

# Deloitte Haskins & Sells LLP

## Chartered Accountants

One International Centre,  
27<sup>th</sup> – 32<sup>nd</sup> Floor, Tower 3,  
Senapati Bapat Marg,  
Elphinstone Mill Compound,  
Prabhadevi (W), Mumbai- 400 013  
Maharashtra, India.

Phone: +91 22 6185 4000  
Fax: +91 22 6185 4501/4601

## INDEPENDENT AUDITOR'S REPORT

### To The Members of IIFL Investment Adviser and Trustee Services Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **IIFL Investment Adviser and Trustee Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the in the Director's report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon. The Director's report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors report , if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

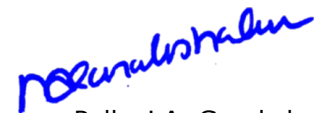
1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



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- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position as at 31<sup>st</sup> March 2021, in its financial statements (Refer note 26).
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar  
(Partner)  
(Membership No.105035)  
(UDIN: 21105035AAAAEG1921)

Place: Mumbai  
Date: 14 May 2021

# Deloitte Haskins & Sells LLP

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **IIFL Investment Adviser and Trustee Services Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

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

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

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



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## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar  
(Partner)  
(Membership No.105035)  
(UDIN: 21105035AAAAEG1921)

Place: Mumbai  
Date: 14 May 2021

# Deloitte Haskins & Sells LLP

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) To the best of our knowledge and according to information and explanation given to us the, the Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) To the best of our knowledge and according to information and explanation given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) To the best of our knowledge and according to information and explanation given to us the, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and hence reporting under clause (v) of CARO 2016 is not applicable.
- (vi) To the best of our knowledge and according to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Custom Duty, Excise Duty and Employees' State Insurance is not applicable to the Company.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.



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- (c) Details of dues of Income-tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in million)	Amount Unpaid (Rs. in million)
Income Tax Act, 1961	Disallowances under 14A and Disallowances of Expense	Commissioner of Income- Tax (Appeals)	A.Y 2017-2018	15.23	11.62

- (viii) To the best of our knowledge and according to the information and explanations given to us, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) To the best of our knowledge and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party





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transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)  
(UDIN: 21105035AAAAAEG1921)

Place: Mumbai,  
Date: 14 May 2021

**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

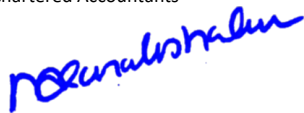
(₹ in Mn)

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	3	22.56	16.44
(b)	Receivables			
	(i) Trade receivables	4	73.25	109.05
	(ii) Other receivables	4	0.33	0.35
(c)	Loans	5	-	270.94
(d)	Investments	6	293.47	-
(e)	Other financial assets	7	3.70	0.07
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)		19.22	17.58
(b)	Deferred tax assets (net)	8	2.04	1.82
(d)	Right to use	9	0.70	1.30
(e)	Other non-financial assets	10	5.00	0.69
	<b>Total Assets</b>		<b>420.27</b>	<b>418.24</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			
	Trade payables	11		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.21	3.71
(b)	Finance Lease Obligation	9	0.79	1.37
(c)	Other financial liabilities	12	2.88	15.16
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)		2.30	2.30
(b)	Provisions	13	6.29	3.87
(c)	Other non-financial liabilities	14	11.69	13.59
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	15	352.25	352.25
(b)	Other equity	16	41.86	25.99
	<b>Total Liabilities and Equity</b>		<b>420.27</b>	<b>418.24</b>

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



**Pallavi A. Gorakshakar**  
Partner

For and on behalf of Board of Directors



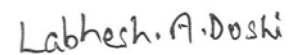
**Girish Venkataraman**  
Whole Time Director and CEO  
(DIN: 06981605)



**Niraj Kumar Murarka**  
Director  
(DIN: 02312454)



**Triparna Banerjee**  
Chief Financial Officer



**Labhesh Doshi**  
Company Secretary

Place : Mumbai  
Date : May 14th, 2021

**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

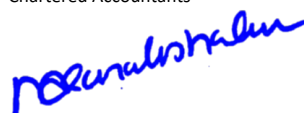
(₹ in Mn)

Sr. No.	Particulars	Note No.	2020-21	2019-20
<b>1</b>	<b>Revenue from operations</b>			
(i)	Fees and commission income	17	73.59	158.56
(ii)	Sale of products(including Excise Duty)		-	198.23
	<b>Total revenue from operations</b>		<b>73.59</b>	<b>356.79</b>
<b>2</b>	<b>Other income</b>	18	45.21	45.02
<b>3</b>	<b>Total income (1+2)</b>		<b>118.80</b>	<b>401.81</b>
	<b>Expenses</b>			
(a)	Finance costs	19	19.22	7.30
(b)	Fees and commission expenses		0.01	0.02
(c)	Impairment on financial instruments	20	(0.37)	(0.48)
(e)	Changes in Inventories-stock-in-trade		-	197.51
(f)	Employee benefits expenses	21	57.68	155.26
(g)	Depreciation, amortization and impairment	9	0.60	1.40
(h)	Other expenses	22	22.54	38.79
<b>4</b>	<b>Total expenses</b>		<b>99.68</b>	<b>399.80</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>19.12</b>	<b>2.01</b>
<b>6</b>	<b>Tax expense:</b>			
(a)	Current tax	23	3.45	4.01
(b)	Deferred tax	23	(0.22)	0.97
<b>7</b>	<b>Profit/(loss) for the year (5-6)</b>		<b>15.89</b>	<b>(2.97)</b>
<b>8</b>	<b>Other comprehensive income</b>			
(a)	(i) Items that will not be reclassified to profit or loss	21.1		
	- Remeasurements of Employee Benefits		(0.02)	0.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	23	-	(0.14)
	Subtotal (a)		<b>(0.02)</b>	<b>0.41</b>
(b)	(i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (b)		-	-
	Other comprehensive income/(loss) (a+b)		<b>(0.02)</b>	<b>0.41</b>
<b>9</b>	<b>Total comprehensive income/(loss) for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year)</b>		<b>15.87</b>	<b>(2.56)</b>
<b>10</b>	<b>Earnings per equity share</b>			
	Basic (Rs.)	24	0.45	(0.08)
	Diluted (Rs.)	24	0.45	(0.08)

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



**Pallavi A. Gorakshakar**  
Partner

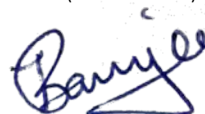
For and on behalf of Board of Directors



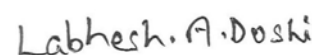
**Girish Venkataraman**  
Whole Time Director and CEO  
(DIN: 06981605)



