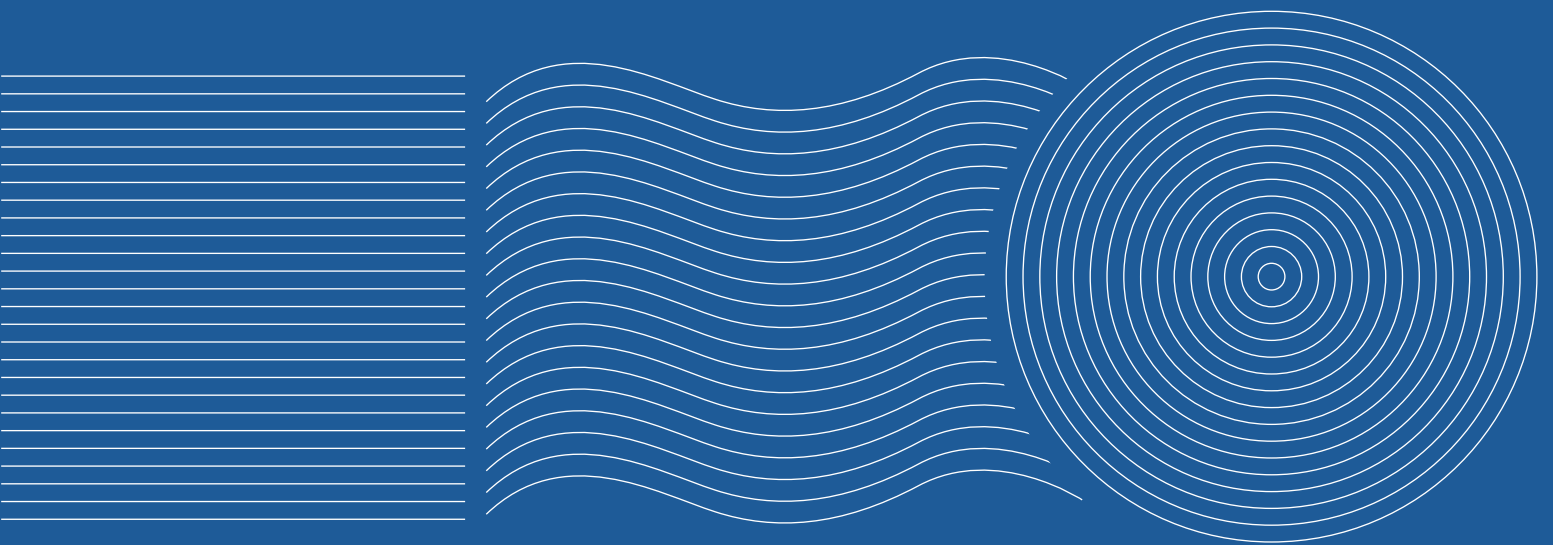


**Fast.
Flexible.
Focused.**



2015-16

21st Annual Report
IIFL Holdings Limited

Contents

Corporate Overview



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Income

₹39,957 million

(from ₹ 35,637 million in FY2014-15, growth of 12%)

Net Profit

₹5,112 million

(from ₹ 4,473 million in FY2014-15, growth of 14%)

ROE

18.7%

EBITDA

₹25,887 million

(from ₹ 22,168 million in FY2014-15, growth of 17%)

Networth

₹29,200 million

EPS

₹16.33

Finding solutions for the unpredictable financial world can never be simple or certain in any way.

A world governed by the highs and lows of global economic performance; uncertain technological trajectories; ever-changing customer aspirations; and encompassing policy initiatives needs solutions that can keep pace with its dynamism.

Download IIFL Markets App



Operating in such a landscape is exciting as well as challenging. It demands acting with speed and flexibility when the opportunity arises or when one spots a potential risk on the horizon. It also calls for consistent approach to deliver on customer expectations, and leverage synergies across diverse businesses.

We have been able to evaluate fickle market conditions and with our diversified product suite, tap into aspirations of customers. We have built a strong foundation with a varied portfolio, broad capabilities, a disciplined approach to capital, and a resilient value creation model for shareholders. Today, our brand enjoys the support and trust of global investors and millions of customers.

Through our investment and financing solutions, we help our customers to look forward to a well-planned future with confidence.

We drive shareholder value by focusing on high-growth markets, with a robust risk management architecture and governance framework.

We rely on smart technologies to deepen integration across businesses, improve our customer proposition further, and achieve even greater benefits of scale.

We are a preferred brand because of our honest approach in providing investment advice, our transparency

and integrity in transactions, and our ability to devise innovative solutions with the help of technology.

