Capital Inc	40,293,000	–	–	40,293,000
	(17,525,000)	–	–	(17,525,000)
India Infoline Trustee Company Limited	–	–	–	–
	(3,000,000)	–	–	(3,000,000)
India Infoline Limited (Formerly Known As	953,125,800	–	–	953,125,800
India Infoline Distribution Company Limited)	(85,126,000)	–	–	(85,126,000)

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

(c) Outstanding as on March 31, 2014

(Amount in ₹)

Nature of transaction	Subsidiaries	Key Managerial Personnel	Other Related Party	Total
Corporate Guarantee – US \$				
IIFL Inc	141,414	–	–	141,414
	(141,414)	–	–	(141,414)
Corporate Guarantee - ₹				
India Infoline Commodities Limited	1,350,000,000	–	–	1,350,000,000
	(1,350,000,000)	–	–	(1,350,000,000)
India Infoline Housing Finance Limited	–	–	–	–
	(1,600,000,000)	–	–	(1,600,000,000)
IIFL Realty Ltd	4,650,000,000	–	–	4,650,000,000
	(2,060,000,000)	–	–	(2,060,000,000)
India Infoline Finance Ltd	56,650,000,000	–	–	56,650,000,000
	(54,450,000,000)	–	–	(54,450,000,000)

Note: 33. EARNINGS AND EXPENSES IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	2013-2014	2012-2013
Earnings in Foreign Currency		
Investment Banking & Research Income	–	–
Expenses in Foreign Currency		
Advertisement Expenses	–	–
Business promotion	–	–
Communication Expenses	–	5,153,266
Marketing Expenses	–	210,486,127
Membership & Subscription	–	1,610,383
Office Expenses	–	639,736
Professional Fees	–	1,012,666
Postage & Courier Expenses	–	23,812
Printing & Stationery Expenses	–	51,635
Rent Expenses	–	491,811
Software Charges	–	11,662,193
Salaries	–	2,332,150
Staff Welfare Expenses	–	–
Travelling Expenses	–	919,969
Wire Services	–	10,005,794
Total Expenses	–	244,389,542

During the year the company remitted the dividend in foreign currency for F.Y 2013-14. The details are under.

(Amount in ₹)

Particulars	2013-14	2012-13	
	Interim Dividend	Interim Dividend	
Type of Dividend	F.Y 2013-14	F.Y 2011-12	F.Y 2012-13
Number of Non-resident shareholder	5	8	5
Number of shares held by them	2,050,300	2,582,030	450,730
Gross amount of dividend	6,150,900	3,873,045	1,352,190

Standalone Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 34. SHARE APPLICATION MONEY PENDING ALLOTMENT:

The Company has received ₹356,300/- towards share application on exercise of ESOP's which will result in an issue of 7,000 shares of face value of ₹2 each. Of the total receipt ₹342,300 has been received towards securities premium. The Company has sufficient authorised capital to cover these allotment. These shares have since been allotted.

Note: 35.

Previous year figures have been regrouped, reclassified & rearranged, wherever considered necessary to confirm to current year's presentation.

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

Statement relating to subsidiary companies pursuant to approval granted U/S 212 (8) of the Companies Act, 1956

Figures are in millions

Particulars	India Infoline Finance Ltd	IIFL Realty Ltd	India Infoline Media and Research Services Limited	IIFL Wealth Management Ltd	India Infoline Insurance Services Ltd	India Infoline Commodities Ltd	India Infoline Limited (Formerly known as India Infoline Distribution Company Ltd)	India Infoline Housing Finance Limited	India Infoline Insurance Brokers Ltd	India Infoline Trustee Company Limited	IIFL Capital Ltd	IIFL Distribution Services Private Limited	India Infoline Asset Management Company Ltd	IIFL Alternate Asset Advisors Limited	IIFL Investment Advisors And Trustee Services Limited	IIFL (Asia) Pre. Ltd	
																INR	S \$
1 Share Capital	2,371.5	90.0	0.5	114.8	2.8	2.1	169.0	1,659.0	5.0	5.0	30.5	0.1	185.0	0.5	2.3	1,186.2	25.0
2 Reserves	14,112.8	652.5	137.6	893.4	214.5	108.8	899.1	1,517.8	36.4	(2.9)	110.5	40.6	5.5	53.6	(6.0)	(322.3)	(6.8)
3 Total Assets	117,030.0	4,454.1	253.5	1,639.0	217.6	958.7	10,734.4	12,068.5	352.2	2.1	158.8	62.3	203.9	114.9	7.6	1,260.5	26.6
4 Total Liabilities	117,030.0	4,454.1	253.5	1,639.0	217.6	958.7	10,734.4	12,068.5	352.2	2.1	158.8	62.3	203.9	114.9	7.6	1,260.5	26.6
5 Investments (other than investment in subsidiaries)	8,439.6	-	-	549.7	-	214.0	1,022.0	205.4	-	-	-	0.1	50.5	100.0	-	-	-
6 Total Turnover	18,653.3	1,214.8	430.7	2,137.3	31.5	478.1	4,061.8	1,134.4	551.5	0.2	45.8	65.5	120.0	188.1	3.4	20.4	0.4
7 Profit/(Loss) before taxation	2,673.5	286.0	(4.5)	616.7	18.5	25.7	177.6	439.5	(130.9)	(0.5)	17.4	7.4	65.7	68.0	(14.3)	(41.6)	(0.9)
8 Provision for taxation (including deferred tax)	878.9	99.3	(2.2)	207.5	2.1	2.0	56.9	129.0	(42.6)	-	5.8	2.3	2.8	23.1	(4.7)	90.5	2.0
9 Profit after taxation	1,794.6	186.6	(2.3)	409.2	16.5	23.7	120.7	310.5	(88.3)	(0.6)	11.5	5.1	62.8	44.8	(9.7)	(132.0)	(3.0)
10 Details of Interest in subsidiaries	98.87%	100.00%	100.00%	78.37%	100.00%	100.00%	100.00%	98.87%	100.00%	78.37%	100.00%	78.37%	78.37%	78.37%	78.37%	100.00%	

Figures are in millions

Particulars	IIFL Securities Pte. Ltd		IIFL Capital Pte. Ltd			IIFL Inc			IIFL Capital Inc			India Infoline Commodities DMCC			IIFL Private wealth Management (Dubai) Ltd			IIFL Wealth (UK) Ltd			IIFL Private Wealth Hong Kong Ltd			IIFL Private Wealth (Mauritius) Ltd			IIFL Private Wealth (Suisse) SA		
	INR	S \$	INR	S \$		INR	USD		INR	USD		INR	AED		INR	AED		INR	£		INR	HKD		INR	USD		INR	CHF	
1 Share Capital	523.3	11.0	251.5	5.3		0.0	0.0	0.0	0.0	0.0	0.0	11.8	1.0	3.4	42.4	1.0	0.2	11.2	0.2	43.6	6.5	3.2	0.1	5.8	0.1				
2 Reserves	21.9	0.5	(212.3)	(4.5)		59.3	1.0	22.4	0.4	0.4	0.4	9.1	(4.4)	(2.6)	(29.4)	(4.4)	2.9	(0.0)	(14.7)	(2.7)	34.8	0.6	(2.3)	(0.0)					
3 Total Assets	546.0	11.5	49.5	1.0		63.1	1.0	31.2	0.5	0.5	0.4	7.0	0.4	0.9	15.1	0.4	17.4	0.2	29.6	3.8	58.4	1.0	3.7	0.1					
4 Total Liabilities	546.0	11.5	49.5	1.0		63.1	1.0	31.2	0.5	0.5	0.4	7.0	0.4	0.9	15.1	0.4	17.4	0.2	29.6	3.8	58.4	1.0	3.7	0.1					
5 Investments (other than investment in subsidiaries)	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
6 Total Turnover	156.5	3.4	62.3	1.4		68.0	1.2	30.0	0.5	0.5	-	-	-	2.8	42.7	-	49.5	0.5	4.7	0.6	223.6	3.9	0.0	0.0					
7 Profit/(Loss) before taxation	77.3	1.7	5.7	0.1		9.5	0.2	(21.7)	(0.4)	(0.4)	(1.3)	(0.1)	(0.1)	(0.7)	(10.9)	(0.1)	3.0	0.0	(12.1)	(1.6)	(16.3)	(0.3)	(0.7)	(0.0)					
8 Provision for taxation (including deferred tax)	-	-	-	-		4.0	0.1	(3.6)	(0.1)	(0.1)	-	-	-	-	-	-	0.2	0.0	-	-	-	-	0.0	0.0					
9 Profit after taxation	77.3	1.7	5.7	0.1		5.6	0.1	(18.0)	(0.3)	(0.3)	(1.3)	(0.1)	(0.1)	(0.7)	(10.9)	(0.1)	2.8	0.0	(12.1)	(1.6)	(16.3)	(0.3)	(0.7)	(0.0)					
10 Details of Interest in subsidiaries	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

Note : 1. All subsidiaries have common year end of March 31, 2014 hence no additional information U/S 212(5) has been disclosed

2. IIFL Securities Ceylon (Pvt) Limited was related party upto December 30, 2013.

3. IIFL Capital Ceylon Limited was related party upto March 20, 2014.

Independent Auditor's Report

To The Board of Directors,
IIFL Holdings Limited (Formerly India Infoline Limited)

We have audited the accompanying consolidated financial statements of **IIFL Holdings Limited** (Formerly India Infoline Limited) ("the Company") and its subsidiaries, which comprise the consolidated balance sheet as at 31 March 2014, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of ₹208,16,36,262/- and total revenues of ₹65,78,09,066/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished by the Management and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

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

Tirtharaj Khot
Partner

Place: Mumbai
Date : May 13, 2014

Membership No. (F) 037457

Consolidated Balance Sheet as at March 31, 2014

(Amount in ₹)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	592,398,006	590,459,766
(b) Reserve and Surplus	4	20,926,004,216	18,996,310,876
(c) Money received against share warrants		–	–
Sub total		21,518,402,222	19,586,770,642
(2) Share application money pending allotment		356,300	–
(3) Minority Interest		428,181,611	337,602,155
(4) Non Current Liabilities			
(a) Long-term borrowings	5	60,194,395,700	44,004,007,991
(b) Deferred tax liabilities (Net)		–	–
(c) Other long-term liabilities	6	78,138,108	587,324,257
(d) Long-term provisions	7	370,070,980	274,087,971
Sub total		60,642,604,788	44,865,420,219
(5) Current liabilities			
(a) Short-term borrowings	8	28,090,656,614	37,346,681,081
(b) Trade payables	9	8,544,069,544	7,862,065,093
(c) Other current liabilities	6		
- Current portion of long term borrowing		16,878,194,159	14,400,192,272
- Others		8,594,333,688	5,651,332,855
(d) Short-term provisions	7	1,043,219,428	984,862,331
Sub total		63,150,473,433	66,245,133,632
TOTAL		145,740,018,354	131,034,926,648
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	4,364,883,702	4,316,021,424
(ii) Intangible assets	11	24,414,754	1,066,433
(iii) Capital work-in-progress		237,795,495	138,054,036
(iv) Goodwill		332,198,489	332,198,489
(iv) Intangible assets under development		–	–
Sub total		4,959,292,440	4,787,340,382
(b) Non-current investments	12	4,356,990,973	5,285,152,253
(c) Deferred tax assets (Net)	13	851,857,328	729,048,102
(d) Long-term loans & advances	14		
- Loans		38,968,895,382	31,580,685,984
- Others		1,815,764,576	2,556,083,921
(e) Other non-current assets	15	249,221,084	139,049,118
Sub total		46,242,729,343	40,290,019,378
(2) Current assets			
(a) Current investments	16	5,758,631,564	6,000,685,117
(b) Inventories	17	581,273,369	694,068,438
(c) Trade receivables	18	4,492,094,011	2,995,743,222
(d) Cash and Bank balances	19	14,121,993,042	13,984,917,269
(e) Short-term loans & advances	14		
- Loans		62,924,777,263	56,151,805,672
- Others		5,552,162,475	4,677,885,149
(f) Other current assets	15	1,107,064,847	1,452,462,021
Sub total		94,537,996,571	85,957,566,888
TOTAL		145,740,018,354	131,034,926,648
See accompanying notes forming part of the Financial statements	1- 38		

