

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

OUR COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IIFL Wealth Management Limited (the “Company”) follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Wealth Management Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..

Our Board has Independent Directors, highly respected for their professional integrity as well as rich financial experience and expertise.

1. BOARD OF DIRECTORS

(a) Composition of the Board of Directors as on June 30, 2019:

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

None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of the Directors
Executive Directors	Mr. Karan Bhagat (Managing Director) Mr. Yatin Shah(Whole Time Director)
Independent Directors	Ms. Geeta Mathur Mr. Nilesh Vikamsey Dr. Subbaraman Narayan
Non-Executive Directors	Mr. Nirmal Jain Mr. Venkataraman Rajamani
Nominee Directors (Representing General Atlantic Singapore Fund Pte Ltd as equity investor)	Mr. Sandeep Naik Mr. Shantanu Rastogi

The Board has identified the following skills/expertise/competence for the effective functioning of the Company which is currently available with the Board:

Skills and Attribute	Strategic Advisor, Monetary Policy, Leadership, Corporate Governance, Risk and Compliance, Financial Expertise, Stakeholder Relationship
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(b) Brief profiles of the Directors are as follows:

• KARAN BHAGAT

Karan Bhagat is the Promoter and Managing Director of our Company. He holds a bachelor’s degree in commerce from St. Xavier’s College, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has approximately two decades of experience in the financial services sector. He is currently responsible for the strategic initiatives undertaken by our Company. He was responsible for establishing a customer-centric private wealth enterprise

and was responsible for introducing new offerings such as lending & estate planning services for ultra HNIs. Under his leadership, our Company also launched a fee-based advisory platform that aggregates all of our services into a single offering, called IIFL One. Further, he was responsible for the introduction of an innovative fee structure, which commits to a single fee being charged to the client. He has previously worked with Kotak Mahindra Wealth Management Ltd, where he served as Senior Vice President. He featured in Fortune India’s ‘40 under 40’ list in 2016 and 2017 and The Economic Times ‘40

under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

- **YATIN SHAH**

Yatin Shah is the Promoter and Whole-time Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in science (finance) from Cass Business School, London. He has significant experience in the financial services sector. He has previously worked with Khandwala Securities Limited and Kotak Mahindra Bank Limited. He has been awarded as the Best Relationship Manager by Kotak Mahindra Bank and secured the Best Financial Manager" award for the best registered deal by Asian Institute of Management Manila.

- **NIRMAL JAIN -**

Nirmal Jain is the Promoter and a Non-Executive Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad, and is a qualified chartered accountant. He is also a qualified cost accountant and obtained the all India second rank in an examination conducted by the Institute of Cost Accountants of India in 1987. He has experience in the financial services sector and the fast-moving consumer goods sector. He founded IIFL Finance Limited in 1995 and is the current chairman of its board. Prior to this, he worked with Hindustan Unilever Limited (previously Hindustan Lever Limited), where he was responsible for, among others, export and trading in agro-commodities. He was conferred the CA Entrepreneur Leader award by the ICAI in the year 2018 in the financial services category, Entrepreneur of the Year award at the Franchise Awards, 2012, and the Pride of India Gold Medal by the NRI Institute in the year 2009.

- **VENKATARAMAN RAJAMANI**

Venkataraman Rajamani is the Promoter and a Non-Executive Director on the Board of our Company. He holds a bachelor's

degree in electronics and electrical communications engineering from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He joined IIFL Securities Limited in 1999 and is currently a promoter and the managing director of IIFL Finance Limited. He has significant experience in the financial services sector. Prior to this, he worked with ICICI Limited, ICICI Securities Limited, and Taib Capital Corporation Limited. He has also served as the assistant vice president of GE Capital Services India Limited in their private equity division. He has been accredited as 'Best CEO' by BW Businessworld in the 'large corporate' category in 2018.