**Niraj Kumar Murarka**  
Director  
(DIN: 02312454)



**Triparna Banerjee**  
Chief Financial Officer



**Labhesh Doshi**  
Company Secretary

Place : Mumbai  
Date : May 14th, 2021

**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(₹ in Mn)

Particulars	2020-21	2019-20
<b>A. Cash flows from operating activities</b>		
<b>Net profit before taxation</b>	19.12	2.01
<b>Adjustments for:</b>		
Depreciation & amortisation	0.60	1.40
Provisions for employee benefits	0.85	2.20
Profit on Sale of Investments -Realised	(19.27)	(4.14)
Profit on Sale of Investments -UnRealised	(0.12)	-
Impairment on Financial Instrument	(0.37)	(0.48)
Gain on Termination of Lease	-	(0.02)
Interest income	(25.82)	(40.42)
Interest on lease liabilities	0.10	0.32
Interest expenses	19.12	6.98
<b>Operating profit/(loss) before working capital changes</b>	<b>(5.79)</b>	<b>(32.15)</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in Financial/Non-financial Assets other than Inventory	28.23	21.51
Increase/ (Decrease) in Financial/Non-financial Liabilities	(11.84)	(63.04)
(Increase)/ Decrease in Inventory	-	197.51
<b>Cash generated from operating activities</b>	<b>10.60</b>	<b>123.83</b>
Net income tax (paid) / refunds	(5.09)	(42.14)
<b>Net cash generated from operating activities (A)</b>	<b>5.51</b>	<b>81.69</b>
<b>B. Cash flows from investing activities</b>		
Purchase of investments	(1,990.64)	(4,773.95)
Sale of investments	1,719.18	4,778.11
Intercompany Deposit - given	(930.00)	(1,787.72)
Intercompany Deposit - repaid	1,200.00	1,914.42
Interest received	24.15	39.90
<b>Net cash generated from investing activities (B)</b>	<b>22.69</b>	<b>170.76</b>
<b>C. Cash flows from financing activities</b>		
Intercompany Deposit - taken	5,560.00	4,980.50
Intercompany Deposit - repaid	(5,560.00)	(4,980.50)
Interest paid	(22.08)	(4.03)
Dividend Paid (including Dividend Distribution tax)	-	(233.57)
<b>Net cash used in financing activities (C)</b>	<b>(22.08)</b>	<b>(237.60)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>6.12</b>	<b>14.85</b>
Opening Cash & cash equivalents	16.44	1.59
<b>Closing Cash &amp; cash equivalents</b>	<b>22.56</b>	<b>16.44</b>

See accompanying Notes to the Financial Statements

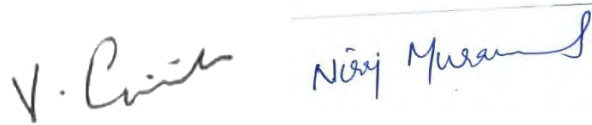
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



**Pallavi A. Gorakshakar**  
Partner

For and on behalf of Board of Directors

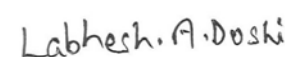


**Girish Venkataraman**  
Whole Time Director and CEO  
(DIN: 06981605)

**Niraj Kumar Murarka**  
Director  
(DIN: 02312454)



**Triparna Banerjee**  
Chief Financial Officer



**Labhesh Doshi**  
Company Secretary

Place : Mumbai  
Date : May 14th, 2021

## STATEMENT OF CHANGES IN EQUITY

F.Y 2020-21

(₹ in Mn)

Particulars	Equity Attributable to Owners of the Company				Total
	Equity Share Capital	Other Equity		Total Other Equity	
		Securities Premium	Retained Earnings		
Balance at the 1st April 2020	352.25	1.40	24.59	25.99	378.24
Profits for the year	-	-	15.89	15.89	15.89
Other Comprehensive	-	-	(0.02)	(0.02)	(0.02)
<b>Balance as at 31st March 2021</b>	<b>352.25</b>	<b>1.40</b>	<b>40.46</b>	<b>41.86</b>	<b>394.11</b>

## STATEMENT OF CHANGES IN EQUITY

F.Y 2019-20

(Amount in ₹)

Particulars	Equity Attributable to Owners of the Company				Total
	Equity Share Capital	Other Equity		Total Other Equity	
		Securities Premium	Retained Earnings		
Balance at the 1st April 2019	352.25	1.40	260.72	262.12	614.37
Profits for the year	-	-	(2.97)	(2.97)	(2.97)
Other Comprehensive	-	-	0.41	0.41	0.41
Dividends	-	-	(233.57)	(233.57)	(233.57)
<b>Balance as at 31st March 2020</b>	<b>352.25</b>	<b>1.40</b>	<b>24.59</b>	<b>25.99</b>	<b>378.24</b>

i) **Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

ii) **Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants




**Pallavi A. Gorakshakar**  
Partner

For and on behalf of Board of Directors



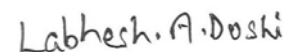
**Girish Venkataraman**  
Whole Time Director and CEO  
(DIN: 06981605)



**Niraj Kumar Murarka**  
Director  
(DIN: 02312454)



**Triparna Banerjee**  
Chief Financial Officer



**Labhesh Doshi**  
Company Secretary

Place : Mumbai  
Date : May 14th, 2021

## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2021

### Note 1. Corporate Information:

IIFL Investment Adviser and Trustee Services Limited (the "Company") is a wholly owned subsidiary of IIFL Wealth Management Limited. The Company is mainly engaged into undertaking and carrying on the office or offices and duties of Trustee, custodian trustee, executor, administrator, liquidator, receiver, attorney or nominee of, or for funds and assets of all holders including corporate bodies, high net worth individuals (HNI's), Hindu Undivided Family (HUFs), Private or Public Trusts, Mutual Funds, offshore funds, pension funds, superannuation funds, provident funds, venture capital funds, private equity funds and to hold the property in trust for the benefit of the beneficiaries of the Trust. The Company is registered with SEBI as an Investment Advisor.

### Note 2 – Significant Accounting Policies

#### a) Statement of Compliance:

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

b) These financials statements have been approved for issue by the Board of Directors of the Company at their meeting held on , 2021

#### c) Revenue recognition

Revenue is recognised when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The following is a description of principal activities from which the Company generates its revenue.

- Trusteeship fees: Fees on trusteeship services are recognized at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- Advisory Fees: Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements
- Others: Revenue is recognised over time when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.
- Lending / Investments related Income
  - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments that may be classified as fair value through profit or loss or fair value through other comprehensive income.
  - Dividend income is accounted in the period in which the right to receive the same is established.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2021

### d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### • Financial assets

##### Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

##### i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Cash and Bank balances, Trade and Other receivables, Loans and Other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

##### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognized in the statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVTOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.



## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

### Notes forming part of Financial Statements for the Year ended March 31, 2021

#### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as mentioned above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

#### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- The contractual rights to cash flows from the financial asset expires;
- The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

#### Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not measured at FVTPL. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

### Notes forming part of Financial Statements for the Year ended March 31, 2021

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and financial assets arising from transactions within the scope of Ind AS 115 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

The Company writes off a financial asset when there is information indicating that the obligor is in severe financial difficulty and there is no realistic prospect of recovery.

#### • Financial Liabilities

##### Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows:

- recognized at amortised costs
- recognized at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

##### Subsequent measurement:

(i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.

(ii) All financial liabilities of the Company are categorized at fair value are subsequently measured at fair value through profit and loss statement.

(iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

**Derecognition:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2021

### e) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### f) Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### g) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted or substantively enacted by the end of reporting period.

#### Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognized for all taxable temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognized.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

### Notes forming part of Financial Statements for the Year ended March 31, 2021

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### **Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### **h) Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). 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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### **i) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2021

### j) Employee Benefits

#### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### Post-Employment Benefits:

##### (I) Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company operates defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company also operates Defined Contribution Plans pertaining to Provident Fund Scheme.

**Recognition and measurement of defined contribution plans:** The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

##### II. Defined benefit plans:

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.

##### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

### Notes forming part of Financial Statements for the Year ended March 31, 2021

Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

#### **k) Borrowing Cost**

Borrowing cost includes interest, amortization of transaction costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

#### **l) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

#### **m) Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

#### **n) Leases**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

#### **As a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Where appropriate, the right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

### Notes forming part of Financial Statements for the Year ended March 31, 2021

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

#### **As a lessor**

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognizes income on operating leases based on the contractual arrangements.

#### **Critical accounting estimate and judgement**

##### **1. Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.



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## FINANCIAL STATEMENT OF IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2021

### 2. Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### o) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### - Defined Benefit Obligation

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

#### - Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

#### - Expected Credit Loss

The provision for expected credit loss involves estimating the probability of default and loss given default based on the past experience and other factors.



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**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 3. Cash and Cash Equivalents**

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and Cash Equivalents</b>		
Cash on hand	0.02	0.02
Balance with banks		
-In current accounts	22.54	16.42
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>22.56</b>	<b>16.44</b>

**Note 4. Receivables (Refer Note 25)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Trade receivables</b>		
Receivables considered good - Unsecured	75.08	110.24
<b>Total (i)- Gross</b>	<b>75.08</b>	<b>110.24</b>
Less: Impairment loss allowance	1.83	1.19
<b>Total (i)- Net</b>	<b>73.25</b>	<b>109.05</b>
<b>(ii) Other receivables</b>		
Receivables considered good - Unsecured	0.33	0.35
<b>Total (ii)- Gross</b>	<b>0.33</b>	<b>0.35</b>
Less: Impairment loss allowance	-	-
<b>Total (ii)- Net</b>	<b>0.33</b>	<b>0.35</b>

- a) No trade receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2021 and 31st March 2020.
- b) No trade or other receivables are interest bearing.
- c) The company has adopted simplified approach for impairment allowance. Expected Credit loss (ECL) has been recognised for credit impaired trade receivables
- d) Above trade receivable includes receivables from related parties- Refer Note 30





IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 5. Loans (Refer Note 25)

(₹ in Mn)

Loans	As at March 31, 2021						As at March 31, 2020					
	Amortised cost	At Fair value			Subtotal	Total	Amortised cost	At Fair value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
(A)	1	2	3	4	(5=2+3+4)	(6)=(5)+(1)	7	8	9	10	(11=8+9+10)	(12)=(7)+(11)
(i) Term loans- ICD *	-	-	-	-	-	-	270.94	-	-	-	-	270.94
<b>Total (A) -Gross</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) - Net</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>
(B)												
(i) Secured by tangible	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-	270.94	-	-	-	-	270.94
<b>Total (B)-Gross</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>
(C)												
<b>(I) Loans in India</b>												
i) Public sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	-	-	-	-	-	-	270.94	-	-	-	-	270.94
<b>Total (C)-Gross</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total(C) (I)-Net</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>
<b>(II) Loans outside India</b>												
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C) (II)- Net</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total C(I) and C(II)</b>	-	-	-	-	-	-	<b>270.94</b>	-	-	-	-	<b>270.94</b>

\* Includes Loan to related parties- Refer Note 30



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Note 6. Investments (Refer Note 30)

(₹ in Mn)

Investments	As at March 31, 2021							As at March 31, 2020						
	Amortised cost	At Fair value			Subtotal	Others	Total	Amortised cost	At Fair value			Subtotal	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss					Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
1	2	3	4	(5)=2+3+4	6	(7)=(6)+(5)+(1)	8	9	10	11	(12)=9+10+11	13	(14)=(8)+(12)+(13)	
(A)														
Debt securities	293.47	-	-	-	-	-	293.47	-	-	-	-	-	-	
<b>Total (A)</b>	<b>293.47</b>	-	-	-	-	-	<b>293.47</b>	-	-	-	-	-	-	
(B)														
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Investments in India	293.47	-	-	-	-	-	293.47	-	-	-	-	-	-	
<b>Total (B)</b>	<b>293.47</b>	-	-	-	-	-	<b>293.47</b>	-	-	-	-	-	-	
(C)														
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total- Net (D) = A-C</b>	<b>293.47</b>	-	-	-	-	-	<b>293.47</b>	-	-	-	-	-	-	

Name of Investment	As at March 31, 2021			As at March 31, 2020		
	Face Value	No. of Units	Total Amount	Face Value	No. of Units	Total Amount
Investment in Debt securities include :						
10% IIFL WEALTH FINANCE LIMITED PERP DEBT MAR27	500,000	392	197.54	-	-	-
10% IIFL WEALTH FINANCE 22-FEB-27 PERP	500,000	190	95.93	-	-	-
			<b>293.47</b>			-



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**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 7. Other financial assets**

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Other deposits	0.03	0.03
Receivables from Group/Holding company	0.10	0.04
Others	3.57	-
<b>Total</b>	<b>3.70</b>	<b>0.07</b>



IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 8. Deferred Taxes

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in Mn)