At IIFL, we have espoused these tenets ever since our inception, to make the most of the opportunities in a dynamic industry landscape. The result is an encouraging financial and operational performance.

Being fast, flexible, and focused has huge payoffs.

About IIFL Group

From an entrepreneurial start-up in 1995, we have steadily grown to emerge as one of India's leading financial services group. Ever since our inception, our strategy has been to align our capabilities and market insights to the country's rapidly changing business environment. Our growth trajectory has only served to reinforce our focus on our domain of financial services.

IIFL Holdings Ltd (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: 532636) is a diversified financial services group offering financing, asset and wealth management, financial advisory and broking, financial products distribution, investment banking, institutional equities, project financing and advisory services through its various subsidiaries.



Vision

To be the most respected financial services company in India.

- Not necessarily the largest or most profitable



Values

Fairness

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

Integrity

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

Transparency

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

We have come this far solely based on our core values serving as a moral compass in all our dealings. Fairness, Integrity and Transparency - FIT is the driving force behind all that we do here at IIFL. We only work with people who fit into our professional ethos. Our constant endeavour is to deliver befittingly on all fronts to all our stakeholders. We are resolute in the observance of these values and will let go of any growth opportunities that deem unfit.

3,000,000+
Customers

~ ₹800 billion
Wealth assets under advice

~ ₹200 billion
Loan assets under management

~12,000
Employees

500+
Stocks under research

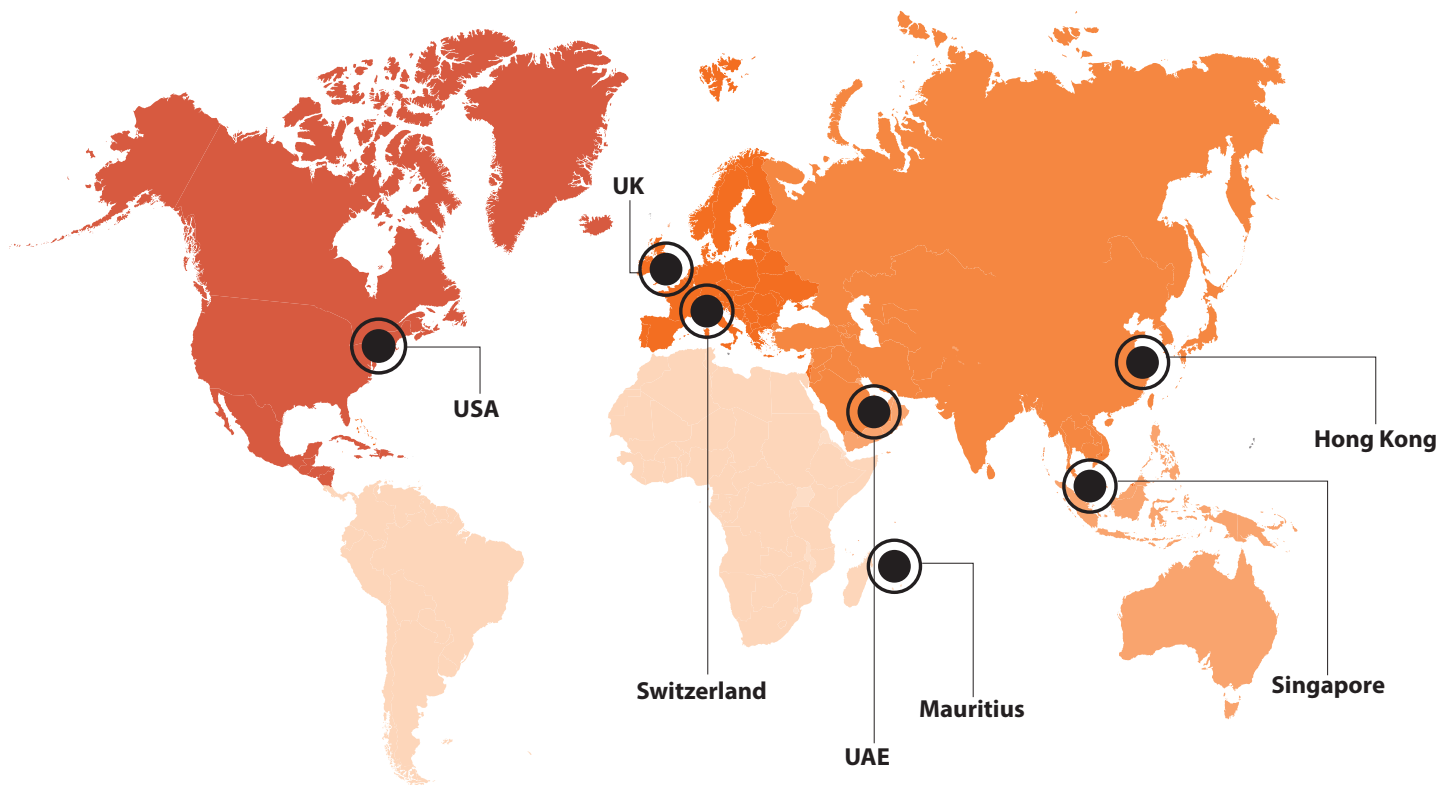
300
World's top institutional
investors rely on our research