- **NILESH VIKAMSEY**

Nilesh Vikamsey is an Independent Director and the Chairman of the Board of our Company w.e.f June 25, 2019. He holds a bachelor's degree in commerce from S.P. Mandali's R.A. Podar College of Commerce and Economics. He is a qualified chartered accountant, holds a diploma in information system audit from the ICAI, is an elected member of the Central Council of the ICAI, and was, previously, the president of the ICAI. He is a senior partner at Khimji Kunverji & Co. He has also, in the past, held the position of chairman of the Qualified Audit Report Committee of SEBI. He was also a member of the Committee on Corporate Governance and the Committee on Disclosures and Accounting Standards constituted by SEBI. He was previously an observer on the board of the International Federation of Accountants and a member of its technology advisory group. He was also a member of the Insurance Regulatory and Development Authority of India. In addition, he is currently a member of SEBI's Primary Market Advisory Committee and the Advisory Committee on Mutual Funds. Further, he is also a member of the sub-group formed by the audit committee of Coal India Limited and the disciplinary committee of the CDSL.

- **GEETA MATHUR**

Geeta Mathur is an Independent Director on the Board of our Company. She holds a

bachelor's degree in Commerce from the University of Delhi and is a qualified chartered accountant. She specialises in the areas of project, corporate, and structured finance; treasury; investor relations; and strategic planning. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations. She is the Co-chair for the India Chapter of Woman Corporate Directors Foundation, a global organization working towards increasing the participation of woman on corporate boards and board leadership position.

- **SUBBARAMAN NARAYAN**

Subbaraman Narayan is an Independent Director on the Board of our Company. He holds a bachelor's degree and a master's degree in physics from Madras University. He has 40 years of experience in the fields of economics, economic policy, and administration. He has been a senior research fellow at the Institute of South Asian Studies, National University of Singapore since 2005. He has previously held the positions of finance and economic affairs secretary; economic advisor to the Prime Minister of India; secretary in the Department of Revenue, Ministry of Finance, Government of India; secretary, Ministry of Petroleum and Natural Gas, Government of India; and secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

- **SANDEEP NAIK**

Sandeep Achyut Naik is a Nominee Director on the Board of our Company. He is currently the managing director and head of the India and Asia-Pacific business of General Atlantic. He holds a bachelor's degree in technology (specialising in instrumentation engineering) from the University of Mumbai a master's degree in science (specialising in biomedical

engineering) from the Virginia Commonwealth University School of Medicine, and a master's degree in business administration (specialising in finance) from the Wharton School, the University of Pennsylvania. Prior to joining General Atlantic Singapore Fund Pte Limited in 2012, he served as partner and co-head of India for Apax Partners India Advisers Private Limited. He was also co-founder of InfraScan Inc. He was selected as a young global leader by the World Economic Forum and has previously served on the global agenda council of the 'new order of economic thinking'.

- **SHANTANU RASTOGI**

Shantanu Rastogi is a Nominee Director on the Board of our Company. He is currently a managing director at General Atlantic Singapore Fund Pte Limited, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He holds a bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a master's degree in business administration from the Wharton School, the University of Pennsylvania. He has approximately 14 years of experience in the fields of private equity and finance. He has previously worked as a business consultant with McKinsey & Company India LLP.

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

During the year 2018-19, nine (9) Board Meetings were held on the following dates: May 03, 2018, June 19, 2018, July 20, 2018, July 30, 2018, August 28, 2018, September 21, 2018, October 15, 2018, October 31, 2018 and January 29, 2019.

Further during the quarter ended June 30, 2019, Five (5) Board Meetings were held on April 10, 2019, April 30, 2019, May 13, 2019, June 06, 2019 and June 25, 2019.

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a Member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees

across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies.

The table below gives the details of the names of the members of the Board, their status, their

attendance at the Board Meetings and the last AGM, their Directorships, Committee Memberships and Chairmanships in Indian Companies as on June 30, 2019. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