As per our attached report of even date

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

For and on behalf of the Board of Directors

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place : Mumbai
Dated: May 13, 2014

Nirmal Jain
Chairman

R. Venkataraman
Managing Director

Dhruv Jain
Chief Financial Officer

Sunil Lotke
Company Secretary



Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

Particulars	Note No.	2013-14	2012-13
INCOME			
Revenue from operations			
Fund based activities		20,271,759,363	18,166,955,124
Financial products distribution		4,484,284,459	2,888,825,372
Capital market activities		3,462,917,584	5,525,320,623
Other Income	20	153,934,640	71,505,566
Total Revenue		28,372,896,046	26,652,606,685
EXPENDITURE			
a. Employee benefits expense	21	4,937,909,704	5,329,107,900
b. Finance cost	22	11,532,282,404	8,692,490,460
c. Depreciation and amortisation expense	23	678,935,116	839,268,679
d. Other expenses	24	6,585,706,280	7,461,252,412
e. Provisions and Write off	25	439,961,727	326,226,052
Total expenses		24,174,795,231	22,648,345,503
Profit before exceptional items		4,198,100,815	4,004,261,182
Exceptional items		–	–
Profit before tax		4,198,100,815	4,004,261,182
Tax expenses			
(a) Current tax expense for current year		1,593,884,677	1,429,957,228
(b) Current tax expense relating to prior year		(8,073,423)	17,803,592
(c) Net current tax expense		1,585,811,254	1,447,760,820
(d) Deferred tax		(301,542,055)	(236,850,462)
Sub total		1,284,269,199	1,210,910,358
Profit / (loss) for the year		2,913,831,616	2,793,350,824
Less: Share of Minority Interest		133,038,176	71,354,612
Net consolidated profit for the year		2,780,793,440	2,721,996,212
Earnings per equity share (Face Value ₹2)			
(1) Basic	26	9.41	9.37
(2) Diluted	26	9.14	9.22
See accompanying notes Forming Part of Financial Statements	1- 38		

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

Particulars	As at March 31, 2014		As at March 31, 2013	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation, and exceptional items		4,198,100,815		4,004,261,183
Adjustments for:				
Depreciation & Amortisation	678,935,116		839,268,679	
Provisions for gratuity	15,984,553		31,107,565	
Provisions for leave encashment	24,203,486		(768,652)	
Provision for doubtful debts	(2,442,156)		70,898,227	
Provision for doubtful loans	275,864,830		194,752,763	
Contingent Provision against standard assets	76,495,100		60,667,950	
(Profit)/ loss on sale of assets	30,805,263		-	
Loss on sale of subsidiary	4,761,119		-	
Deferred employee compensation	-		(12,238,526)	
Finance Cost	11,532,282,404	12,636,889,715	8,692,490,460	9,876,178,466
Operating profit before working capital changes		16,834,990,530		13,880,439,649
(Increase) / Decrease in trade receivables		(1,493,908,634)		679,957,526
(Increase) / Decrease in provision		114,152,067		352,214,024
Increase / (Decrease) in trade payable		682,004,451		(169,838,029)
Increase / (Decrease) in other current Liability		2,225,386,354		(3,567,402,739)
Increase / (Decrease) in loans and advances and other Assets		(17,496,828,813)		(28,746,271,253)
Cash generated from operations		865,795,955		(17,570,900,822)
Tax (Paid) / Refund		(1,497,785,338)		(1,482,736,094)
Net cash used in operating activities		(631,989,383)		(19,053,636,916)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/Sale of fixed assets (includes intangible assets)		(725,610,945)		(393,917,816)
(Purchase)/Sale of Non-current Investments		940,898,984		(2,288,643,792)
(Purchase)/Sale of Current Investments		242,053,553		(2,151,753,252)
(Purchase)/Sale of Inventories		112,795,069		1,549,254,851
Proceed from Sale of investment in subsidiary		26,482,915		-
Net cash from / (used in) investing activities		596,619,576		(3,285,060,009)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital (includes minority share capital)		39,504,613		283,537,512
Proceed from Share Application Money		356,300		-
Foreign exchange fluctuation		151,225,276		(27,964,714)
(Repayment) / Proceeds of Long term borrowings		18,668,389,596		19,094,096,471
(Repayment) / Proceeds of Short term borrowings		(9,256,024,467)		16,839,314,211
Dividend (Incl dividend distribution tax)		(1,102,957,383)		(1,077,848,732)
Finance cost paid		(8,328,048,355)		(7,354,932,022)
Net cash from financing activities		172,445,580		27,756,202,726
Net increase in cash and cash equivalents				
Cash and cash equivalents at beginning of period		13,984,917,269		8,607,544,119
Cash and cash equivalents at end of period		14,121,993,042		14,025,049,920
Net increase in cash and cash equivalents		137,075,773		5,417,505,802
Cash and cash equivalents include :				
Cash on hand		226,178,443		1,291,690,524
Bank balances		9,381,525,798		7,226,318,613
Fixed deposits		4,514,288,802		5,507,040,783

- Cash flow statement has been prepared under the indirect method of as set out in the Accounting standard (AS-3) "Cash Flow Statements"
- Fixed Deposit with shedule banks includes ₹4,443,402,484 (previous Year 2,884,312,420/-) Pledged for bank guarantee / overdraft facilities, Securitisation as lien and with the stock exchange.
- Previous year's figure are re-grouped /re-arrange wherever considered necessary.

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

For and on behalf of the Board of Directors

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 1. CORPORATE INFORMATION

IIFL Holdings Limited(Formerly known as India Infoline Limited) was incorporated on October 18, 1995 and is now the apex holding company of the entire IIFL Group. The groups business consist of finance and financial Services, distribution of financial products, wealth management services are carried out by its various subsidiaries.

Note: 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation:

a) Basis of preparation:

The individual Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended March 31, 2014 of IIFL Holdings Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' as prescribed by companies (Accounting standard) Rules, 2006. The financial statements have been prepared under historical cost convention on an accrual basis.

b) Principles of consolidation:

The financial statements of the group companies of IIFL Holdings Limited have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the Previous Year by the Company.

c) The list of subsidiaries that have been consolidated are given in note no 27

2.2 Use of estimates:

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

2.3 Fixed Asset and Depreciation :

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below, or the rates specified in accordance with the provisions of schedule XIV of the Companies Act, 1956, which-ever is higher.

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.

Individual assets / group of similar assets costing up to ₹5,000 has been depreciated in full in the year of purchase.

Leasehold land is depreciated on a straight line basis over the leasehold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Buildings	20
Computers	3
Non compete fees	5
Electrical & office equipment	5
Furniture and fixtures	5
Vehicles	5
Software	3

2.4 Translation of foreign currency items :

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

2.5 Revenue recognition:

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

- Brokerage income earned on secondary market operations is accounted on trade dates.
- Interest Income is recognized on accrual basis.

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

- c. Dividend income is recognized when the right to receive payment is established on balance sheet date.
- d. Depository related, Investment banking related and Income in respect of other heads is accounted on accrual basis.
- e. Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following;
 - (i) Profit / loss on sale of securities is determined based on the FIFO cost of the securities sold.
 - (ii) Profit / loss on arbitrage transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Currency Futures and or Equity Index / Stock Options / Currency Options which are released on final settlement/squaring-up of underlying contracts are disclosed under other current assets. "Mark-to-market margin- Equity Index / Stock Futures / Currency Futures" representing the amounts paid in respect of mark to market margin is disclosed under other current assets.

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis (e.g. Nifty, SBI, HDFC) with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

- a) Brokerage income from commodities trading is accounted for on the dates of respective trades.
- b) Commission income on first year premium on insurance policies is recognised, when an insurance policy sold by the Company is accepted by the principal insurance company. Renewal commission on policies is accounted for on receipt basis.
- c) Investment banking related income is accounted on accrual basis.
- d) Portfolio management fee are accounted on accrual basis as follows :

In case of percentage based fee, in accordance with portfolio Management Agreement entered with the respective clients, on quarterly basis.

Distribution fee / commission and other fee is recognised on accrual basis in accordance with the terms agreed with the counter party.

- e) Mortgages and loan :

The group complies, in all material respects, with the Prudential Norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for bad and doubtful debts, specified in the directions issued by the Reserve Bank of India/National Housing Bank as applicable.

Dealer / agent commission paid or payable is recognised as expense as and when it is incurred.

- f) Revenue from Online Media is recognized pro-rata, over the contractual /subscription period.

2.6 Employee Benefits:

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

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

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.7 Deferred Employee Stock Compensation:

The stock options granted by the Company are accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase) Guidelines, 1999 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 is charged to the Statement of Profit and Loss on a straight line basis over the vesting period of the options.

2.8 Provisions, Contingent Liabilities and Contingent Assets:

For its NBFC Subsidiary India Infoline Finance Limited (IIFL), Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Provision on Standard Assets is made as per notification no. DNBS.PD.CC. No.207/03.02.002/2010-2011 dated January 17, 2011 issued by RBI.



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

For its Housing Finance subsidiary India Infoline Housing Finance Limited (IIHFL), Non performing loans are written off / provided for, as per management estimates subject to the minimum provision required as per National Housing Bank (NHB) directions . Provision on standard assets is made as per notification issued by NHB. All such provision are classified as long term provision.

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

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

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

2.9 Taxes on income:

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

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

2.10 Operating leases:

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

2.11 Investments:

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

2.12 Inventories:

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

2.13 Earnings per share:

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

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

2.14 Borrowings:

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

2.15 Debenture Issue Expenses:

Debenture issue expenses incurred on public issue of non convertible debentures are amortized on weighted average tenure of the underlying debenture.

In case of private placement of non convertible debentures the same is charged to the profit and loss account in the year in which they are incurred.

2.16 Preliminary Expenses

Preliminary Expenses are written off in the financial year in which it is incurred.

2.17 Assignment of loan portfolio:

Derecognition 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.