	Opening balance	Recognised in profit or loss *	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>				
Fixed Assets difference between book base and tax base for:				
Carried forward tax losses				
Expenses deductible in future years:				
Impairment of Financial Assets	0.55	(0.09)	-	0.46
Retirement benefits for employees	0.97	0.60	0.01	1.58
Impact of IndAS 116	0.02	0.01	-	0.03
Unspent CSR	0.27	(0.27)	-	-
<b>Total deferred tax assets (A)</b>	<b>1.82</b>	<b>0.25</b>	<b>0.01</b>	<b>2.07</b>
Offsetting of deferred tax (assets) with deferred	-	(0.03)	-	(0.03)
<b>Net Deferred tax (assets)</b>	<b>1.82</b>	<b>0.22</b>	<b>0.01</b>	<b>2.04</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments etc.	-	0.03	-	0.03
<b>Total deferred tax liabilities (B)</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>
Offsetting of deferred tax liabilities with deferred t	-	(0.03)	-	(0.03)
<b>Net Deferred tax (liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ in Mn)

	Opening balance	Recognised in profit or loss *	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>				
Impairment of Financial Assets	0.78	(0.22)	-	0.56
Retirement benefits for employees	2.15	(1.04)	(0.14)	0.97
Impact of IndAS 116	-	0.02	-	0.02
Unspent CSR	-	0.27	-	0.27
<b>Total deferred tax assets (A)</b>	<b>2.93</b>	<b>(0.97)</b>	<b>(0.14)</b>	<b>1.82</b>

\* Note- The above includes impact of Rs. 0.40 million in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020



Note 9. Disclosure Pursuant to Ind AS 116 "Leases"

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2021:

Particulars	Vehicles
Balance as at 01 April, 2020	1.30
Additions during the year	-
Depreciation charge for the year	(0.60)
Deletions during the year	-
Balance as at March 31, 2021	0.70

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

Particulars	Vehicles
Balance as at 01 April, 2019	3.82
Additions during the year	1.19
Depreciation charge for the year	(1.40)
Deletions during the year	(2.31)
Balance as at March 31, 2020	1.30

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	Vehicles
Balance as at 01 April, 2020	1.37
Additions	-
Deletion	-
Finance cost accrued during the period	0.10
Payment of lease liabilities	(0.68)
Balance as at March 31, 2021	0.79

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Vehicles
Balance as at 01 April, 2019	3.82
Additions	1.19
Deletion	(2.33)
Finance cost accrued during the period	0.32
Payment of lease liabilities	(1.62)
Balance as at March 31, 2020	1.37

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	0.63	0.58
Non-current lease liabilities	0.16	0.79
Total	0.79	1.37

Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	0.68	0.68
One to five years	0.16	0.84
More than five years	-	-
Total undiscounted lease liabilities at 31 March 2021	0.84	1.52
Lease liabilities included in the statement of financial position at 31 March 2021	0.79	1.37

Amounts recognised in profit or loss

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	0.10	0.32
Expenses relating to short-term leases	5.95	6.72
Depreciation relating to leases	0.60	1.40
Total	6.65	8.44

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	0.68	1.62



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**Note 10. Other Non Financial Assets**

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses-Unsecured	4.98	0.68
Others	0.02	0.01
<b>Total</b>	<b>5.00</b>	<b>0.69</b>

**Note 11. Trade Payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables	-	-
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 11.1)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for expenses	0.62	0.06
- Accrued salaries and benefits	0.14	0.10
- Provision for expenses	1.45	3.55
<b>Total</b>	<b>2.21</b>	<b>3.71</b>

**11.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006**

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED. This has been relied upon by the auditors.

Particulars	2020-21	2019-20
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect

**Note 12. Other Financial Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due (Refer Note 30)	-	2.95
Payable to holding company / group companies (Refer Note 30)	2.22	11.56
Others	0.66	0.65
<b>Total</b>	<b>2.88</b>	<b>15.16</b>

**Note 13. Provisions:**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits- Gratuity (Refer Note 21.1)	6.29	3.87
<b>Total</b>	<b>6.29</b>	<b>3.87</b>

**Note 14. Other Non Financial Liabilities:**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	11.69	13.59
<b>Total</b>	<b>11.69</b>	<b>13.59</b>



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 15. Share Capital:**

**(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:**

<b>Authorised :</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
35,250,000 Equity shares (Previous years 35,250,000 Equity shares) of ₹ 10/- each with voting	352.50	352.50
<b>Issued, Subscribed and Paid Up:</b> 35,225,000 Equity shares (Previous years 35,225,000 Equity shares) of ₹ 10/- each fully paidup with voting rights	352.25	352.25
<b>Total</b>	<b>352.25</b>	<b>352.25</b>

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
At the beginning of the year	35,225,000	352.25	35,225,000	352.25
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>35,225,000</b>	<b>352.25</b>	<b>35,225,000</b>	<b>352.25</b>

**(c) Terms/rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Details of shares held by Holding Company:**

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
IIFL Wealth Management Limited and its nominees	35,225,000	100%	35,225,000	100%

**(e) Details of shareholders holding more than 5% shares in the Holding Company:**

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
IIFL Wealth Management Limited and its nominees	35,225,000	100%	35,225,000	100%

**(f) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.**



IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 16. Other Equity:

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	1.40	1.40
Retained earnings	40.46	24.59
<b>Total</b>	<b>41.86</b>	<b>25.99</b>



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**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 17. Fees and Commission Income** (₹ in Mn)

Particulars	2020-21	2019-20
Advisory fees and related income *	21.97	111.80
Trustee fees *	51.62	46.76
<b>TOTAL</b>	<b>73.59</b>	<b>158.56</b>

\* Above includes income from related parties- Refer Note 30

**Note 18. Other Income**

Particulars	2020-21	2019-20
Interest income *	25.82	40.86
Profit on sale of Investments	19.27	4.14
Change in fair value of investments	0.12	-
Miscellaneous income	-	0.02
<b>Total</b>	<b>45.21</b>	<b>45.02</b>

\* Above includes income from related parties- Refer Note 30



Note 19. Finance Cost

(₹ in Mn)

Particulars	2020-21			2019-20		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings *	-	19.12	19.12	-	6.96	6.96
Other Finance Costs	-	0.10	0.10	-	0.34	0.34
<b>Total</b>	-	<b>19.22</b>	<b>19.22</b>	-	<b>7.30</b>	<b>7.30</b>

\* Includes transactions with related party (Refer Note 30)

Note 20. Impairment On Financial Instruments

(₹ in Mn)

Particulars	2020-21		2019-20	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
On financial assets	-	(0.37)	-	(0.48)
<b>Total</b>	-	<b>(0.37)</b>	-	<b>(0.48)</b>

Note 21. Employee Benefit Expenses \*

(₹ in Mn)

Particulars	2020-21	2019-20
Salaries and wages	55.21	146.41
Contribution to provident and other funds	1.07	3.88
Share based payments to employees	0.15	1.06
Staff welfare expenses	0.40	1.71
Gratuity expense (Refer Note 21.1)	0.85	2.20
<b>Total</b>	<b>57.68</b>	<b>155.26</b>

\* Includes transactions with related party (Refer Note 30)