Name of Director	Position / Category of Directorship	Number of Directorship	Name of Listed Companies and Designations	^Number of Committees	
				Member	®Chairperson
Mr. Nirmal Jain	Promoter and Non-Executive Director	6	1. IIFL Finance Limited Whole-time Director 2. [§] IIFL Wealth Management Limited Non-Executive Director	-	-
Mr. Venkataraman Rajamani	Promoter and Non-Executive Director	5	1. IIFL Finance Limited Managing Director 2. IIFL Wealth Management Limited Non-Executive Director	5	1
*Mr. Nilesh Vikamsey	Chairman & Independent Director	10	1. Navneet Education Limited- Non-Executive Director 2. Thomas Cook (India) Limited- Independent Director 3. PNB Housing Finance Limited - Independent Director 4. IIFL Finance Limited Independent Director 5. SBI Life Insurance Company Limited Independent Director 6. IIFL Wealth Management Limited Independent Director	7	2
Ms. Geeta Mathur	Independent Director	13	1. JTEKT India Limited Independent Director 2. Schneider Electric Infrastructure Limited Independent Director 3. Motherson Sumi Systems Limited Independent Director 4. IIFL Finance Limited Independent Director 5. NIIT Limited Independent Director 6. Info Edge (India) Limited Independent Director 7. IIFL Wealth Management Limited Independent Director	6	3

Name of Director	Position / Category of Directorship	Number of Directorship	Name of Listed Companies and Designations	^Number of Committees	
				Member	Chairperson
**Dr. Subbaraman Narayan	Independent Director	11	1. Seshasayee Paper and Boards Limited – Independent Director; 2. Dabur India Limited - Independent Director 3. Apollo Tyres Limited- Independent Director 4. Artemis Global Life Sciences Limited - Independent Director 5. IIFL Wealth Management Limited – Independent Director	2	3
Mr. Karan Bhagat	Promoter and Managing Director	3	1. IIFL Wealth Management Limited – Managing Director	-	-
Mr. Yatin Shah	Promoter and Whole-time Director	10	1. IIFL Wealth Management Limited – Whole-time Director	1	0
Mr. Shantanu Rastogi	Non-Executive Director	10	1. IIFL Wealth Management Limited – Nominee Director	1	1
Mr. Sandeep Naik	Non-Executive Director	8	1. IIFL Wealth Management Limited – Nominee Director		

Note:

- *Mr. Nilesh Vikamsey has been designated as the Chairman of the Board of the Company w.e.f June 25, 2019.
- **Dr. Subbaraman Narayan was appointed w.e.f. June 25, 2019.
- ^The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.
- @This is in addition to the number of committees in which the director is designated as a committee member.
- \$ Proposed to be listed

Details of Board Meeting(s) and Annual General Meeting as on March 31, 2019:

S/n.	Name of Director	Number of Board Meetings During Fy 2018-19		Attendance at AGM
		Held	Attended	
1.	Mr. Nirmal Jain	9	9	No
2.	Mr. Venkataraman Rajamani	9	9	No
3.	Mr. Nilesh Vikamsey	9	8	No
4.	Ms. Geeta Mathur	9	9	Yes
5.	Dr. Subbaraman Narayan	9	Not Applicable	Not Applicable
6.	Mr. Karan Bhagat	9	9	Yes
7.	Mr. Yatin Shah	9	6	Yes
8.	Mr. Shantanu Rastogi	9	7	No
9.	Mr. Sandeep Naik	9	8	No

d) Board Level Performance Evaluation:

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

The criteria for performance evaluation are as under:

For Chairman:

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

For Executive Directors:

The criteria for evaluation of Executive Directors, *inter alia*, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors):

The criteria for evaluation of Non-Executive Directors, *inter alia*, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience, adherence to the code of conduct.

For Board as a whole:

The criteria for evaluation of the Board, *inter alia*, includes composition and diversity, induction programme, team work, performance

culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

e) Separate meetings of the Independent Directors:

In compliance with the provisions of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on March 22, 2019, *inter alia*, to discuss the following:

- To review the performance of non-independent directors and the Board of Directors as a whole;
- To review the performance of the Chairperson of the company;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board / Committees of the Board from time to time.

f) Familiarization programme for Independent Directors:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company’s procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and operations of the Company as well as the Group. Quarterly updates on relevant statutory changes are discussed at the Board meetings. The details of such familiarization programmes of the Company may be accessed on the Company’s website at www.iiflwealth.com.

g) Meetings of the Board:

- **Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by

circulations, as permitted by law, which are confirmed in the next Board Meeting.