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 3. SHARE CAPITAL

a. The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹2 as follows: (Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised :		
600,000,000 (Previous Year - 600,000,000) Equity Shares of ₹2 each	1,200,000,000	1,200,000,000
Issued , Subscribed and Paid Up :		
296,199,003 (Previous Year - 295,229,883) Equity Shares of ₹2 each fully paid – up	592,398,006	590,459,766
Total	592,398,006	590,459,766

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Reconciliation of equity shares :	As at March 31, 2014		As at March 31, 2013	
Particulars	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the beginning of the Period	295,229,883	590,459,766	289,024,203	578,048,406
Add:- Issued during the period on exercise of ESOPs	969,120	1,938,240	6,205,680	12,411,360
Outstanding at the end of the year	2,96,199,003	592,398,006	295,229,883	590,459,766

c. Terms/rights attached to equity shares

The Company has only one class of equity shares having at par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹3/- (Previous Year ₹3/-)

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

Name of the shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹2 each fully paid				
Nirmal Bhanwarlal Jain	51,252,000	17.30	51,252,000	17.36
Venkataraman Rajamani	19,909,432	6.72	19,909,432	6.74
Madhu N Jain	17,000,000	5.74	16,975,000	5.74
Carlyle Mauritius Investment Advisors Ltd.				
A/C Carlyle Mauritius III	28,761,409	9.71	28,761,409	9.74
HWIC Asia Fund Class A Shares	27,910,000	9.42	27,910,000	9.45
Bharat H Parajia	16,221,778	5.48	16,221,778	5.49

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

Particulars	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	No. Shares	No. Shares	No. Shares	No. Shares	No. Shares
Equity shares bought back by the company	–	–	–	12,998,877	–

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 31



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 4. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Securities Premium Account		
Opening balance	11,449,417,511	9,567,537,109
Add : Additions on ESOP's exercised	43,003,308	271,126,152
Add : addition account of issue of shares to minority shareholders	39,690,000	–
Add : Due to India Infoline Marketing Limited Merger (Refer note below)	–	1,574,620,000
Add: Transfer from Share Option Outstanding Account	–	36,134,250
Less: Adjusted during the year for Minority Interest	(7,863,776)	–
Closing balance	11,524,247,043	11,449,417,511
General Reserve		
Opening balance	1,202,127,324	743,000,000
Add : Adjustments arising out of reorganisation/ closure of funds	–	153,127,324
Add: Adjustment arising on account of sale of Subsidiary	13,926,131	–
Add: Transferred from surplus in Statement of Profit and Loss	341,500,000	306,000,000
Less: Adjusted during the year for Minority Interest	(1,220,988)	–
Closing balance	1,556,332,467	1,202,127,324
Special Reserve***		
Opening balance	1,103,000,000	725,000,000
Addition during the year	427,200,000	378,000,000
Closing balance	1,530,200,000	1,103,000,000
*** Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 and section 29C of National Housing Bank Act, 1987)		
Share Options outstanding account		
Gross employee stock compensation for options granted in earlier years	–	52,264,311
Less:- Written back to Statement of Profit and Loss during the year	–	(16,130,061)
Less:- Transferred to Securities premium account	–	(36,134,250)
Closing balance	–	–
Foreign Exchange Fluctuation Reserve		
Opening balance	218,672,875	246,637,589
Add / (Less): Effect of foreign exchange rate variations during the year	136,168,002	(27,964,714)
Closing balance	354,840,877	218,672,875
Capital Reserve		
Opening balance	433,698,701	1,992,320,000
Addition during the year	–	–
Add: Reorganization of Subsidiary	–	35,998,701
Less: Utilised during the year*	–	(1,594,620,000)
Closing balance	433,698,701	433,698,701
Capital Redemption Reserve		
Opening balance	51,113,584	31,113,584
Add: Additions Due to India Infoline Marketing Limited Merger (Refer note below)	–	20,000,000
Closing balance	51,113,584	51,113,584
Debenture Redemption Reserve		
Opening balance	850,000,000	630,000,000
Add: Additions during the year :		
Transferred from surplus in Statement of Profit and Loss	1,189,960,055	220,000,000
Closing balance	2,039,960,055	850,000,000
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last financial statements	3,688,280,881	2,979,958,649
Profit for the year	2,913,831,616	2,793,350,825
Less:- Appropriations		
Interim Dividend	(888,072,909)	(883,094,049)
Dividend Distribution Tax	(157,829,807)	(150,463,729)
Less : Minority Interest- Current Year Profit	(133,038,176)	(71,354,612)
: Minority interest – Opening Retained Earning	(24,357,337)	–
Goodwill write off	(4,542,723)	–
Transferred to:		
Adjustments for Minority Interest and fair value	–	(76,116,203)
Special Reserve	(427,200,000)	(378,000,000)
General reserve	(341,500,000)	(306,000,000)
Debenture Redemption Reserve	(1,189,960,055)	(220,000,000)
Net Surplus in the statement of profit and loss	3,435,611,490	3,688,280,881
Total	20,926,004,216	18,996,310,876

*During the year 2012-13 the Hon'ble High Court, Bombay, vide its order dated March 1, 2013 have approved modification to the earlier scheme of amalgamation between India Infoline Marketing Services Limited, a wholly owned subsidiary, with India Infoline limited which was effective from April 1, 2011. In terms of the above order, an appropriate modification has been effected under the head "Reserves & Surplus". As per the modification, there is no change in the balance sheet and statement of profit & loss account other than inter-se treatment within Reserves & Surplus.

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5. LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured Loans				
Loan from Banks (Secured against receivables) – Refer Note 5.1 below	28,941,271,644	26,641,392,959	12,521,989,159	13,421,592,272
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 5.2 below	24,432,210,000	9,756,120,000	4,356,205,000	978,600,000
Sub total	53,373,481,644	36,397,512,959	16,878,194,159	14,400,192,272
Unsecured Loans				
Non Convertible Debentures – Refer Note 5.3 below	6,820,914,056	7,606,495,032	–	–
Amount disclosed under the head “Other current liabilities”	–	–	(16,878,194,159)	(14,400,192,272)
Sub total	6,820,914,056	7,606,495,032	(16,878,194,159)	(14,400,192,272)
Total	60,194,395,700	44,004,007,991	–	–

During the year, its subsidiaries have raised Secured Term Loans aggregating ₹17,450,000,000 /- (Previous Year ₹18,250,000,000/-) from various banks and has also raised ₹18,372,100,000/- (Previous Year ₹2,367,100,000/-) by issue of Secured Non Convertible Debentures.

Note: 5.1. TERM LOANS FROM BANKS - SECURED:

(Amount in ₹)

Maturities	Non current					
	As at March 31, 2014			As at March 31, 2013		
	1-3 years	3 years & above	Total	1-3 years	3 years & above	Total
Rate of interest *						
11.01 % to 12.00 %	16,531,360,859	5,748,710,784	22,280,071,644	11,882,334,988	3,948,373,950	15,830,708,938
12.01 % to 13.00 %	5,088,900,000	1,572,300,000	6,661,200,000	7,349,241,321	3,461,442,700	10,810,684,021
Total	21,620,260,859	7,321,010,784	28,941,271,644	19,231,576,309	7,409,816,650	26,641,392,959

*The rate of interest for the above term loans are linked to the base rates of the banks and are subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

The above loans are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. Out of the total loans from banks, loans amounting to ₹39,613,260,803/- (Previous Year ₹40,062,985,231/-) are also guaranteed by IIFL Holdings Limited (Formerly Known as India Infoline Limited) the holding company.

Note: 5.2. NON CONVERTIBLE DEBENTURES – SECURED:

(Amount in ₹)

SECURED NCD	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 19-Mar-2019 at premium.	60,000,000	–	–	–
11.00% Redeemable Non Convertible debentures of Face Value ₹1,000,000 Each Redeemable on 06-Mar-2019 at par.	100,000,000	–	–	–
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value Rs 1,000,000 Each Redeemable on 27-Feb-2019 at premium.	100,000,000	–	–	–
11.52% Non Convertible debenture of Face Value ₹1,000 Each Redeemable on 27-Dec-2018 at par.	4,904,374,000	–	–	–
12.00% Non Convertible Debentures of Face Value ₹1,000 Each Redeemable on 30-Sep-2018 at par.	278,621,000	–	–	–



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5.2. NON CONVERTIBLE DEBENTURES – SECURED:

(Amount in ₹)

SECURED NCD	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
12.00% Non Convertible Debentures of Face Value ₹1,000 Each Redeemable on 30-Sep-2018 at par.	2,810,673,000	–	–	–
10.40% Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 21-Jun-2018 at par.	100,000,000	–	–	–
10.55% Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 11-Jun-2018 at par	100,000,000	–	–	–
10.00% Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 24-May-2018 at par.	100,000,000	–	–	–
11.85% Redeemable Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 29-Apr-2017 at par.	1,050,000,000	–	–	–
Zero Coupon Secured Redeemable Non Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 29-Apr-2017 at premium.	350,000,000	–	–	–
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 2-Mar-2017 at par.	–	300,000,000	–	–
Equity Linked Non Convertible Debenture –Series 37 of Face Value ₹100,000 Each Redeemable on 21-Nov-2016 at price dependent on the value of the index	56,500,000	–	–	–
Zero Coupon Secured redeemable Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 17 Nov 2016 at premium.	350,000,000	–	–	–
Equity Linked Non Convertible Debenture-Series 36 of face value ₹100,000 Each Redeemable on 14-Nov-2016 at price dependent on the value of index.	104,800,000	–	–	–
Equity Linked Non Convertible Debenture-Series 35 of Face Value ₹100,000 Each Redeemable on 2-Nov-2016 at price dependent on the value of index.	74,100,000	–	–	–
Equity Linked Non Convertible Debenture -Series 34 of Face Value ₹100,000 Each Redeemable on 25-Oct-2016 at price dependent on the value of index.	30,500,000	–	–	–
Equity Linked Non Convertible Debenture -Series 33 of Face Value ₹100,000 each Redeemable on 24-Oct-2016 at price dependent on the value of index.	96,200,000	–	–	–
12.00% Non Convertible Debentures of Face Value ₹1,000 Each Redeemable on 29-Sep-2016 at par.	864,237,000	–	–	–
12.00% Non Convertible Debentures of Face Value ₹1,000 Each Redeemable on 29-Sep-2016 at par.	6,089,180,000	–	–	–
Equity Linked Non Convertible Debentures - Series I 32 of Face value ₹100,000 Each Redeemable on 3-Sep-2016 at price dependent on the value of index.	59,000,000	59,000,000	–	–
Equity Linked Non Convertible Debentures - Series I 31 Face value ₹100,000 Each Redeemable on 2-Sep-2016 at price dependent on the value of index.	13,000,000	13,000,000	–	–
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016 at par.	200,676,000	201,055,000	–	–
11.90 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016 at par	2,499,849,000	2,665,918,000	–	–
Equity Linked Non Convertible Debentures - Series I 30 of Face value ₹100,000 Each Redeemable on 15-Aug-2016 at price dependent on the value of index.	35,000,000	35,000,000	–	–

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5.2. NON CONVERTIBLE DEBENTURES – SECURED:

(Amount in ₹)

SECURED NCD	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Equity Linked Non Convertible Debentures - Series I 29 of Face value ₹100,000 Each Redeemable on 10-Aug-2016 at price dependent on the value of index.	52,700,000	52,700,000	–	–
Equity Linked Non Convertible Debentures - Series I 28 of Face value ₹100,000 Each Redeemable on 1-Aug-2016 at price dependent on the value of index.	26,700,000	26,700,000	–	–
Equity Linked Non Convertible Debentures - Series I 27 of Face value ₹100,000 Each Redeemable on 25-Jul-2016 at price dependent on the value of index.	85,200,000	85,200,000	–	–
Equity Linked Non Convertible Debentures - Series I 26 of Face value ₹100,000 Each Redeemable on 18-Jul-2016 at price dependent on the value of index.	148,400,000	148,400,000	–	–
Equity Linked Non Convertible Debentures - Series I 25 of Face value ₹100,000 Each Redeemable on 7-Jul-2016 at price dependent on the value of index.	144,500,000	155,500,000	–	–
Equity Linked Non Convertible Debentures - Series I 24 of Face value ₹100,000 Each Redeemable on 4-Jul-2016 at price dependent on the value of index.	388,900,000	439,000,000	–	–
Equity Linked Non Convertible Debentures - Series I 23 of Face value ₹100,000 Each Redeemable on 1-Jul-2016 at price dependent on the value of index.	28,500,000	28,500,000	–	–
Equity Linked Non Convertible Debentures - Series I 22 of Face value ₹100,000 Each Redeemable on 27-Jun-2016 at price dependent on the value of index.	175,000,000	216,500,000	–	–
Equity Linked Non Convertible Debentures - Series I 21 of Face value ₹100,000 Each Redeemable on 21-Jun-2016 at price dependent on the value of index.	86,400,000	88,900,000	–	–
Equity Linked Non Convertible Debentures - Series I 20 of Face value ₹100,000 Each Redeemable on 18-Jun-2016 at price dependent on the value of index.	289,200,000	318,700,000	–	–
11.70% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 27-Jul-2015 at premium.	100,000,000	100,000,000	–	–
11.70% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 27-Jul-2015 at premium.	150,000,000	150,000,000	–	–
Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹1,000,000 Each Redeemable on 22-Apr-2015 at premium.	200,000,000	–	–	–
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 30-Jan-2015 at premium	–	225,000,000	225,000,000	–
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 17-Dec-2014 at premium.	–	299,690,000	285,167,000	–
11.35% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 28-Nov-2014 at par.	–	150,000,000	150,000,000	–
Equity Linked Non-Convertible Debentures Series I-019 of Face value ₹100,000 Each Redeemable on 18-Oct-2014 at price dependent on the value of index.	–	41,000,000	41,000,000	–
Equity Linked Non-Convertible Debentures Series I-018 of Face value ₹100,000 Each Redeemable on 18-Oct-2014 at price dependent on the value of index.	–	77,500,000	77,500,000	–
12.25% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 15-Oct-2014 at premium.	–	300,000,000	300,000,000	–