Global Presence
US, UK, Singapore, Hong Kong,
Switzerland, Mauritius and UAE

~2,500
Locations in India

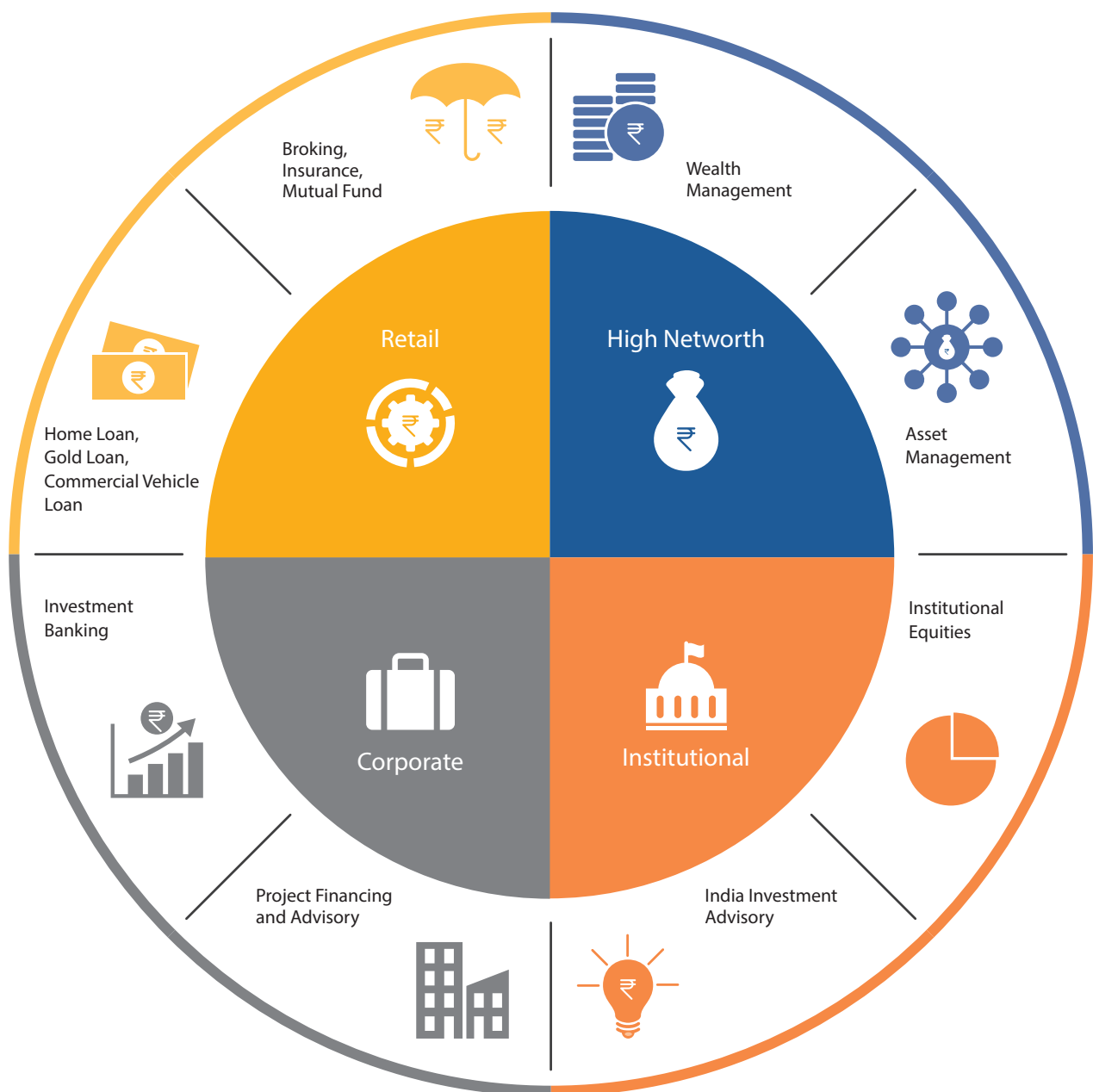
1,000+
Branches

International Subsidiaries' Locations



IIFL Group's Business Landscape

Service offerings across customer segments



Charts depicts only key businesses and subsidiaries of IIFL Holdings Limited and not all the businesses and subsidiaries