21.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) For the year ended 31st March 2021

Particulars	2020-2021	2019-2020
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Unfunded	Unfunded
Starting period	01-Apr-20	01-Apr-19
Date of reporting	31-Mar-21	31-Mar-20
Period of reporting	12 Months	12 Months
<b>Assumptions (F.Y 2019-2020)</b>		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.33%	6.04%
Rate of salary increase	7.50%	7.50%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.
<b>Table showing change in the present value of projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the period	3.87	7.39
Interest cost	0.23	0.56
Current service cost	0.62	1.64
Past service cost	-	-
Liability transferred in/ acquisitions	1.74	0.34
(Liability transferred out/ divestments)	(0.19)	(5.51)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.12)	0.43
Actuarial (gains)/losses on obligations - due to experience	0.14	(0.98)
Present value of benefit obligation at the end of the period	6.29	3.87
<b>Amount recognized in the balance sheet</b>		
(Present value of benefit obligation at the end of the period)	(6.29)	(3.87)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(6.29)	(3.87)
Net (liability)/asset recognized in the balance sheet	(6.29)	(3.87)
<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	3.87	7.39
(fair value of plan assets at the beginning of the period)	-	-
Net liability/(asset) at the beginning	3.87	7.39
Interest cost	0.23	0.56
(Interest income)	-	-
Net interest cost for current period	0.23	0.56
<b>Expenses recognized in the statement of profit or loss for current period</b>		
Current service cost	0.62	1.64
Net interest cost	0.23	0.56
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	0.85	2.20
<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	0.02	(0.55)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in oci	0.02	(0.55)



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**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

<b>Balance sheet reconciliation</b>		
Opening net liability	3.87	7.39
Expenses recognized in statement of profit or loss	0.85	2.20
Expenses recognized in OCI	0.02	(0.55)
Net liability/(asset) transfer in	1.74	0.34
Net (liability)/asset transfer out	(0.19)	(5.51)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	-
Net liability/(asset) recognized in the balance sheet	6.29	3.87
<b>Other details</b>		
No of active members	20	21
Per month salary for active members	2.03	1.63
Weighted average duration of Present benefit obligation	-	-
Average expected future service	-	-
Projected benefit obligation (pbo)	6.29	3.87
Prescribed contribution for next year (12 months)	-	-
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	6.29	3.87
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	6.29	3.87
Interest Cost	0.40	0.23
(Interest Income)	-	-
Net Interest Cost for Next Year	0.40	0.23
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	0.64	0.62
Net Interest Cost	0.40	0.23
(Expected Contributions by the Employees)	-	-
Expenses Recognized	1.04	0.85
<b>Maturity analysis of the benefit payments</b>		
1st following year	0.53	0.25
2nd following year	0.52	0.29
3rd following year	0.51	0.29
4th following year	0.50	0.29
5th following year	0.47	0.29
Sum of years 6 to 10	3.74	2.13
Sum of years 11 and above	4.09	3.37
<b>Sensitivity analysis</b>		
PBO on current assumptions	6.29	3.87
Delta effect of +1% change in rate of discounting	(0.38)	(0.29)
Delta effect of -1% change in rate of discounting	0.43	0.33
Delta effect of +1% change in rate of salary increase	0.23	0.21
Delta effect of -1% change in rate of salary increase	(0.21)	(0.20)
Delta effect of +1% change in rate of employee turnover	0.02	(0.02)
Delta effect of -1% change in rate of employee turnover	(0.02)	0.02

The above mentioned plans are valued by independent actuaries using the projected unit credit method.



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**21.2 Defined Contribution Plans:**

The Company has recognised the following amounts as an expense and included in the Employee Benefit Expenses.

The Company contributes to recognised provident fund for qualifying employees. Under the scheme, the Company is required to contribute specified percentage of payroll costs to fund the benefits.

Particulars	(₹ in Mn)	
	2020-21	2019-20
Contribution to provident fund	1.07	3.88
<b>Total</b>	<b>1.07</b>	<b>3.88</b>



IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 22. Other Expenses \*

(₹ in Mn)

Particulars	2020-21	2019-20
Operating expenses	0.11	0.09
Rent and energy cost	6.25	7.99
Insurance	0.13	0.19
Repairs & maintenance	0.02	0.07
Marketing, advertisement and business promotion expenses	0.34	0.03
Travelling & conveyance	1.64	10.81
Legal & professional fees	2.29	0.83
Communication	0.74	0.48
Software charges / Technology cost	2.19	5.16
Office & other expenses	8.63	10.32
Remuneration to Auditors :		
Audit fees (net of GST input credit)	0.20	0.20
Out Of pocket expenses	-	-
Corporate social responsibility expenses & donation (Refer Note 28)	-	2.62
<b>Total</b>	<b>22.54</b>	<b>38.79</b>

\* Includes related party transactions (Refer Note 30)



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 23. Income taxes**

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/ (income)

(₹ in Mn)

Sr. No.	Particulars	2020-21	2019-20
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	3.45	1.34
	Tax expense in respect of earlier years	-	2.67
		3.45	4.01
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(0.22)	0.57
	Effect on deferred tax balances due to the change in income tax rate	-	0.40
		(0.22)	0.97
	<b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>	<b>3.23</b>	<b>4.98</b>
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	(0.01)	0.14
		(0.01)	0.14
	<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>(0.01)</b>	<b>0.14</b>



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in Mn)

Sr. No.	Particulars	2020-21	2019-20
(a)	<b>Profit/(loss) before tax</b>	19.12	2.01
(b)	Income tax expense at tax rates applicable including deferred tax	4.81	0.51
(c)	(i) Tax on income subject to lower tax rate	-	-
	(A) Gains on investments (including fair valuation)	(1.46)	(0.23)
(d)	(i) Tax on income exempt from Tax	-	-
	(ii) Tax on expense not tax deductible	-	-
	(A) Expenses not allowable as tax deductible as per tax laws	0.27	0.33
	(iii) Effect on deferred tax due to change in Income tax	-	0.40
	(iv) Tax expense in respect of earlier years	-	2.67
	(v) Tax effect on various other items	(0.39)	1.30
	<b>Total effect of tax adjustments [(i) to (v)]</b>	<b>(0.12)</b>	<b>4.70</b>
(e)	Tax expense recognised during the year (b+c+d)	<b>3.23</b>	<b>4.98</b>
	Effective tax rate	16.92%	247.78%





**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 24. Earnings Per Share:**

Basic and diluted earnings per share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

(₹ in Mn)			
Particulars		2020-21	2019-20
Face value of equity shares in ₹ fully paid up		10.00	10.00
<b>BASIC</b>			
Profit after tax as per statement of profit and loss	A	15.89	(2.97)
Weighted average number of shares subscribed	B	35,225,000	35,225,000
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	0.45	(0.08)
<b>DILUTED</b>			
Profit after tax as per statement of profit and loss	A	15.89	(2.97)
Weighted average number of shares subscribed	B	35,225,000	35,225,000
Add: Potential equity shares on account of conversion of employee stock	C	-	-
Weighted average number of shares outstanding	D=B+C	35,225,000	35,225,000
Diluted EPS (₹)	A/D	0.45	(0.08)



**Note 25. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"**  
**Financial Risk Management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is approved by the board committee.