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5.2. NON CONVERTIBLE DEBENTURES – SECURED:

(Amount in ₹)

SECURED NCD	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Equity Linked Non-Convertible Debentures Series I-015 of Face value ₹100,000 Each Redeemable on 13-Oct-2014 at price dependent on the value of index.	–	15,400,000	15,400,000	–
Equity Linked Non-Convertible Debentures Series I-014 of Face value ₹100,000 Each Redeemable on 13-Oct-2014 at price dependent on the value of index.	–	32,000,000	27,000,000	–
Equity Linked Non-Convertible Debentures Series I-016 of Face value ₹100,000 Each Redeemable on 13-Oct-2014 at price dependent on the value of index.	–	38,500,000	38,500,000	–
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2014 at par.	–	3,417,457,000	3,001,138,000	–
Equity Linked Non-Convertible Debentures Series I-017 of Face value ₹100,000 Each Redeemable on 13-May-2014 at price dependent on the value of index.	–	75,500,000	75,500,000	–
Equity Linked Non-Convertible Debentures Series I-012 of Face value ₹100,000 Each Redeemable on 29-Jul-2013 at price dependent on the value of index.	–	–	–	51,500,000
Equity Linked Non-Convertible Debentures Series I-003 of Face value ₹100,000 Each Redeemable on 9-May-2013 at price dependent on the value of index.	–	–	–	30,000,000
Equity Linked Non-Convertible Debentures Series I-001 of Face value ₹100,000 Each Redeemable on 5-May-2013 at price dependent on the value of index.	–	–	–	37,100,000
Equity Linked Non-Convertible Debentures Series I-002 of Face value ₹100,000 Each Redeemable on 5-May-2013 at price dependent on the value of index.	–	–	–	35,000,000
Equity Linked Non-Convertible Debentures Series I-006 of Face value ₹100,000 Each Redeemable on 29-Apr-2013 at price dependent on the value of index.	–	–	–	11,000,000
8.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 20-Apr-2013 at par.	–	–	–	734,000,000
12.20 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 16-Apr-2013 at premium	–	–	–	80,000,000
11.80% Secured Rated Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 5-Dec-2018 at Par	1,620,000,000	–	–	–
11.80% Secured Rated Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 5-Dec-2017 at Par	220,000,000	–	–	–
11.80% Secured Rated Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 5-Dec-2016 at Par	160,000,000	–	–	–
11.80% Secured Rated Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 5-Dec-2015 at Par	130,000,000	–	–	–
11.80% Secured Rated Non Convertible Debenture of Face Value ₹1,000,000 Each Redeemable on 5-Dec-2014 at Par	–	–	120,000,000	–
Total	24,432,210,000	9,756,120,000	4,356,205,000	978,600,000

The above debentures are secured by way of registered mortgage and/ or charge over immoveable property and/or current assets, book debts, receivables (both present and future) and other assets of some of its subsidiaries. Debentures outstanding amounting to ₹ Nil- (Previous Year ₹734,000,000/-) are secured by way of exclusive charge on certain receivables.

During the year, the Subsidiary India Infoline Finance limited (IIFL) successfully completed the public offering of secured redeemable non-convertible debentures ("NCDs") aggregating to ₹10,500,000,000 (the "Issue"). These NCDs are listed and traded on the National Stock Exchange of India (NSE) Limited and Bombay Stock Exchange of India (BSE). The subsidiary company has utilized the entire proceeds of NCD public issue for the stated purposes mentioned in the final prospectus dated September 05, 2013.

During the year, the subsidiary India Infoline Housing Finance Limited (IIHFL) successfully completed the Public Offering of Secured

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5.2. NON CONVERTIBLE DEBENTURES – SECURED:

Redeemable Non-Convertible Debentures ("NCDs") aggregating to ₹5,000,000,000 (the "Issue"). These NCDs are listed and traded on the National Stock Exchange of India (NSE) and Bombay Stock Exchange of India (BSE). The subsidiary company has utilized the entire proceeds of NCD public issue for the stated purposes mentioned in the final prospectus dated December 02, 2013.

Pursuant to section 117C of the Companies Act, 1956 read with circulars issued by the ministry of Corporate Affairs (MCA) was required to create Debenture redemption reserve for the value equivalent to 25 % of the Debenture offered through public / private placement. Accordingly ₹1,189,960,055 (Previous Year ₹220,000,000) has been transferred to Debenture redemption reserve for the financial year ended March 31, 2014.

Note: 5.3. NON CONVERTIBLE DEBENTURES – UNSECURED:

(Amount in ₹)

Non Convertible Unsecured	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Zero coupon Non-Convertible Debentures of Face value USD 100 Each		635,580,976	–	–
12.10% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 24-May-2023 at par.	100,000,000		–	–
12.20% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 4-Nov-2022 at par.	230,000,000	230,000,000	–	–
12.15% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 31-Aug-2022 at par.	50,000,000	50,000,000	–	–
12.15% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 31-Aug-2022 at par.	150,000,000	150,000,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2019 (SBMIB VI – 7 years) at par.	50,000	50,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2019 (SBMIB VII – 7 years) at par.	350,000	350,000	–	–
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 28-Mar-2019 at par*.	–	250,000,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 2-Mar-2019 (SBMIB V – 7 years) at par.	88,000	88,000	–	–
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 27-Feb-2019 at par.*	750,000,000	750,000,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 23-Feb-2019 (SBMIB IV – 7 years) at par.	474,000	474,000	–	–
11.50% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 20-Feb-2019 at premium.*	500,000,000	500,000,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 7-Feb-2019 (SBMIB II – 7 years) at par.	30,000	30,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 7-Feb-2019 (SBMIB III – 7 years) at par.	250,000	250,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Jan-2019 (SBMIB I – 7 years) at par.	1,160,000	1,160,000	–	–
12.75% Non-Convertible Debentures series N7 of Face value ₹1,000 Each Redeemable on 17-Sep-2018 at premium.	451,094,000	451,094,000	–	–
12.75% Non-Convertible Debentures series N6 of Face value ₹1,000 Each Redeemable on 17-Sep-2018 at par.	600,381,000	600,381,000	–	–



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 5.3. NON CONVERTIBLE DEBENTURES – UNSECURED:

(Amount in ₹)

Non Convertible Unsecured	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
12.75% Non-Convertible Debentures series N5 of Face value ₹1,000 Each Redeemable on 17-Sep-2018 at par.	3,948,525,000	3,948,525,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 4-Apr-2018 (SBDB VI – 6 years) at premium.	1,765,000	1,765,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2018 (SBDB IV – 6 years) at premium.	1,440,000	1,440,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2018 (SBDB V – 6 years) at premium.	1,788,000	1,788,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 1-Mar-2018 (SBDB III – 6 years) at premium.	2,406,000	2,406,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 7-Feb-2018 (SBDB II – 6 years) at premium.	2,540,000	2,540,000	–	–
12.25% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 23-Jan-2018 (SBDB I – 6 years) at premium.	3,755,000	3,755,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2017 (SBMIB VII – 5 years) at par.	2,330,056	2,330,056	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 30-Mar-2017 (SBMIB VI – 5 years) at par.	3,234,000	3,234,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 2-Mar-2017 (SBMIB V – 5 years) at par.	3,129,000	3,129,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 23-Feb-2017 (SBMIB IV – 5 years) at par.	3,789,000	3,789,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 7-Feb-2017 (SBMIB II – 5 years) at par.	3,297,000	3,297,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 7-Feb-2017 (SBMIB III – 5 years) at par.	4,769,000	4,769,000	–	–
12.75% Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Jan-2017 (SBMIB I – 5 years) at par.	4,270,000	4,270,000	–	–
Total	6,820,914,056	7,606,495,032	–	–

*For these Non Convertible Debentures, the subsidiary company has a call option, after 5 years from the date of allotment subject to prior approval from the Reserve Bank of India for redemption. The Non Convertible Debentures does not have any put option.

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 6. OTHER LIABILITIES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Current maturities of long term borrowings	–	–	16,878,194,159	14,400,192,272
Sub total	–	–	16,878,194,159	14,400,192,272
Security deposit received	78,138,108	545,754,930	–	–
Deposit (Beneficiary)	–	41,569,327	–	–
Temporary overdrawn bank balance as per books	–	–	1,143,506,857	912,447,268
Interest accrued but not due on borrowings	–	–	2,073,361,760	1,420,033,999
Advances from customers	–	–	622,375,081	523,247,948
Proposed Dividend	–	–	–	–
Accrued Salaries & Benefits	–	–	404,011,045	523,347,728
Margin payable/Option Premium	–	–	–	–
Payables on account of assignment	–	–	334,909,820	376,883,125
Payables to Vendors for health care Loans	–	–	602,849,292	800,652,224
Contractually reimbursable expenses	–	–	197,684,122	199,651,751
Deposits Received	–	–	652,874	721,624
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	–	–	176,530,117	220,242,046
Dividend Distribution tax payable	–	–	6,901,833	–
Income received in advance	–	–	72,200,735	40,755,750
Unpaid Dividend	–	–	7,324,899	6,601,412
Debenture application money received pending allotment	–	–	2,122,377,000	–
Other payables	–	–	829,648,253	626,747,980
Sub total	78,138,108	–	8,594,333,688	5,651,332,855
Total	78,138,108	587,324,257	25,472,527,847	20,051,525,127

During the year, the subsidiary successfully completed the public offering of unsecured, Subordinated redeemable, non convertible debenture ("NCD") aggregating to ₹2,000,000,000 (the "Issue"). The Subsidiary has allotted the same on April 3, 2014.

Note: 7. PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits				
Provision for Leave encashment	14,857,580	35,994,772	50,785,047	38,513,911
Provision for Gratuity	64,813,139	52,196,875	9,388,040	2,171,268
Sub total	79,670,719	88,191,647	60,173,087	40,685,179
Provision for others				
Contingent Provision against standard assets	–	–	309,897,893	233,402,792
Provision for expenses	845,419,998	880,910,689	–	–
Provision for tax	118,128,711	15,759,995	–	–
Sub total	963,548,709	896,670,684	309,897,893	233,402,792
Total	1,043,219,428	984,862,331	370,070,980	274,087,971



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 8. SHORT – TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans*		
Cash credit from banks	4,104,862,698	2,501,681,081
Loan from banks	625,793,916	–
Sub total	4,730,656,614	2,501,681,081
Unsecured Loans		
Commercial Paper & inter corporate loan	23,360,000,000	34,845,000,000
Sub total	23,360,000,000	34,845,000,000
Total	28,090,656,614	37,346,681,081

*The above secured borrowings are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. Out of the above secured borrowings, borrowings amounting to ₹4,373,349,309/- (Previous Year ₹2,501,681,081/-) are also guaranteed by holding Company IIFL Holding Limited (Formerly known as India Infoline Limited)

Note: 9. TRADE PAYABLE

(Amount in ₹)

Particulars	March 31, 2014	March 31, 2013
Outstanding dues of micro & small enterprises*	–	–
Outstanding dues of creditors other than micro & small enterprises	8,544,069,544	7,862,065,093
Total	8,544,069,544	7,862,065,093

*There are no dues to micro and small enterprises (MSEs) outstanding for more than 45 days as per Micro, Small and Medium Enterprises Development Act, 2006.