Financing

NBFC

- A diversified financing company, offering home and property loan, gold loan, commercial vehicle finance, medical equipment finance, loan against securities, and SME business loan
- Assets Under Management of ₹ 195 billion as on March 31, 2016
- Aggregate loan book of ₹ 178 billion and income of ₹ 12 billion as on March 31, 2016

Housing Finance Company

- Offers affordable financing solutions and retail home loan
- Focuses on priority sector customers for home loan and loan against property

Wealth Management

Wealth Management

- One of the largest and fastest growing wealth management companies in India
- Offers advisory, wealth structuring solutions, asset management, and onshore and offshore distribution services
- Assets under advice, management and distribution of close to ₹ 800 billion as on March 31, 2016
- Presence across major countries and Indian cities through a network of 22 offices

- Largest AIF platform in the country across debt, equity, and real estate

Wealth NBFC

- IIFL Wealth Finance focuses on capital-market-related lending to its high networth clientele
- During the year, IIFL Wealth Finance commenced its lending business and total loans as on March 31, 2016 were about ₹ 1 billion

Asset Management Company

- Wholly owned subsidiary of IIFL Wealth
- Investment manager of IIFL Mutual Fund and Alternative Investment Funds (AIFs)

Agency

Financial Advisory and Broking

- Leading broking house offering equity, commodities, currency broking in retail and institutional segment
- Well-known for quality research
- IIFL Markets (mobile trading platform) is the best rated and highest downloaded app among peer group on Google Play Store with more than 500,000 downloads

Financial Product Distribution

- Among India's top six mutual fund distributors
- Leading non-bank distributor for life insurance in the country
- Online interface and mobile applications, to comprehend, compare, and buy products from different insurance and mutual fund companies

Institutional Research and Investment Banking

- Pedigreed institutional equities team
- Premier broker for FIIs, DIIs, private equity funds, banks, mutual funds, and insurance companies
- Investment Banking has a stellar track record of executing transactions. During the year, IIFL completed 10 transactions - the largest number of transactions executed by IIFL in a single fiscal year

Our Strategy to Deliver

At IIFL, our strategy is to emerge as one of the most preferred brands in the financial services space and deliver sustainable returns to all stakeholders. We focus on long-term growth by building enduring relationships with our customers, contributing to community upliftment, and attracting the best talent in the industry.

The Strengths WE CHERISH



WE UNDERSTAND INDIA

In the past two decades, IIFL has built a deeply entrenched network catering to retail customers in nearly 2,500 business locations across India. We deliver a broad array of financial services through our network of branches, sub-brokers and franchisees, which are complemented by our call centres, online and mobile channels. Our reach in 26 states across India brings us closer to our customers enabling us to address their needs quickly and efficiently.

RETAIL FOCUS

At IIFL, we serve more than three million satisfied customers across various businesses. Our deep understanding of retail segment and strong geographical footprint has given us the flexibility to expand and reach out to different segments of the society. In our lending business, through our extensive network of over 1,000 branches, we cater to the financing needs of salaried and self-

employed individuals and small businesses. The average ticket size in our retail home loan business is less than ₹ 2.5 million. Our mobile app, IIFL Markets, works even on a 2G connection and is accessed by 500,000 investors from over 1,500+ locations across India.

INNOVATION IN A DIGITAL LANDSCAPE

Digital disruption has increased choice and reduced loyalty among customers. At IIFL, we use digital and data analytics to innovate, customise and deliver products to our customers in most efficient and suitable manner. IIFL was a pioneer in the retail equity broking industry with its launch of 5paisa trading platform, which offered the lowest brokerage in the industry and freedom from traditional ways of transacting. On the lending side, the use of eKYC and access to online information on customers' credit scores, bank statements, income-tax documents, spending patterns, social engagements and

so on are resulting in faster turnaround-time and stronger credit appraisal, monitoring and recovery of loans.

OWNERSHIP MINDSET

We are committed to bringing the best out of our people. Our large base of nearly 12,000 employees helps us deliver more to our customers, shareholders, and wide fraternity of stakeholders. We invest in sharpening the capabilities of our employees through continuous training and encourage a vibrant culture of entrepreneurship, openness, learning, and sharing.