The Company's principal financial liabilities comprise trade and other payables, inter corporate borrowings and other financial liabilities. The Company's principal financial assets include trade and other receivables, loans, cash and cash equivalents, investments and other financial assets that derive directly from its operations and investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company senior management oversees the management of these risks. The Company senior management is overseen by the audit committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

**25A. Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment on various components is described below:

**1) Trade receivables, Other receivables and Other Financial Assets**

The Company's trade receivables primarily includes receivables from Trusteeship, portfolio management scheme and Advisory services arrangements. The Company has made Credit Risk on Other Financial assets is considered insignificant as the counterparty risk does not exist and considering the nature of such assets.

Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :

(₹ in Mn)		
Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Balance at the beginning of the year	1.19	2.67
Movement in expected credit loss allowances on trade receivable	0.64	(1.48)
Balance at the end of the year	1.83	1.19

**2) Others**

In addition to the above, balances and deposits with banks, investments in units of funds and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

Credit risk in respect of investments in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

Credit risk on loans is considered insignificant considering the loan is given to group companies.

Credit Risk on Other Financial assets is considered insignificant considering the nature of such assets and absence of counterparty risk.

**25A.2. Write off**

Contractual amount outstanding on financial assets that were written off during the reporting period is Nil /-(P.Y Nil)

**25B. Liquidity Risk**

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through a Inter corporate borrowing from group companies. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through Inter company deposits to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

(₹ in Mn)

Financial liabilities	As at 31st March 2021					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Derivative financial instruments	-	-	-	-	-	-
Trade Payables	2.21	2.21	-	-	-	-
Other financial liabilities	2.88	2.88	-	-	-	-
<b>Total</b>	<b>5.09</b>	<b>5.09</b>	-	-	-	-

Financial liabilities	As at 31st March 2020					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	3.71	3.71	-	-	-	-
Other financial liabilities	15.16	15.16	-	-	-	-
<b>Total</b>	<b>18.87</b>	<b>18.87</b>	-	-	-	-

For Finance Lease Obligation maturity refer note no. 9

**25C. Market Risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument as explained below. The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**

Notes forming part of Financial Statements for the Year ended March 31, 2021

**25C.1 Currency Risk**

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Company does have some exposure to foreign currencies by maintaining cash balance in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2020-2021 are as below:

Particulars	GBP	RMB	SGD
Cash and cash equivalents	1,495	20,366	83

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2019-2020 are as below:

Particulars	GBP	RMB	SGD
Cash and cash equivalents	1,390	19,417	81

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

	2020-21	2019-20
<b>Increase</b>		
Impact on Profit and Loss after tax	164	156
Impact on Equity	164	156
<b>Decrease</b>		
Impact on Profit and Loss after tax	(164)	(156)
Impact on Equity	(164)	(156)

**25C.2 Interest rate risk**

The Company has measured interest rate risk sensitivity on financial assets and liabilities on financial instruments accounted for on amortised cost basis. The Company has no financial assets or liabilities which are exposed to interest rate risk.

**25C3. Other Price Risk**

Other price risk is related to the change in market reference price of the investments which are fair valued and exposes the Company to price risks.

The carrying amount of financial assets and liabilities subject to price risk is as below:

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Financial Assets</b>		
Investments	293.47	-
	<b>293.47</b>	-

Sensitivity to change in prices of the above assets and liabilities are measured on the following parameters

Investments in Debt securities	1% change in the NAV
--------------------------------	----------------------

A hypothetical 100 basis point shift in the benchmark rate will have impact on the profit and loss as below:

	2020-21	2019-20
<b>Increase of 100 basis point</b>		
Impact on Profit and Loss after tax	2.20	-
Impact on Equity	2.20	-
<b>Decrease of 100 basis point</b>		
Impact on Profit and Loss after tax	(2.20)	-
Impact on Equity	(2.20)	-

**25D. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value

**25E. Category Wise Classification for applicable Financial Assets and Liabilities**

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2021			Total
		Measure at amortised	Measured at fair value	Measured at fair value	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	22.56	-	-	22.56
(b)	Receivables				-
	(I) Trade receivables	73.25	-	-	73.25
	(II) Other receivables	0.33	-	-	0.33
(c)	Loans	-	-	-	-
(f)	Investments	-	293.47	-	293.47
(d)	Other financial assets	3.70	-	-	3.70
	<b>Total</b>	<b>99.84</b>	<b>293.47</b>	<b>-</b>	<b>393.31</b>
	<b>Financial Liabilities</b>				
(a)	Derivative financial instruments	-	-	-	-
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.21	-	-	2.21
(b)	Finance Lease Obligation	0.79	-	-	0.79
(c)	Other financial liabilities	2.88	-	-	2.88
	<b>Total</b>	<b>5.88</b>	<b>-</b>	<b>-</b>	<b>5.88</b>



Sr No.	Particulars	As at 31st March 2020			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	16.44	-	-	16.44
(b)	Receivables				-
	(I) Trade receivables	109.05	-	-	109.05
	(II) Other receivables	0.35	-	-	0.35
(c)	Loans	270.94	-	-	270.94
(f)	Investments	-	-	-	-
(d)	Other financial assets	0.07	-	-	0.07
	<b>Total</b>	<b>396.85</b>	<b>-</b>	<b>-</b>	<b>396.85</b>
	<b>Financial Liabilities</b>				
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.71	-	-	3.71
(b)	Finance Lease Obligation	1.37	-	-	1.37
(c)	Other financial liabilities	15.16	-	-	15.16
	<b>Total</b>	<b>20.24</b>	<b>-</b>	<b>-</b>	<b>20.24</b>

#### 25E.1. Fair values of financial instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

#### 25E. 1a. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

(₹ in Mn)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2021			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Debt securities #	-	293.47	-	293.47
<b>Total Assets</b>	-	293.47	-	293.47

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Debt securities	-	-	-	-
<b>Total Assets</b>	-	-	-	-

# The fair values are determined basis the independent third party valuations.



25E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

(₹ in Mn)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2021		As at 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	22.56	22.56	16.44	16.44
<b>Receivables</b>				
(I) Trade receivables	73.25	73.25	109.05	109.05
(II) Other receivables	0.33	0.33	0.35	0.35
Loans	-	-	270.94	270.94
Other financial assets	3.70	3.70	0.07	0.07
<b>Financial Liabilities</b>				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.21	2.21	3.71	3.71
Finance Lease Obligation	0.79	0.79	1.37	1.37
Other financial liabilities	2.88	2.88	15.16	15.16

**Financial assets measured at amortised cost:**

The carrying amounts of cash and cash equivalents, trade and other receivables, loans and other financial assets are considered to be the same as their fair values due to their short term nature.