Note: 10. TANGIBLE ASSETS

(Amount in ₹)

Particulars	Land/ Leasehold Land	Buildings (Including Land)	Computers	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicles	Total
Cost or valuation as at April 1, 2013	1,828,773,493	1,430,671,285	625,664,055	689,209,742	1,845,385,862	761,006,931	7,304,055	7,188,015,423
Additions	1,244,300	406,945,148	73,118,695	63,561,174	156,519,630	62,144,571	4,122,666	767,656,184
Deductions/ Adjustments during the year	–	–	8,924,178	20,501,329	80,524,014	20,189,711	–	130,139,232
As at March 31, 2014	1,830,017,793	1,837,616,433	689,858,572	732,269,587	1,921,381,478	802,961,791	11,426,721	7,825,532,375
Depreciation								
As at April 1, 2013	3,884,581	208,342,622	532,204,789	410,183,564	1,213,201,407	500,890,211	3,286,825	2,871,993,998
Depreciation For the year	1,084,069	87,009,093	73,920,254	120,159,085	278,791,583	109,966,219	2,285,344	673,215,647
Deductions/ Adjustments during the year	–	–	8,044,623	11,148,717	50,188,946	15,178,686	–	84,560,972
Up to March 31, 2014	4,968,650	295,351,715	598,080,420	519,193,932	1,441,804,044	595,677,744	5,572,169	3,460,648,673
Net Block as at March 31, 2014	1,825,049,143	1,542,264,718	91,778,152	213,075,655	479,577,434	207,284,047	5,854,552	4,364,883,702
Net Block as at March 31, 2013	1,824,888,912	1,222,328,663	93,459,266	279,026,178	632,184,455	260,116,720	4,017,230	4,316,021,424

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 11. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Software
Cost or valuation as at April 1, 2013	84,273,209
Additions	29,143,964
Deductions /Adjustments during the year	1,157,561
As at March 31, 2014	112,259,612
Depreciation	
As at April 1, 2013	83,206,777
Depreciation for the year	5,719,469
Deductions/Adjustments during the year	1,081,388
Up to March 31, 2014	87,844,858
Net Block as at March 31, 2014	24,414,754
Net Block as at March 31, 2013	1,066,433

Note : Capital work in progress is ₹237,795,495 (Previous Year ₹138,054,036)

Note: 12. NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Unquoted, Non-Trade, Long Term (Valued at cost)					
India Infoline Private Equity Fund (Trust)					
IIFL Real Estate Fund (Domestic) - series 1, the scheme launched by India Infoline Venture Capital Fund	100	7,500,000	750,000,000	7,500,000	375,000,000
CL Educate Limited (Converted to equity shares)	10	23,980	9,999,660	23,980	9,999,660
Investment in Units of Blume venture capital Fund	100	1,400	14,000,000	1,050	10,500,000
Investment in IIFL Venture Fund – Category I AIF	–	–	100,000	–	100,000
Investment in IIFL Private Equity Fund Category II – AIF	–	–	100,000	–	100,000
Unquoted, Non-Trade, Long Term (Valued at cost)					
Investment in IIFL Opportunities Fund Category III – AIF	–	–	100,000	–	100,000
Investment in IIFL Income Opportunities Fund-I AIF CAT-II	10	14,890,182	150,000,000	15,000,000	75,000,000
Investment in IIFL Income Opportunities Fund-I AIF CAT-II (Partly paid up @15%)	10	3,750,000	37,500,000	–	–
Investment in Fineworthy Software Solutions	10	10,000	100,000	–	200,000
Lombard International unit-linked insurance plan	–	–	–	–	432,120,920
Investment in Credit Suisse Singapore	–	–	–	–	45,671,296
Investment in JP Morgan International	–	–	–	–	425,935,339
Investment in MF Utilities India Pvt. Ltd.	–	–	500,000	–	–
IIFL Asset Revival Fund	–	–	100,000,000	–	–
Malabar Capital Trust	100	621,475	70,000,000	–	–
Arch Pharma Limited	10	–	–	263,028	105,211,200
Arch Agro Industries Pvt Limited	10,000	16,707	167,071,313	–	–
Union KBC Mutual Fund	10	99,990	1,000,000	–	–
Sub –Total			1,300,470,973		1,479,938,415



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 12. NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Debentures and Bonds - for Financing					
Real Estate Projects					
Add Albatross Properties Pvt Ltd	100,000	–	–	1,250	124,800,000
Add Albatross Properties Pvt Ltd.- (Series B)	100,000	–	–	1,250	125,000,000
Galleria Mall Developers Pvt Ltd	100,000	–	–	1,300	130,000,000
Assotech Limited	100,000	4,160	416,000,000	–	–
Pratibha Impex Pvt. Ltd.	100,000	100	10,250,000	–	–
Neptune Developers Ltd	100,000	800	80,000,000	1,200	120,000,000
Roseberry Developers Pvt. Ltd.	100,000	3,200	320,000,000	–	–
Roseberry Developers Pvt. Ltd.- (Series B)	100,000	4,500	450,000,000	–	–
K.R. Mali Bulider & Developers Pvt. Ltd.	100,000	–	–	1,000	99,743,838
Shambhavi Realty Private Limited	100,000	6,074	607,400,000	8,114	811,400,000
Sankalp Siddhi Developers Private Limited	100,000	3,011	301,100,000	7,600	760,000,000
Sumit Realty Private Limited	100,000	1,050	105,000,000	3,675	367,500,000
Transcon Properties Private Limited	100,000	–	–	8,500	850,000,000
Sheth Buildwell Private Limited	100,000	51	5,100,000	51	5,100,000
Shanders Properties Private Limited	100,000	–	–	3,500	350,000,000
Sutlej Housing Pvt. Ltd	100,000	1,000	100,000,000	–	–
Ruchi Priya Developers Pvt. Ltd.	100,000	6,000	600,000,000	–	–
Subtotal	–	–	2,994,850,000	–	3,743,543,838
Un-Quoted, Trade, Long Term					
Equity Shares of Bombay Stock Exchange Limited (Valued at written down value of the Membership card)	1	130,000	16,870,000	130,000	16,870,000
Reliance Capital Limited (Market Linked Debenture)	100,000	448	44,800,000	448	44,800,000
Total	–	–	4,356,990,973	–	5,285,152,253
Aggregate Book value - Quoted		–	–	–	–
- Unquoted		–	4,356,990,973		5,285,152,253

Note: 13. DEFERRED TAX

The group has recognized deferred tax assets for the year ended on March 31 2014 since the management is reasonably/virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset.

Deferred Tax Asset		(Amount in ₹)	
Particulars		2013-2014	2012-2013
Depreciation		198,939,365	273,425,842
On Gratuity/Leave Encashment		23,844,822	17,270,426
Provision for doubtful debts		245,585,417	140,333,715
Provision for Standard assets		105,334,293	72,107,805
Preliminary Expenses		82,114	4,828
Short term/Long Term Capital losses/ Business Loss		278,071,317	62,030,778
Other		–	163,874,708
Total		851,857,328	729,048,102

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 14. LOANS & ADVANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Loans				
- Secured, considered good	38,590,518,290	31,474,119,275	62,962,273,942	56,097,222,943
- Secured, considered doubtful	531,855,328	157,403,538	3,857,03,321	291,713,211
- Unsecured considered good	–	5,386,063	–	7,460,032
Less: Provision for doubtful loans	(153,478,236)	(56,222,892)	(423,200,000)	(244,590,514)
Sub total	38,968,895,382	31,580,685,984	62,924,777,263	56,151,805,672
Dues from customers -				
- Secured, considered good	–	–	4,511,526,925	4,250,245,855
Secured, considered doubtful	–	–	21,497,417	9,613,909
- Unsecured considered good	–	–	17,779,904	7,175,974
Advances recoverable in cash or in kind or for value to be received – Unsecured	–	–	11,041,315	–
Advances recoverable in cash or in kind or for value to be received – Secured	–	–	53,000,000	–
Deposits given	437,133,014	1,133,576,430	200,000,000	151,950,106
Deposit with exchange	112,400,000	200,051,000	576,970,821	141,165,967
Capital Advances – Secured	–	472,238,970	–	–
Capital Advances – Unsecured	453,228,716	16,629,160	–	20,238,764
Others – Secured	–	–	–	–
Others – Unsecured	3,381,751	13,410,686	160,346,093	93,957,407
Advance income tax (net of provisions ₹3,820,975,408 (Previous Year ₹4,645,895,601) – Unsecured	809,621,095	720,177,675	–	–
Prepaid expenses	–	–	–	3,537,167
Sub total	1,815,764,576	2,556,083,921	5,552,162,475	4,677,885,149
Total	40,784,659,958	34,136,769,905	68,476,939,738	60,829,690,821

Note: 15. OTHER ASSETS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Unamortised debenture issue expenses	246,824,928	121,589,401	108,748,527	72,640,523
Margin with exchanges	–	–	5,968,992	6,593,831
Prepaid expenses	–	–	505,818,402	901,915,223
Others	2,396,156	17,459,717	486,528,926	471,312,444
Total	249,221,084	139,049,118	1,107,064,847	1,452,462,021

Note: 16. CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Quoted, Non - Trade, Current (valued At cost or market value whichever is lower)					
IIFL Liquid Fund –Direct Plan - Divd Reinvestment	1,000	50,014	50,014,607	–	–
Equity Shares					
Nirlon Limited	10	–	–	320,166	12,598,531
Sub Total	–	–	–	320,166	12,598,531



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 16. CURRENT INVESTMENT

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Unquoted, Non - Trade, Current (valued at cost or market whichever is less)					
Mutual Funds					
Axis Mutual Fund	1000	—	—	385,046	500,000,000
Birla Sunlife Mutual Fund	100	—	—	251,090	46,505,534
Canara Robeco Mutual Fund	1000	—	—	105,271	150,000,000
DSP Black Rock Mutual Fund	1000	—	—	29,816	50,000,000
DWS Ultra Short Term Fund - Institutional Plan - Growth	10	46,634,954	700,000,000	—	—
IIFL Income Opportunities Fund	10	8,530,293	85,558,848	—	—
IIFL Short Term Income Fund- Regular Plan-Growth	10	1,000,000	10,000,000	—	—
JP Morgan Mutual Fund	10	9,307,872	97,788,979	—	—
Prudential ICICI liquid Plan	100	830,933	200,000,000	—	—
IIFL Liquid Fund	1,000	13,577	14,000,000	—	—
HDFC Mutual fund	10	2,000,000	20,000,000	11,822,511	260,000,000
ICICI Prudential Mutual fund	100	—	—	4,907,129	872,520,315
JM Capital Mutual Fund	10	—	—	7,825,706	250,000,000
Kotak Mutual Fund	1000	—	—	105,166	250,000,000
Principal Mutual Fund	1000	—	—	43,890	50,000,000
Reliance Mutual Fund	1000	—	—	146,623	374,513,817
Union KBC Mutual Fund	1000	—	—	142,589	50,000,000
Union KBC Mutual Fund	10	—	—	99,990	1,000,000
Fixed Maturity Plan					
HDFC FMP SR 30	10	42,300,000	423,000,000	—	—
HDFC FMP SR 27	10	5,097,100	52,854,574	—	—
Pramerica Fixed Duration Fund SR 5	1,000	40,000	43,803,116	—	—
Subtotal			1,697,020,124		2,854,539,666
8.1% Hudco -2022	1,000	2,000	1,930,477	—	—
8.41% IIFCL -2024	1,000	15,000	15,217,738	—	—
8.48% IIFCL -2028	1,000,000	21	21,722,078	—	—
8.48% IRFC -2028	1,000,000	50	51,382,356	—	—
8.5% NHAI -2029	1,000	15,000	15,038,425	—	—
8.63% NHB -2029	5,000	7,524	38,260,426	—	—
8.41% NTPC -2023	1,000	8,422	8,616,052	—	—
8.67% PFC -2023	1,000	44,000	45,161,908	—	—
Subtotal			197,329,460	—	—
Investment - (KD Lite Developers Private Ltd)	—	—	—	—	553,595
Investments In Short term Securities	—	—	—	—	2,677,521
Investment in Nomura	—	—	—	—	11,298,701
Arch Pharma Ltd	10	—	—	73,106	29,244,055
Subtotal	—	—	—	—	43,773,872
Non Convertible Debenture					
IIFL Unsecured NCD-Series N5	1,000	205,400	205,401,981	—	—
Subtotal		—	205,401,981	—	—

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 16. CURRENT INVESTMENT (contd...)