- **Board Meeting Location:** The location of the Board / Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.
- **Notice and Agenda circulated in advance:** The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are being circulated well in advance of the Meeting. The Company has implemented App based e-meeting system accessible through secured iPads provided to the directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary sets the Agenda for the Board / Committee Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- **Other Matters:** The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ committee Members.
- **Presentations by Management:** The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- **Access to employees:** The Directors are provided free access to officers and employees of the Company. Whenever any need arises,

the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the issues being considered.

h) Information Supplied to the Board / Committees:

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of the businesses and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Status of material litigations.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of material nature of investments, assets which are not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, if any, and others and steps taken by company to rectify instances of non-compliances, if any.

i) Minutes of the Meetings:

The draft Minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the Board. The Minutes are confirmed by the Members and signed by the Chairman at the next Board/ Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

j) Post meeting follow-up mechanism:

The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings which calls for actions to be taken are promptly initiated and wherever required, communicated to the concerned departments/ divisions. The action taken report is placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

k) Confirmation of Independence:

The Board is of the opinion that the Independent Director fulfills the conditions specified in SEBI Listing Obligations and Disclosure Requirements), 2015 and are independent of the Management.

2. AUDIT COMMITTEE

- i. The present Audit Committee of your Company comprises of two Independent Directors (Mr. Nilesh Vikamsey and Ms. Geeta Mathur) and one Non-Executive Director (Mr. Shantanu Rastogi). Ms. Geeta Mathur, an Independent Director, is the Chairperson of the Committee. All the members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the company in its subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
22. Reviewing the following information:
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 6. statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

During the period under review, the Audit Committee of the Company met seven(7) times on May 01, 2018, May 03, 2018, June 19, 2018, July 20, 2018, July 30, 2018, October 31, 2018 and January 29, 2019. The necessary quorum was present at the

meetings. The gap between two Audit Committee Meetings was not more than 120 days.

Further during the quarter ended June 30, 2019, two (2) meetings of the Audit Committee were held on May 13, 2019 and June 25, 2019.

The attendance of each member of the Audit Committee at its Meeting as on March 31, 2019 is given below:

Name of the Members	Designation	Non-executive/ Executive / Independent	No. of Committee Meetings Held	Committee Meeting Attended
Ms. Geeta Mathur	Chairperson	Independent	7	7
Mr. Nimesh Vikamsey	Member	Independent	7	7
Mr. Shantanu Rastogi	Member	Non-Executive	7	6

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on July 20, 2018.

3. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("NRC") presently comprises of Ms. Geeta Mathur, an Independent Director as the Chairperson, Mr. Nimesh Vikamsey, an Independent Director as member, Mr. Nirmal Jain, a non-executive director as member and Mr. Sandeep Naik, a non-executive Director as the member, of the NRC.

The scope of activities of the NRC is as set out in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of the criteria for evaluation of performance of Independent Directors and the Board;
- (3) devising a policy on Board diversity;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (5) consider extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- (6) specifying the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- (7) recommend / review remuneration of the managing director(s) and whole-time director(s) based on their performance and defined assessment criteria;
- (8) administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;
- (9) annual performance evaluation of the committee;
- (10) review the information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary; and
- (11) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modified as may be applicable.

The NRC also administer your Company's Stock Option plans.

During the year under review, the NRC of the Company met Four (4) times during the last financial year on May 03, 2018, July 30, 2018, October 31, 2018 and January 29, 2019. The necessary quorum was present at the meetings.

Further during the quarter ended June 30, 2019, two (2) NRC Meeting was held on May 13, 2019 and June 25, 2019.

The attendance of each member of the NRC at the Meeting of Committee as on March 31, 2019 is given below:

Name of the Members	Designation	Non-executive/ Executive / Independent	No. of Committee Meetings Held	Committee Meeting Attended
Ms. Geeta Mathur	Chairperson	Independent	4	4
Mr. Nilesh Vikamsey	Member	Independent	4	4
Mr. Nirmal Jain	Member	Non-Executive	4	4
Mr. Sandeep Naik	Member	Non-Executive	4	3

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

The Chairperson of the NRC was present at the last Annual General Meeting of the Company held on July 20, 2018.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Nomination & Remuneration policy forms part of the Directors Report, annexed as Annexure I. The details of the remuneration paid to the Directors is as follows:

(a) Details of Remuneration paid to Directors during the financial year 2018-19 and details of number of shares and convertible instruments held by Directors as on June 30, 2019 is as under:

Name Of The Director	Designation	Salary And Perquisite (in Rs.)	Commission (in Rs.)	Sitting Fees (in Rs.)	Contribution To Pf And Other Funds	Stock Options (in Quantity)	No. Of Equity Shares Held As On June 30, 2019
Mr. Nirmal Jain	Non - Executive Director	Nil	Nil	Nil	Nil	Nil	66,28,856
Mr. Venkataraman Rajamani	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	15,69,204
Ms. Geeta Mathur	Independent Director	Nil	5,00,000/-	5,70,000/-	Nil	Nil	Nil
Mr. Nilesh Vikamsey	Independent Director	Nil	10,00,000/-	5,40,000/-	Nil	Nil	23,571
Mr. Karan Bhagat	Managing Director	5,01,78,647.06	Nil	Nil	Nil	Nil	3,06,569
Mr. Yatin Shah	Whole Time Director	4,00,78,846.42	Nil	Nil	Nil	Nil	33,10,497
Mr. Shantanu Rastogi	Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Sandeep Naik	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	Nil
#Mr. Amit Shah	Non- Executive Director	Nil	Nil	Nil	Nil	Nil	15,68,421

Note:

1. #Mr. Amit Shah resigned on January 24, 2019.

The Company has not issued any convertible instruments.

(b) Remuneration to Non-Executive/ Independent Directors:

During the year under review, the Independent Directors were paid Rs. 30,000/- (Rupees Thirty Thousand only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and were paid Rs. 15,000/- (Rupees Fifteen Thousand only) towards sitting fees for attending each of the other committee meetings and the Independent Director's Meeting plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. The Company has not granted any Employee Stock Options to the Independent Directors. There are no pecuniary relationships or transaction of the non-executive directors with the Company.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of your Company was constituted on May 14, 2019 and comprises of one non- executive director who is chairman of the Stakeholders Relationship Committee (Mr. Venkataraman Rajamani), one Independent Director (Ms. Geeta Mathur) and one executive director (Mr. Yatin Shah).

The broad terms of reference of committee are as under:

- (i) Approval of transfer / transmission of shares / debentures and such other securities as may be issued by the Company from time to time;
- (ii) Approval to issue duplicate share certificates for shares / debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- (iii) Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- (iv) Approval to issue and allot right shares / bonus shares pursuant to a rights issue / bonus issue made by the Company, subject to such approvals as may be required;
- (v) To approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- (vi) Monitoring expeditious redressal of investors / stakeholders' grievances;
- (vii) Review of measures taken for effective exercise of voting rights by shareholders;
- (viii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- (ix) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- (x) All other matters incidental or related to shares, debentures and other securities of the Company.

Further during the quarter ended June 30, 2019 there was no meeting of Stakeholder Relationship Committee.

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

Name and designation: Mr. Ashutosh Naik,
Company Secretary &
Compliance Officer

Corporate Office Address: IIFL Centre, Kamala City,
Senapati Bapat Marg,
Lower Parel, Mumbai -
400013

Contacts: Tel: +91 22 48765600

E-mail: ashutosh.naik@iiflw.com

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

There is no shareholder complaint received so far.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee presently comprises of Mr. Karan Bhagat, Managing Director, Mr. Nirmal Jain, Non-Executive Director, Mr. Nilesh Vikamsey, Chairman and Independent Director, Mr. Sandeep Naik, Non-Executive Director.

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

- (i) recommend the amount of expenditure to be incurred on CSR activities; and
- (ii) monitor that the company spends, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years for CSR

activities and review the reasons for not being able to spend such amount.

During the year ended March 31, 2019, One (1) meeting of Corporate Social Responsibility Committee was held on March 22, 2019, which was attended by Mr. Nirmal Jain and Mr. Nilesh Vikamsey, while Mr. Karan Bhagat and Mr. Sandeep Naik were granted leave of absence.

Further during the quarter ended June 30, 2019, one (1) CSR Meeting was held on May 13, 2019.

6. **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee presently comprises of Mr. Venkataraman Rajamani, Non-Executive Director, Mr. Shantanu Rastogi, Non-Executive Director, Mr. Nilesh Vikamsey, Non-Executive Director, Mr. Karan Bhagat, Managing Director, Ms. Geeta Mathur, Non-Executive Director.