DE-RISKED BUSINESS MODEL WITH MULTIPLE REVENUE STREAMS

Our multiple products and services across various business segments provide a diversified revenue pool and cushion against headwinds in any particular segment. The lending business itself comprises multiple products covering almost all forms of secured lending.



Strategic Priorities

FOR FY2016-17

ENHANCE INVESTMENTS IN TECHNOLOGY AND DIGITIZATION

Our solutions are backed by an agile and integrated technology platform. As the pace of change in digital communications continues to drive increased expectations for proficiency and quality from end-users, we are persistently evolving our technology platforms. We are committed to harnessing the latest technology, most suited to our needs, to expand our reach, improve customer experience and achieve greater operational efficiencies.

OPTIMISE COST OF OPERATIONS

Our aim is to reduce operational cost as a percentage of top-line steadily, simplify our product offerings and processes, and improve our operations by streamlining administration and automation of processes. We will continue to optimise our businesses through effective utilisation of our resources and infrastructure.

MAXIMISE CUSTOMER SATISFACTION

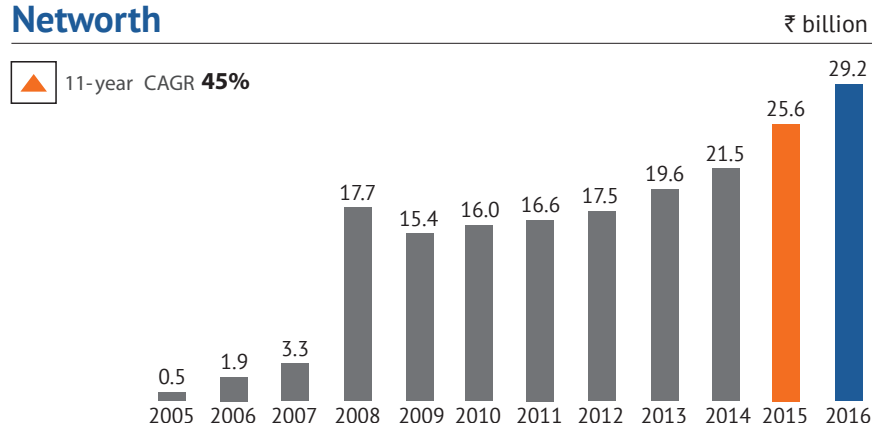
We strive to develop suitable financial solutions on mobile and web, besides traditional delivery channels by understanding the needs of our customers. The result is pertinent solutions that enhance return and reduce costs for our customers. Our investments in best-in-class technology platforms will drive productivity and deliver quality through a convenient and responsive interface.

STRENGTHEN BRAND VISIBILITY

Our customer-centricity has enabled brand IIFL to emerge as a symbol of dependability and trust. IIFL brand is well-known in small towns and cities across India. We plan to expand awareness through increased promotional and marketing efforts.

Financial Performance

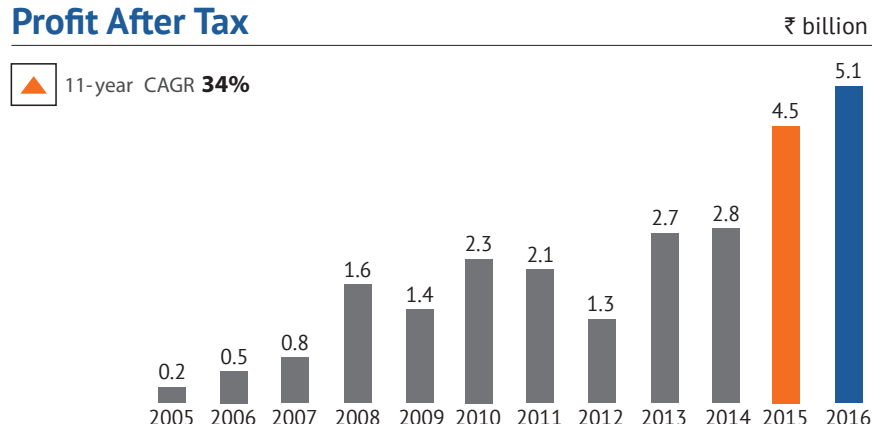
Networth



Total shareholder return of 31% CAGR to shareholders since listing

IIFL's consolidated income recorded 43% CAGR to ₹ 39,957 million and PAT recorded 34% CAGR to ₹ 5,112 million between 2005 and 2016

Profit After Tax



Total Assets