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Debentures and Bonds - for Financing					
Real Estate Projects					
Add Albatross Properties Pvt Ltd	100,000	–	–	1,250	125,000,000
Add Albatross Properties Pvt Ltd.-(Series B)		–	–	250	25,000,000
Ankur Energy Resources Private Limited	100,000	–	–	–	44,386
Galleria Mall Developers Pvt Ltd	100,000	3,378	337,840,000	7,101	682,269,452
Assotech Ltd.	100,000	1,040	104,000,000	–	–
Pratibha Impex Pvt. Ltd.	100,000	307	30,750,000	–	–
Neptune Developers Ltd	100,000	800	80,000,000	800	80,000,000
Roseberry Developers Pvt. Ltd.-(Series B)	100,000	500	50,000,000	–	–
Roseberry Developers Pvt. Ltd.	100,000	800	80,000,000	–	–
Satra Properties (India) Limited	100,000	–	–	5,164	516,400,000
Wadhwa Constructions and Infrastructures Pvt. Ltd.	100,000	5,000	500,000,000	–	–
Wadhwa Group Holdings Pvt. Ltd.	100,000	11,500	1,150,000,000	–	–
Vijay Associates (Wadhwa) Construction Pvt Ltd	53,360	–	–	5,331	47,765,759
Sheth Developers Pvt Ltd		–	–	–	715,125
Galleria Mall Developers Pvt Ltd- Series C	100,000	2,285	228,560,000	600	60,000,000
K.R.Mali Builder & Developers Private Limited	100,000	–	–	2,000	200,000,000
Sankalp Siddhi Developers Pvt Ltd	100,000	3,157	315,780,000	1,900	190,000,000
Sumit Realty Private Limited	100,000	3,150	315,000,000	525	52,500,000
Subtotal			3,191,930,000		1,979,694,722
Secured Redeemable– Option I: 11.7% p.a.(*)		–	–	–	109,996,129
Secured Redeemable-Option III – Reserved & Un Reserved: 11.9% p.a.(*)		–	–	–	82,197
Subtotal		–	–	–	110,078,326
Quoted, Traded, Long Term (Valued at cost)					
Investment in Infrastructure Leasing & Financial Services Ltd	7,500	2,256	28,200,000	–	–
Investments in Government Securities					
8.15 % - 2022		–	–	10,000,000	1,000,000,000
7.16 % - 2023	100	5,000,000	450,500,000	–	–
Less: provision for dimunition in the value investment		–	(11,750,000)	–	–
Sub Total		–	466,950,000	–	1,000,000,000
Total		–	5,758,631,564	–	6,000,685,117
Aggregate book value - Quoted		–	488,764,607	–	1,012,598,532
- Unquoted		–	5,269,866,958	–	4,988,086,585

(*) These debentures are under extinguishment process on the balance sheet date.



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 17. INVENTORIES - (At lower of cost or net realisable value)

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Equity Shares					
Arch Pharma Ltd	10	–	–	20,000	8,375,000
Fineworthy Software Solutions	10	381,940	91,908,573	127,450	1,274,500
L & T Finance Holding Ltd	100	5,120	512,587	–	–
GHCL Limited	10	856,466	29,145,978	–	–
Ess Dee Aluminium Limited	10	691	1,501,440	–	–
Sub Total			123,068,578		9,649,500
Commodities					
Castor Seed	Kg.	–	–	3,820,429	137,815,673
Chilies	Kg.	–	–	284,864	19,102,736
Jeera	Kg.	–	–	180,108	23,545,241
Cotton	Kg.	–	–	339,126	39,626,500
Cotton Seed Oil Cake	Kg.	3,94,689	5,860,000	8,991,675	140,017,600
Sub total			5,860,000		360,107,750
Non convertible Debentures					
8.20% HUDCO 2027	1,000	–	–	36,500	38,393,250
18% Galleria Mall Developers Pvt Ltd	44,450	–	–	1,404	62,674,520
20% Prince Foundation Ltd	12,500	24	300,000	327	20,837,501
IIFL Real Estate Fund Domestic Series 1	100	–	–	25,000	1,259,584
16% Vijay Associates (Wadhwa) Construction Pvt Ltd NCD June 2013	13,440	–	–	75	672,000
10.85% Cholamandalam Investment & Fin. Co. Ltd.	1,000,000	–	–	10	10,253,900
12.75% IIFL SEPT 2018	1,000	–	–	5,818	5,834,870
8% FINEWORTHY OCD 27 SEP 15	100	–	–	844,408	84,440,800
19% Sheth Buildwell Private Ltd	100,000	–	–	300	30,000,000
Equity linked Non convertible* Debentures of					
Macquarie Finance (India) Private Limited	100,000	473	47,300,000	473	47,300,000
11.52% IIFHL LTD SR-N1 26DC18	1,000	13,540	13,746,140	–	–
11.70% IIFL 18AG14	1,000	545	584,965	–	–
11.90% IIFL 18AG16	1,000	5,200	5,464,811	–	–
12.75% IIFL OPT-II 17SP18	1,000	3,000	3,230,415	–	–
12.75% IIFL SEPT 2018	1,000	610	616,370	–	–
8.10 HUDCO 05MR22	1,000	600	579,411	–	–
8.46% IIFCL 30AG28	1,000,000	4	4,143,238	–	–
Arch Agro Ind Pvt Ltd	10,000	1,797	17,066,610	–	–
ECL Finance Ltd SR-D7C403	100,000	11	1,100,000	–	–
ECL Finance Ltd E7E401	100,000	55	5,500,000	–	–
IIFL I-020 18 JUL 16	100,000	50	5,588,118	–	–
IIFL SR-I-017 13MAY14	1,00,000	60	8,073,520	–	–
India Infoline Housing finance Limited 1152IHF18	1,000	21	20,392	–	–
India Infoline Housing finance Limited IIFL NI	1,000	1,738	1,757,118	–	–
India Infoline Housing finance Limited IIFL NII	1,000	225	301,648	–	–
Subtotal			115,372,756		301,666,425
Venture Capital Fund					
IIFL Real Estate (Domestic) Fund – Series I	100	25,000	24,69,379	–	–
AIF CAT-II IIFL Income Opportunities Fund Series 1	10	28,720,269	296,029,079	–	–
Subtotal			298,498,458		–

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 17. INVENTORIES - (At lower of cost or net realisable value)

(Amount in ₹)

Particulars	Face Value	As at March 31, 2014		As at March 31, 2013	
		Number	Amount in ₹	Number	Amount in ₹
Options*					
Nifty Call 27-06-2013	5,200	–	–	12,950	5,180,000
Nifty Call 26-06-2014	4,500	13,550	15,514,750	13,550	15,514,750
Nifty Call 26-06-2014	4,600	9,000	10,620,000	9,000	4,900,013
Nifty Call 26-06-2014	6,500	(10,000)	(2,950,000)	(10,000)	(2,950,000)
Subtotal		–	23,184,750	–	22,644,763
Mutual Fund					
Birla Sunlife FTP Series DA Growth - 08MY14	10	1	11	–	–
Birla Sunlife FTP Series EH Growth - 09FB15	10	1	11	–	–
HDFC Debt Fund for Cancer Cure NFO	10	5,00,000	5,000,000	–	–
ICICI Prudential FMP Series 63 - 3 Yr Plan					
H Cumulative 04	10	1	11	–	–
JP Morgan Growth Open Ended	10	246,962	2,739,998	–	–
IIFL Dynamic Growth Fund	10	102,080	1,000,000	–	–
Exchange Trade Fund					
EQ-IIFLNIFTY	10	180	121,038	–	–
IIFL Mutual Fund -IIFL NIFTY ETF	10	672	6,427,758	–	–
Subtotal		–	15,288,827	–	–
Total		–	581,273,369	–	694,068,438
Aggregate market value- stock on hand –Quoted		–	581,273,369	–	694,068,438

* Held to cover possible payout in respect of certain Equity Linked Non-Convertible Debentures issued by the subsidiary company.

Note: 18. TRADE RECEIVABLE

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured Considered good	274,285,564	126,096,054
- Unsecured Considered doubtful	51,626,857	37,921,487
Sub- Total	325,912,421	164,017,541
Other		
- Unsecured Considered good	4,217,808,447	2,869,647,168
Provision for doubtful receivables	(51,626,857)	(37,921,487)
Sub- Total	4,166,181,590	2,831,725,691
Total	4,492,094,011	2,995,743,222

Note: 19. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalent				
Cash on hand	–	–	226,178,443	1,291,690,524
Balance with banks				
- In current accounts	–	–	–	–
- In client Account	–	–	1,074,475,362	748,547,160
- Others	–	–	8,299,296,275	6,223,768,725
- In deposit accounts (Less than three months)	–	–	100,000,000	–
Other Bank Balances				
In earmarked accounts				
- Unpaid dividend accounts	–	–	7,754,161	6,794,203
Fixed deposits	–	–	4,414,288,801	5,714,116,657
Total	–	–	14,121,993,042	13,984,917,269

The group has pledged fixed deposits to the extent of ₹4,443,402,484 /- (Previous Year ₹2,884,312,420/-) with banks for bank guarantees/ overdraft facilities, Securitisation as lien and with the stock exchanges.