**Financial liabilities measured at amortised cost:**

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature.



**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
Notes forming part of Financial Statements for the Year ended March 31, 2021

**Note 26. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:**

**Capital and Other Commitments**

The Company does not have any outstanding commitments of capital expenditure, as on the balance sheet date.

**Contingent Liabilities**

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
In respect of Income tax demand	11.62	15.23
<b>Total</b>	<b>11.62</b>	<b>15.23</b>

\* Amount paid under protest with respect to income tax demand ₹ 3,100,000 (P.Y ₹ 3,100,000)

Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.



A handwritten signature in blue ink, consisting of a stylized 'B' followed by a horizontal line.

**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**  
**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 27.** The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from the Company based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual expenses were difficult to determine.

**Note 28. Corporate Social Responsibility**

During the year, the Company has spent its entire liability of ₹ Nil (P.Y ₹ 0.45 million) as required to be spent as per section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes education and healthcare including COVID Relief. (Refer note. 30 on Related Party Disclosures).

**Note 29. Segment Reporting**

In the opinion of the management, there is only one reportable business segment Fund Management/Advisory as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



**Note 30. Related Party Disclosures:**

Related party disclosures for the year ended 31st March, 2021

**a) List of Related Parties:**

Nature of relationship	Name of party
Director/ Key Managerial Personnel	Mr. Yatin Shah, Director (Resigned w.e.f. March 30, 2021)
	Mr. Sandeep Jethwani, Director (Resigned w.e.f. March 30, 2021)
	Mr. Girish Venkataraman, Whole-time Director and Chief Executive Officer
	Mr. Sudhindranath Pai Kasturi, Non- Executive Director (Appointed w.e.f. March 25, 2021)
	Mr. Niraj Murarka, Non-Executive Director (Appointed w.e.f. March 24, 2021)
<b>Holding Company</b>	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Asset Management Limited
	IIFL Trustee Limited
	IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services)
	IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019)
	IIFL Wealth Altiore Limited
	IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL (Asia) Pte. Limited
	IIFL Inc.
	IIFL Private Wealth Hong Kong Limited *
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth)
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Capital Pte. Limited
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)
	IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited) **
	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	IIFL Securities Services IFSC Limited
	IIFL Corporate Services Limited (Formerly known as IIFL Asset Reconstruction Limited)
	IIFL Home Finance Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
	Shreyans Foundation LLP
	FIH Mauritius Investment Limited
	India Infoline Foundation
	Spaia Capital Limited
	Spaia P2P Limited
	Spaia Insurance Brokers Limited
	Spaia Trading Limited
General Atlantic Singapore Fund Pte Limited	
Mr. Karan Bhagat	
Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)	
Kush Family Private Trust	
Kyra Family Private Trust	
Kyrush Investments	
Bhagat Family Private Trust	
Kyrush Family Private Trust	
Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private)	
Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)	
Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)	
Yatin Prakash Shah HUF	
Yatin Investments	
Naykia Realty Private Limited	
Naykia Family Private Trust	
Prakash Shah Family Private Trust	
Naysa Shah Family Private Trust	
Kiaan Shah Family Private Trust	
India Alternatives Investment Advisors Private Limited resigned w.e.f. 31.05.2020	
Financial advisors (India) Private Limited	
CDE Real Estate Private Limited Resigned w.e.f January 19, 2021	
Mr. Nirmal Jain	
Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)	
Ardent Impex Private Limited	
Orpheous Trading Private Limited	
Sunder Bhawar Ventures Private Limited	
Nirmal Madhu Family Private Trust	
MNJ Consultants Private Limited	
Mr. Venkataraman Rajamani	
Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)	
Kalki Family Private Trust	
Other Related Parties	

\*IIFL Private Wealth (Hongkong) Limited has completed voluntary liquidation

\*\*IIFL Wealth Capital Markets Limited is now Wholly Owned Subsidiary of IIFL Wealth Finance Limited with effect from April 24, 2020.





IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

b) Significant Transactions with Related Parties

(₹ in Mn)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>Sale of Gold</b>					
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset)	-	-	(198.23)	-	(198.23)
<b>Purchase of Investment</b>					
IIFL Asset Management Limited	-	-	95.90	-	95.90
<b>Dividend Paid</b>					
IIFL Wealth Management Limited	-	(193.74)	-	-	(193.74)
<b>ICD Taken</b>					
IIFL Wealth Management Limited	-	8,930.00	-	-	8,930.00
IIFL Asset Management Limited	-	(383.20)	510.00	-	510.00
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	1,210.00	-	1,210.00
<b>ICD Repaid</b>					
IIFL Wealth Management Limited	-	8,930.00	-	-	8,930.00
IIFL Asset Management Limited	-	(383.20)	510.00	-	510.00
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	1,210.00	-	1,210.00
<b>ICD Given</b>					
IIFL Wealth Management Limited	-	1,210.00	-	-	1,210.00
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	(1,474.10)	60.00	-	(1,474.10)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	290.00	-	290.00
<b>ICD Received Back</b>					
IIFL Wealth Management Limited	-	1,480.00	-	-	1,480.00
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	(1,600.80)	60.00	-	(1,600.80)
IIFL Wealth Finance Limited	-	-	290.00	-	290.00
<b>Interest Income on ICD</b>					
IIFL Wealth Management Limited	-	12.94	-	-	12.94
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	(40.39)	0.01	-	(40.39)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	(0.03)	-	(0.03)
<b>Interest Expense on ICD</b>					
IIFL Wealth Management Limited	-	-	0.14	-	0.14
IIFL Asset Management Limited	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-	-	-
<b>Remuneration to Key Managerial</b>					
Girish Venkataraman	13.26	-	-	-	13.26
	(12.84)	-	-	-	(12.84)
<b>Gratuity Expenses</b>					
Girish Venkataraman	0.02	-	-	-	0.02
	(0.14)	-	-	-	(0.14)
<b>Fees Earned For Services (including</b>					
IIFL Wealth Management Limited	-	(36.25)	-	-	(36.25)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	-	5.50	-	5.50
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	(9.74)	-	(9.74)
<b>Fees/Expenses incurred/Reimbursed For</b>					
IIFL Wealth Management Limited	-	5.95	-	-	5.95
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution)	-	(1.49)	7.92	-	(1.49)
<b>Corporate Social Responsibility</b>					
IIFLW CSR Foundation	-	-	7.00	-	7.00
India Infoline Foundation	-	-	(7.00)	-	(7.00)
<b>Allocation / Reimbursement Of</b>					
IIFL Wealth Management Limited	-	3.23	-	-	3.23
	-	(16.01)	-	-	(16.01)
<b>Other Funds Received</b>					
IIFL Wealth Management Limited	-	1.64	-	-	1.64
IIFL Asset Management Limited	-	(0.71)	-	-	(0.71)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution)	-	-	(0.01)	-	(0.01)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	-	0.11	-	0.11
<b>Other Funds Paid</b>					
IIFL Wealth Management Limited	-	1.18	-	-	1.18
IIFL Wealth Altire Limited (Formerly known as IIFL Altire Advisors Limited)	-	(12.16)	-	-	(12.16)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	-	(0.02)	-	(0.02)
IIFL Asset Management Limited	-	-	0.19	-	0.19
	-	-	(5.49)	-	(5.49)