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and the applicable provisions of the Companies Act, 2013, and its terms of reference are as follows:

- (i) Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;

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

7. **PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS**

Your Company follows a system whereby all the acts, rules and regulations applicable to your Company are identified and compliance with such acts, rules and regulations is monitored by dedicated team on a regular basis. Verification of the compliances with the major acts/regulations is carried out by suitable external auditors/ lawyers/ Consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to your Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

8. **ANNUAL GENERAL MEETINGS**

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

Date of AGM	Location	Time	Whether any special resolutions passed
July 20, 2018	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	01.00 pm	Yes. 2 Special Resolutions were passed.
July 21, 2017	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	01.00pm	No
July 27, 2016	IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	04.00 pm	No

No business was required to be transacted through Postal Ballot at the above meetings.

9. **DISCLOSURES**

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

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors, which is displayed on your Company's website, i.e., www.iiflwealth.com. The Policy provides for identification of RPTs, necessary approvals by the Audit

Committee/Board/Shareholders, reporting and disclosure requirements, as applicable, in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company except the transaction stated in the Form AOC-2 annexed to the Directors Report pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 to be reported under Section 188(1) of the Companies Act, 2013. However, all the related party transactions were on arms' length basis. All such Related Party Transactions were placed before the Audit Committee for approval, wherever applicable.

(ii) **Details of non-compliance:**

No strictures/penalties were imposed on your Company by the stock exchange(s) or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the capital markets during the last three financial years.

(iii) **Details of establishment of Whistle Blower Policy and Vigil Mechanism:**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy on June 25, 2019 and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct policy. The Policy also provides for adequate safeguard against victimization of the whistle blower who avails of such mechanism and provides for the access to the Chairman of the Audit Committee. None of the whistle blowers has been denied access to the Audit Committee.

(iv) **Compliance with Mandatory and Non-Mandatory Provision**

During the financial year 2018-19, all the mandatory and non-mandatory requirements of the Corporate Governance norms under the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable to your Company. Post implementation of the composite scheme of arrangement and proposed listing of your Company, your Company has initiated steps to adhere with all the mandatory requirements of the Corporate Governance norms as prescribed under the Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The Company has also implemented some of the discretionary requirements, such as direct reporting by the Internal Auditor to the Audit Committee and a separate office for Chairman.

(v) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):**

During the financial year 2018-19, the Company has raised funds through preferential allotment for the purpose of conducting business operations of the Company including for general corporate purposes and working capital requirements of the Company and that there is no deviation from the purpose stated in the offer document.

(vi) **Disclosure of accounting treatment**

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

The Company's Policies on determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz. URL: www.iiflwealth.com

(vii) None of the directors are related to any other director;

(viii) There are no Unclaimed shares of the

Company as on March 31, 2019

- (ix) The Company has obtained a certificate from M/s. Jayaram U. Poojari, Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- (x) The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been mentioned in the Directors' Report of the Company.
- (xi) During the year the board has accepted all the recommendations made by committee(s) and there were no such instances where the Board has not accepted recommendations made by any of the committee of the Board.

10. 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.iiflwealth.com. On being listed, the Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, will be regularly sent to Stock Exchanges and uploaded on the Company's website.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange.

All the disclosures made to the stock exchanges are also available on the Company's website at www.iiflwealth.com.

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

11. GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting	September 30, 2019 at 12:00 noon at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018.
2. Financial calendar (2019-20)	April 1, 2018 to March 31, 2019 Results for the quarter ended June 30, 2019 were approved on August 21, 2019. Results for the quarter ended September 30, 2019 – within 45 days from the end of the quarter Results for the quarter ended December 31, 2019 – within 45 days from the end of the quarter Results for the quarter and year ended March 31, 2020 – within 60 days from the end of the quarter
3. Book closure date	September 24, 2019 to September 30, 2019 (both days inclusive)
4. Dividend	During the period under review, your Company has declared an interim dividend of Rs. 5/- each on October 31, 2018 and January 29, 2019, per equity share with face value Rs.2 per share, involving a total outlay of Rs. 84,79,06,100/- (including dividend distribution tax).
5. Listing of equity shares on stock exchanges at	1. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 2. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 The Listing Fees for the financial year 2019-20 have been paid to the aforesaid Stock Exchanges.
6. Stock code	The Shares of the Company are proposed to be listed, on the date of this report.
7. Stock market data:	Not Applicable for the financial year 2018-19.
8. Demat ISIN numbers in NSDL and CDSL for equity shares	INE466L01020