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 20. OTHER INCOME

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Miscellaneous income	153,934,640	71,773,599
Profit/(loss) on Sale of Assets	–	(268,033)
Total	153,934,640	71,505,566

Note: 21. EMPLOYEE BENEFITS EXPENSE

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Salaries and bonus	4,740,344,799	5,033,391,100
Contribution to provident and other funds	77,368,600	93,916,892
Gratuity expenses	15,984,553	34,075,425
Staff welfare expenses	104,211,752	179,963,009
Deferred employee compensation expenses	–	(12,238,526)
Total	4,937,909,704	5,329,107,900

The company is recognising and accruing the employee benefits as per Accounting Standard (AS) - 15 "Employee Benefit details are given below

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Assumptions		
Discount rate Previous Year	8.50%	8.50%
Salary Escalation Previous Year	5.00%	5.00%
Discount rate current year	8.00%	8.00%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation		
Liability at the beginning of the year	163,826,899	140,916,566
Interest Cost	13,106,152	11,977,240
Current Service Cost	43,866,851	40,685,215
Liability Transfer In	14,970,663	–
Liability Transfer out	(14,970,663)	–
Benefit paid	(27,586,317)	(10,238,274)
Actuarial gain on obligations	(26,980,583)	(19,513,848)
Liability at the end of the year	166,233,002	163,826,899
Amount Recognised in the balance sheet		
Liability at the end of the year	166,233,002	163,826,899
Fair value of plan assets at the end of the year	92,031,823	109,267,452
Differences	74,201,179	54,559,447
Amount of liability Recognised in the balance sheet	74,201,179	54,559,447
Expenses Recognised in the Income statement		
Current Service cost	43,866,851	40,685,215
Interest Cost	13,106,152	11,977,240
Expected return on plan assets	(9,506,268)	(9,809,082)
Actuarial Gain or Loss	(21,503,523)	(8,777,948)
Expense Recognised in P & L	25,963,212	34,075,425
Balance sheet reconciliation		
Opening net liability	54,559,447	26,849,608
Expense as above	25,963,212	34,075,425
Net Transfer in	8,657,809	(6,365,586)
Net Transfer out	(14,970,663)	–
Employers contribution	(8,626)	–
Amount Recognised in Balance sheet	74,201,179	54,559,447

Defined Contribution Plans:

The subsidiary companies have recognised the following amounts as an expense and included in the Note 21 – Employee Benefit Expense:

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Contribution to Employee Provident Fund	46,828,260	54,081,634

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 22. FINANCE COSTS

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Interest expenses	11,268,329,135	8,302,889,809
Other borrowing cost	263,953,269	389,600,651
Total	11,532,282,404	8,692,490,460

Note: 23. DEPRECIATION AND AMORTISATION EXPENSE

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Depreciation of tangible assets	673,215,647	814,073,135
Depreciation of intangible assets	5,719,469	25,195,544
Total	678,935,116	839,268,679

Note: 24. OTHER EXPENSES

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Advertisement	215,352,114	129,837,712
Bank Charges	162,255,557	130,160,047
Brokerage related Expenses	574,983,039	1,185,131,962
Communication	325,199,941	415,530,243
Donation	11,551,932	899,897
Electricity	245,555,792	298,557,670
Exchange and statutory Charges	42,265,340	52,948,631
Investment and financing related cost	773,736,126	1,179,697,567
Legal & Professional Fees	414,757,695	418,823,611
Marketing and commission expenses	1,305,496,344	907,154,761
Miscellaneous Expenses	89,943,077	88,021,582
Office expenses	456,275,190	673,333,073
Postage & Courier	75,032,644	54,761,138
Printing & Stationary	115,715,710	97,381,232
Bad debts write off /(write back)	(2,441,554)	53,051,942
Rent	707,193,807	835,465,111
Insurance	6,722,197	5,594,323
Rates and Taxes	161,468,955	60,687,076
Commission and sitting fee paid to non executive director	5,830,000	6,190,560
Sundry balances written off	3,347,388	18,746,119
Profit/loss on sale of assets	25,702,014	135,046
Repairs & Maintenance		
- Computer	5,239,349	6,278,935
- Others	83,866,163	102,158,444
Remuneration to Auditors :		
Audit Fees	8,641,069	6,253,469
Certification Expenses	463,910	197,610
Out Of Pocket Expenses	161,360	224,316
Software Charges	260,002,521	221,355,223
Subscription & Business promotion	73,159,453	50,517,609
Travelling & Conveyance	438,229,147	462,157,503
Total	6,585,706,280	7,461,252,412

Note: 25. PROVISIONS AND WRITE OFF

	(Amount in ₹)	
Particulars	2013-2014	2012-2013
Bad debts written off	32,429,421	17,846,285
Provision for Contingencies	43,422,376	55,714,137
Provision for diminution in value of investments	11,750,000	2,325,419
Provision for Doubtful Loans	275,864,830	194,752,763
Provision for doubtful debts and bad debts	–	–
Provision for Standard Loans	76,495,100	55,587,448
Total	439,961,727	326,226,052



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 26.

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'

Particulars		2013-2014	2012-2013
BASIC			
Profit after tax as per Statement of Profit and Loss	A	2,780,793,440	2,721,996,212
Weighted Average Number of Shares Subscribed	B	295,568,869	290,430,555
Basic EPS(Rupees)	A/B	9.41	9.37
DILUTED			
Profit after tax as per Statement of Profit and Loss	A	2,780,793,440	2,721,996,212
Weighted Average Number of Shares Subscribed		295,568,869	290,430,555
Add: Potential Equity Shares on Account of conversion of Employees Stock Options.		8,675,577	4,803,896
Weighted Average Number of shares Outstanding	B	304,244,446	295,234,451
Diluted EPS (Rupees)	A/B	9.14	9.22

Note: 27.

The summary of consolidated financial summary represents consolidation of accounts of the company with its following subsidiaries as detailed below :

Subsidiary	Proportion of ownership interest	
	As at March 31, 2014	As at March 31, 2013
India Infoline Commodities Limited	100%	100%
India Infoline Media and Research Services Limited	100%	100%
IIFL Capital Limited	100%	100%
India Infoline Finance Limited	98.87%	98.87%
India Infoline Housing Finance Limited	98.87%	98.87%
India infoline Limited (Formerly Known as India Infoline Distribution Company Limited)	100%	100%
India Infoline Insurance Services Limited	100%	100%
India Infoline Insurance Brokers Limited	100%	100%
IIFL Wealth Management Limited	78.37%	82.44%
IIFL Distribution services Limited (Formerly Finest Wealth Managers Private Limited)	78.37%	82.44%
IIFL Investment Advisors and Trustee Services Limited	78.37%	82.44%
India Infoline Trustee Company Limited	78.37%	100%
India Infoline Asset Management Company Limited	78.37%	100%
IIFL Alternate Asset Advisors Limited	78.37%	100%
IIFL Realty Limited	100%	100%
IIFL (Asia) Pte. Limited*	100%	100%
IIFL Securities Pte. Limited	100%	100%
IIFL Capital Pte. Limited	100%	100%
IIFL Capital Ceylon Limited (ceased to be subsidiary w.e.f March 20,2014)	—	76%
IIFL Securities Ceylon (Pvt) Limited (ceased to be subsidiary w.e.f December 30, 2013)	—	76%
IIFL Private Wealth Hong Kong Limited*	100%	100%
IIFL Private Wealth (Mauritius) Limited*	100%	100%
IIFL Private Wealth Management (Dubai) Limited*	100%	100%
India Infoline Commodities DMCC	100%	100%
IIFL Inc.*	100%	100%
IIFL Capital Inc.	100%	100%
IIFL Private Wealth (Suisse) SA*	100%	100%
IIFL Wealth (UK) Limited*	100%	100%

*During the year under review, the Board of Directors have approved in-principle to transfer these overseas subsidiaries to IIFL Wealth Management Limited, its domestic subsidiary company, subject to necessary regulatory and other approvals. The said regulatory approvals are under process.

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 28. CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE:

There are outstanding commitments for capital expenditure (net of advances) to the tune of ₹237,474,306/- (Previous Year ₹125,173,188/) and other commitment to the tune of ₹216,000,000/- (Previous Year ₹450,000,000) of the total contractual obligation entered during the year.

Note: 29.

The claim against the group not acknowledged as debt were ₹84,677,373/- (Previous Year ₹16,939,813/-). As of March 31, 2014, The company and its subsidiaries had certain contingent liabilities not provided for, including the following:

		(Amount in ₹)	
Sr. No.	Name of the Statute	March 31, 2014	March 31, 2013
(i)	In respect of Income tax demands	265,763,875	163,613,813
(ii)	In respect of Service tax demands	–	13,807,000
(iii)	In respect of MVAT demands	563,342	563,342
(iv)	In respect of Profession tax demands	–	1,553,529
(iii)	Guarantees and Counter Guarantees	175,000,000	245,271,036
Total		441,327,217	424,808,720

The company and its subsidiaries have filed appeals with the Income Tax Appellate Tribunal/Service tax department against the said demands.

Note: 30.

The group has taken office premises on operating lease at various locations. Lease rent in respect of the same has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging from one to five years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company and its subsidiaries have also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2014 are as under

		(Amount in ₹)	
Minimum Lease Rentals		2013-2014	2012-2013
Due for:			
- Up to one year		76,512,149	114,925,181
- One to five years		2,064,685	84,374,783
- Above five years		–	62,191,787
Total		78,576,834	261,491,751

Note: 31.

The Company has implemented Employee Stock Options Scheme 2007 and 2008 (ESOP Schemes) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Remuneration and Compensation Committee and ESOP Schemes.

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

Particulars	ESOP 2007	ESOP 2008
No. of options as on March 31, 2014	4,075,100	24,248,350
Method of accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options
Exercise Period	Five years from the date of grant	Seven years from the date of grant
Grant Dates	October 17, 2008, December 18, 2008, January 1, 2009 and March 5, 2012	December 18, 2008, January 1, 2009, May 27, 2009, December 10, 2009, September 20, 2010, May 7, 2011, May 15, 2012, August 10, 2012, October 29, 2012 and November 05, 2013
Grant Price ₹Per Share	₹63.75, ₹45.30, ₹50.90 and ₹70.00	₹45.30, ₹50.90, ₹100.00, ₹136.00 ₹105.00, ₹72.40, ₹45.9, ₹56.6, ₹68.15 and ₹58.10
Market Price on the date of Grant of Option (₹)	₹63.75, ₹45.30 ₹50.90 and ₹69.90	₹45.30, ₹50.90 ₹129.30, ₹135.15 ₹104.55, ₹72.40, ₹46.05, ₹56.6, ₹68.15 and ₹59.00

* adjusted prices due to sub-division of face value from ₹10 to ₹2 per share, with effect from August 18, 2008.



Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

B) Movement of options granted:

(Amount in ₹)

Particulars	ESOP 2007	ESOP 2008
Options outstanding at the beginning of the year	42,88,330	2,46,26,400
Granted during the year	–	500,000
Exercised during the year	113,270	8,55,850
Lapsed during the year	99,960	22,200
Options outstanding at the end of the year	4,075,100	24,248,350

Note: 32. SEGMENT REPORTING:

Segment information for the year ended March 31 2014. Primary segment information (by Business segment)

(Amount in ₹)

Sr. No.	Particulars	Fund based activity	Financial Product distribution	Capital market activity	Others	Total
I	Segment Revenue					
	External	20,271,759,363 (18,166,955,124)	4,484,284,459 (2,888,825,372)	3,462,917,584 (5,525,320,623)	153,934,640 (71,505,566)	28,372,896,046 (26,652,606,685)
	Inter-segment	– –	– –	– –	– –	– –
	Total Revenue	20,271,759,363 (18,166,955,124)	4,484,284,459 (2,888,825,372)	3,462,917,584 (5,525,320,623)	153,934,640 (71,505,566)	28,372,896,046 (26,652,606,685)
II	Segment Result	2,912,598,080 (2,811,041,675)	725,046,460 (660,432,425)	409,167,437 (966,878,646)	151,285,083 (660,432,425)	4,198,097,060 (5,098,785,171)
	Less: Unallocated Expenses	– –	– –	– –	– –	– –
	Operating Profit	– –	– –	– –	– –	4,198,097,061 (4,014,252,685)
	Interest Expense	– –	– –	– –	– –	– (9,991,502)
	Profit before Tax	– –	– –	– –	– –	4,198,097,061 (4,004,276,034)
	Less: Current Tax	– –	– –	– –	– –	1,284,269,199 (1,210,910,358)
	Net Profit after Tax	– –	– –	– –	– –	2,913,827,862 (2,793,350,825)
III	Segment Assets	125,847,135,923 (111,600,595,118)	4,542,225,751 (5,453,228,219)	13,683,062,437 (12,542,816,941)	– –	144,072,424,111 (129,596,640,278)
	Unallocated Corporate assets	– –	– –	– –	– –	1,667,594,243 (1,450,409,946)
	Total Assets	– –	– –	– –	– –	145,740,018,354 (131,047,050,224)
IV	Segment Liabilities	109,360,535,923 (96,403,721,478)	3,890,135,751 (4,180,212,606)	10,539,262,437 (10,520,042,716)	– –	123,789,934,111 (111,103,976,800)
	Unallocated Corporate Liabilities	– –	– –	– –	– –	3,144,109 (18,700,624)
	Total Liabilities	– –	– –	– –	– –	123,793,078,220 (111,122,677,424)
V	Capital Expenditure	408,773,536 (623,262,661)	394,758,958 (10,131,040)	37,265,775 (87,131,142)	– –	840,798,269 (720,524,843)
	Unallocated Capital Expenditure	– –	– –	– –	– –	– (350,193,467)
	Total Capital Expenditure	– –	– –	– –	– –	840,798,269 (1,070,718,310)
Vi	Depreciation	326,291,784 (292,345,954)	231,901,185 (350,303,619)	120,742,147 (244,129,340)	– –	678,935,116 (886,778,913)
	Unallocated Depreciation	– –	– –	– –	– –	– –
	Total Depreciation	– –	– –	– –	– –	678,935,116 (886,778,913)
Vii	Non-Cash expenditure other than depreciation					

Consolidated Financial Statements of IIFL Holdings Limited (Formerly known as India Infoline Limited)

Notes forming part of financial statement for the year ended March 31, 2014

Note: 33. RELATED PARTY DISCLOSURES AS ON MARCH 31, 2014

(a) Name of the related parties with whom transactions have been entered during the year and description of relationship.