*[Handwritten Signature]*

IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Amount due to / from related parties (Closing Balance)

(Amount in ₹)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>Sundry Receivables</b>					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(29.31)	-	-	(29.31)
IIFL Asset Management Limited	-	-	-	-	-
	-	-	(0.04)	-	(0.04)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	16.95	-	16.95
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio)	-	-	6.18	-	6.18
	-	-	(5.39)	-	(5.39)
<b>Sundry Payables</b>					
IIFL Wealth Management Limited	-	0.19	-	-	0.19
	-	-	-	-	-
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution)	-	-	2.02	-	2.02
	-	-	(2.12)	-	(2.12)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	0.20	-	0.20
	-	-	(3.15)	-	(3.15)
<b>ICD Given</b>					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(270.00)	-	-	(270.00)
<b>Receivable from Broker</b>					
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution)	-	-	-	-	-
	-	-	-	-	-



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IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 31.1. Maturity analysis of assets and liabilities as at March 31, 2021

(₹ in Mn)

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	22.56	-	22.56
(b)	Receivables	-	-	-
	(i) Trade receivables	73.25	-	73.25
	(ii) Other receivables	0.33	-	0.33
(c)	Loans	-	-	-
(d)	Investments	293.47	-	293.47
(d)	Other financial assets	3.70	-	3.70
		-	-	-
<b>2</b>	<b>Non-Financial Assets</b>	-	-	-
(a)	Current tax assets (net)	-	19.22	19.22
(b)	Deferred tax assets (net)	-	2.04	2.04
(c)	Right to use	-	0.70	0.70
(d)	Other non-financial assets	5.00	-	5.00
		-	-	-
	<b>Total Assets</b>	<b>398.31</b>	<b>21.96</b>	<b>420.27</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			-
	Trade payables			-
	(i) total outstanding dues of micro enterprises and small enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.21	-	2.21
(b)	Finance Lease Obligation	0.63	0.16	0.79
(c)	Other financial liabilities	2.88	-	2.88
		-	-	-
<b>2</b>	<b>Non-Financial Liabilities</b>	-	-	-
(a)	Current tax liabilities (net)	2.30	-	2.30
(b)	Provisions	0.53	5.76	6.29
(c)	Other non-financial liabilities	11.69	-	11.69
		-	-	-
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	352.25	352.25
(b)	Other equity	-	41.86	41.86
		-	-	-
	<b>Total Liabilities and Equity</b>	<b>20.24</b>	<b>400.03</b>	<b>420.27</b>



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IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED  
Notes forming part of Financial Statements for the Year ended March 31, 2021

Note 31.1. Maturity analysis of assets and liabilities as at March 31, 2020

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	16.44	-	16.44
(b)	Receivables			
	(i) Trade receivables	109.05	-	109.05
	(ii) Other receivables	0.35	-	0.35
(c)	Loans	270.94	-	270.94
(d)	Other financial assets	0.07	-	0.07
		-	-	-
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)	-	17.58	17.58
(b)	Deferred tax assets (net)	-	1.82	1.82
(c)	Right to use	-	1.30	1.30
(d)	Other non-financial assets	0.40	0.29	0.69
		-	-	-
	<b>Total Assets</b>	<b>397.25</b>	<b>20.99</b>	<b>418.24</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			-
	Trade payables			-
	(i) total outstanding dues of micro enterprises and small enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.71	-	3.71
(b)	Finance Lease Obligation	0.58	0.79	1.37
(c)	Other financial liabilities	14.96	0.20	15.16
		-	-	-
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	2.30	-	2.30
(b)	Provisions	0.25	3.62	3.87
(c)	Other non-financial liabilities	13.59	-	13.59
		-	-	-
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	352.25	352.25
(b)	Other equity	-	25.99	25.99
		-	-	-
	<b>Total Liabilities and Equity</b>	<b>35.39</b>	<b>382.85</b>	<b>418.24</b>



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**IIFL INVESTMENT ADVISER AND TRUSTEE SERVICES LIMITED**

**Notes forming part of Financial Statements for the Year ended March 31, 2021**

**Note 32. Subsequent Events**

There were no subsequent events from the date of financial statements till the date of adoption of accounts.

**Note 33.** The spread of COVID-19 including second wave across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The ultimate duration and extent of the pandemic cannot be reasonably assessed and consequently. The full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are yet unknown. The Company has continued to engage with clients and employees through extensive business continuity planning and robust technology platform with minimal disruption on any business activity during the lockdown phase. Further, the Company has assessed that it would be able to navigate currently prevailing uncertain economic conditions due to the more severe Second wave based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic will impact the Company's operations and results will depend on future developments, which remain uncertain. Accordingly, the Company has undertaken extensive scenario planning to better prepare itself and will continue to actively monitor any material changes to the future economic conditions.

**Note 34.** Previous year figures are regrouped/reclassified/rearranged where ever considered necessary to confirm to current year's presentation.

**Note 35. Approval of Financial Statements**

The financial statements were approved for issuance by the Board of Directors on May 14th, 2021.



For and on behalf of Board of Directors

Handwritten signature of Girish Venkataraman in blue ink.

Girish Venkataraman  
Whole Time Director and CEO  
(DIN: 06981605)

Handwritten signature of Niraj Kumar Murarka in blue ink.

Niraj Kumar Murarka  
Director  
(DIN: 02312454)

Handwritten signature of Triparna Banerjee in blue ink.

Triparna Banerjee  
Chief Financial Officer

Handwritten signature of Labhesh A. Doshi in blue ink.

Labhesh Doshi  
Company Secretary