9. Registrar & Transfer Agent	Link Intime India Private Limited C-101, 247, LalBahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000, Email: rnt.helpdesk@linkintime.co.in
10. Share transfer system	Your Company's shares are compulsorily traded in dematerialized form. In the case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 30 days from the date of receipt. All share transfers and other share related issues will be approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.
11. Dematerialization of shares	As on June 30, 2019, 99.99% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.
12. Correspondence for dematerialization, transfer of shares, non-receipt of dividend on shares and any other query relating to the shares of the Company	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: +91 (22) 4918 6270 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in Contact Person: Jayprakash VP
13. Any query on Annual Report contact at corporate office	Mr. Ashutosh Naik, Company Secretary and Compliance Officer IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Email: secretarial@iiflw.com
14. Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs of 3491634 stock options as on March 31, 2019 under its ESOP plans which may be exercised by the grantees . 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.

12. SHAREHOLDING PATTERN

Categories of Equity Shareholders as on June 30, 2019:

Category	Number of equity shares held	Percentage of holding
Clearing Members	10,503.00	0.0123
Other Bodies Corporate	8,69,193.00	1.0211
Foreign Company	3,55,00,239.00	41.7030
Hindu Undivided Family	46,367.00	0.0545
Mutual Funds	5,25,138.00	0.6169
Non Nationalised Banks	776.00	0.0009
Foreign Nationals	34,757.00	0.0408
Non Resident Indians	40,89,863.00	4.8045
Non Resident (Non Repatriable)	8,81,916.00	1.0360
Persons Acting In Concert	83,54,189.00	9.8139
Public	1,10,23,517.00	12.9496
Promoters	1,26,65,915.00	14.8790
Trusts	1,597.00	0.0019
Employee Welfare Trust / ESOP	46,754.00	0.0549
Foreign Portfolio Investors (Corporate)	1,08,93,843.00	12.7973
Alternate Investment Funds	1,49,271.00	0.1754
NBFCs registered with RBI	28,741.00	0.0338
Investor Education And Protection Fund	3,669.00	0.0043
TOTAL	8,51,26,248.00	100.00

13. DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2019

The distribution of shareholders as on JUNE 30, 2019 is as follows:

Serial #	Shares Range	Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	36885	97.2911	1155193	1.3570
2	501 to 1000	348	0.9179	246122	0.2891
3	1001 to 2000	222	0.5856	318604	0.3743
4	2001 to 3000	89	0.2348	215118	0.2527
5	3001 to 4000	52	0.1372	180910	0.2125
6	4001 to 5000	24	0.0633	109798	0.1290
7	5001 to 10000	76	0.2005	537837	0.6318
8	10001 and more	216	0.5697	82362666	96.7535
Total		37912	100.00%	8,51,26,248	100.00%

14. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES AND PREFERENTIAL ISSUE, AMONG OTHERS

Your Company did not raise money through any public issue or right issue during the F.Y. 2018-19. During the Financial year, your company has raised INR 7,45,70,59,500 from strategic institutional investors.

15. SUBSIDIARY COMPANIES

During the year under review, the Company incorporated, a wholly owned subsidiary namely IIFL Wealth Securities IFSC Limited on June 22, 2018. The Company acquired two companies named Altiore Advisors Private Limited and Wealth Advisors (India) Private Limited on November 05, 2018 and November 22, 2018 respectively.

During the year, IIFL Private Wealth (Suisse) S.A. has ceased to be the subsidiary of IIFL Wealth Management Limited.

16. CEO/CFO CERTIFICATE

The Certificate required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the CEO and CFO is annexed to this Report.

17. CODE OF CONDUCT

The confirmation from the Chief Executive Officer regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at www.iiflwealth.com

For and on behalf of the Board**Karan Bhagat**

Managing Director

DIN: 03247753

Place: Mumbai

Date: August 21, 2019

Venkataraman Rajamani

Non-executive Director

DIN:00011919