(b) Key Management	Mr. Nirmal Jain
Personnel	Mr. R Venkataraman
Other related parties	Mrs. Madhu Jain (wife of Mr. Nirmal Jain)
	Mrs. Aditi Venkataraman (wife of Mr. R Venkataraman)
	India Infoline Foundation

Disclosure of Transactions with related parties

(Amount in ₹)

Nature of transaction	Key Managerial Personnel	Other Related Party	Total
Brokerage Income	549,981 (402,389)	– (272,948)	549,981 (675,337)
Remuneration	37,853,645 (35,863,020)	– –	37,853,645 (35,863,020)
Rent Deposit	– –	50,000,000 (50,000,000)	50,000,000 (50,000,000)
Rent Expenses	– –	2,880,000 (2,256,000)	2,880,000 (2,256,000)

Outstanding as on March 31, 2013

(Amount in ₹)

Nature of transaction	Key Managerial Personnel	Other Related Party	Total
Sundry Payables	24,517,588 (16,440)	122,068 (23,734)	24,639,656 (40,174)

Note: Figures in brackets indicate Previous Year figures.

Note: 34.

Interest Expenses include the interest on debentures ₹1,613,910,719/- (Previous Year ₹766,598,675/-), discount in commercial paper ₹3,072,040,203/- (Previous Year ₹1,979,839,899/-) and interest on banks term loans ₹3,727,988,957/- (Previous Year ₹2,133,688,886/-).

Note: 35.

There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days.

Note: 36. SHARE APPLICATION MONEY PENDING ALLOTMENT:

The company has received the ₹356,300/- towards share application on exercise of ESOP which will result in an issue of 7,000 shares of face value of ₹2 each. Of the total receipt ₹342,300/- has been received towards share premium. These shares have since been allotted.

The company has adequate authorised share capital to issue shares from share application money.

Note: 37.

Figures for the Previous Year have been regrouped / reclassified wherever considered necessary

Note: 38.

During the year 2013-14, one of its subsidiary has issued shares to its minority stake holders on various dates.

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.109983W

By the hand of

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place : Mumbai

Dated: May 13, 2014

Nirmal Jain

Chairman

R. Venkataraman

Managing Director

Dhruv Jain

Chief Financial Officer

Sunil Lotke

Company Secretary

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NOTES

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*
Mr. Sunil Kaul - *Non Executive Director*
Mr. Chandran Ratnaswami - *Non Executive Director*

COMMITTEE OF BOARD

Audit Committee
Mr. Nilesh Vikamsey - *Chairman, Independent Director*
Mr. R. Venkataraman
Mr. Kranti Sinha
Compensation/Remuneration Committee
Mr. Kranti Sinha - *Chairman, Independent Director*
Mr. Nilesh Vikamsey
Mr. A.K. Purwar
Share Transfer and Investor Grievance Committee
Mr. Kranti Sinha - *Chairman, Independent Director*
Mr. Nirmal Jain
Mr. R. Venkataraman

CHIEF FINANCIAL OFFICER

Mr. Dhruv Jain (till June 6, 2014)

COMPANY SECRETARY

Mr. Sunil Lotke

CORE MANAGEMENT TEAM

Mr. Bharat Parajia - *MD, IIFL (Asia) Pte Ltd.*
Mr. Mukesh Kumar Singh - *Executive Director, Loans & Finance*
Mr. Karan Bhagat - *MD, IIFL Wealth Management Ltd.*
Mr. Yatin Shah - *ED, IIFL Wealth Management Ltd.*
Mr. Amit Shah - *CEO, IIFL Inc.*
Mr. H. Nemkumar - *President, Institutional Equities*
Mr. Nipun Goel - *President, Investment Banking*
Mr. Prasanth Prabhakaran - *President, Retail Broking*
Mr. Balaji Raghavan - *Head - Real Estate Services*
Mr. Prashasth Seth - *CEO, IIFL Asset Management*
Mr. R. Mohan - *Chief Compliance Officer*
Mr. Narendra Jain - *Chief Operating Officer*
Mr. Pallab Mukherji - *President - Human Resource*
Mr. Upendra Jaiswal - *Executive Vice President,*
Audit and Risk
Ms. Loveena Khatwani - *Head - Customer Support*
Mr. Tejas Mehta - *Vice President - Technology*

AUDITORS

M/s Sharp & Tannan Associates,
Chartered Accountants

INTERNAL AUDITORS

M/s Ernst & Young

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400078

REGISTERED OFFICE

IIFL House, Sun Infotech Park, Road no. 16, Plot no. B-23,
MIDC, Thane Industrial Estate, Wagle Estate, Thane – 400604

CORPORATE OFFICE

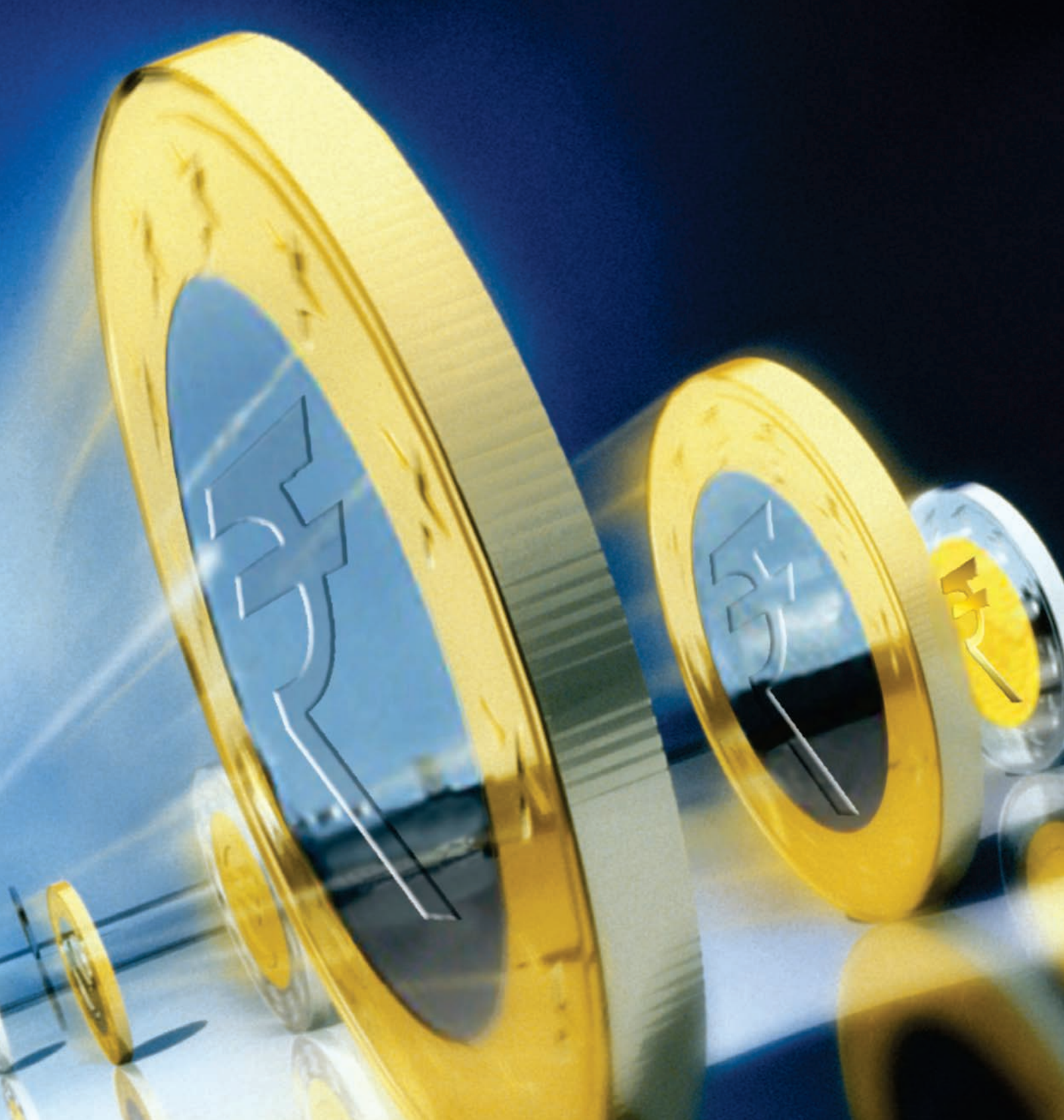
IIFL Centre, Kamala City, Lower Parel (West), Mumbai –
400013

BANKERS

Allahabad Bank
Andhra Bank
Axis Bank Ltd
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Citibank N.A.
Corporation Bank
Credit Suisse
Dena Bank
Development Credit Bank Ltd
HDFC Bank Ltd
HSBC
ICICI Bank Ltd
IDBI Bank Ltd
Indian Overseas Bank
Indusind Bank Ltd.
ING Vysya Bank Ltd
Jammu & Kashmir Bank
Karur Vysya Bank
Kotak Mahindra Bank Ltd
Mashreq Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
The Ratnakar Bank Ltd.
Saraswat Cooperative Bank Ltd.
Small Industries Development Bank of India
South Indian Bank
Standard Chartered Bank
State Bank of India
State Bank of Mauritius
Syndicate Bank Ltd
The Federal Bank Ltd.
UCO Bank
Union Bank of India
Vijaya Bank
Yes Bank Ltd

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. India Infoline does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.



When it's about money..  

IIFL HOLDINGS LIMITED

CIN - L74999MH1995PLC093797

Corporate Office: IIFL Centre, Kamala City,
Lower Parel (West), Mumbai – 400013

Registered Office: IIFL House, Sun Infotech Park,
Road no. 16, Plot no. B-23, MIDC, Thane Industrial Estate,
Wagle Estate, Thane – 400604

Email: pr@indiainfoline.com

Tel: 022 40077148

FORM A

Format of covering letter of the annual audit report to be filed with stock exchanges

1.	Name of the Company	IIFL Holdings Limited
2.	Annual Financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Nil
5.	To be signed:-	
	CEO/Managing Director	<i>R. Venkatarman</i>
	CFO	<i>Shruv Jain</i>
	Auditors of the Company	<i>[Signature]</i>
	Audit committee chairman	<i>N. S. Vithanay</i>

