

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited) ("the Company"), which comprise the Balance Sheet as at 31 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 Director's report including Annexures to Director's report, but does not include the financial statements and our



auditor's report thereon. The Director's report including Annexures to Director's 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.
- 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.



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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.
- 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 IndAS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 Company has not paid/provided managerial remuneration.
 - 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 does not have any pending litigations which would impact its financial position as at 31st March 2021.
 - 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.



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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: 21105035AAAAEL8498)

Place: Mumbai

Date: 17th May 2021

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 WEALTH DISTRIBUTION SERVICES LIMITED** (Formerly IIFL Distribution 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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 31 March 2021 based on the criteria for internal financial control over financial reporting established by the



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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:21105035AAAAEL8498)

Place: Mumbai

Date: 17th May 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, there are no immovable properties, included in property, plant and equipment of the Company and hence reporting under clause (i)(c) of 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 Order is not applicable.
- (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) To the best of our knowledge and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) 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.



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- (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, Employees' State Insurance, 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, Customs Duty and Excise Duty is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, 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.
 - (c) There are no dues of Income-tax, Service Tax and Goods and Service Tax which have not been deposited as on 31 March 2021 on account of disputes.
- (viii) To the best of our knowledge 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 not paid any managerial remuneration during the year and hence reporting under clause (xi) of CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act,



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2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) 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 the directors or directors of its Holding Company or persons connected with the them, and hence provisions of section 192 of the Act 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:21105035AAAAEL8498)

Place: Mumbai

Date: 17th May 2021

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Mn)

SR. No.	Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	3	167.08	412.11
(b)	Bank balance other than (a) above	4	3,530.48	3,752.45
(c)	Receivables			
	(I) Trade receivables	5	44.88	47.48
	(II) Other receivables	5	673.99	619.33
(d)	Loans	6	2.62	2.71
(e)	Investments	7	2.29	2.18
(f)	Other financial assets	8	883.05	3,369.31
2	Non-Financial Assets			
(a)	Current tax assets (net)		3.64	6.35
(b)	Deferred tax assets (net)	9	4.67	4.24
(c)	Property, plant and equipment	10	0.05	-
(d)	Other intangible assets	11	2.32	2.19
(e)	Right to Use Asset	12	0.75	0.96
(f)	Other non-financial assets	13	31.86	9.05
	Total Assets		5,347.68	8,228.36
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	14	2.01	1.32
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	3,209.23	3,228.88
(b)	Finance Lease Obligation	12	0.81	1.02
(c)	Borrowings (other than debt securities)	15	-	4,250.90
(d)	Other financial liabilities	16	1,305.66	242.10
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)		84.08	22.17
(b)	Provisions	17	19.94	16.37
(c)	Other non-financial liabilities	18	16.96	27.43
3	EQUITY			
(a)	Equity share capital	19	3.00	3.00
(b)	Other equity	20	705.99	435.17
	Total Liabilities and Equity		5,347.68	8,228.36

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

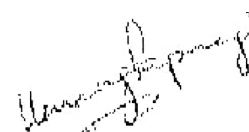


Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Anu Jain
Director
(DIN: 01001502)



Umang Papneja
Director
(DIN: 07357053)



Place : Mumbai
Dated: May 17, 2021

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Mn)

SR. No.	Particulars	Note No.	2020-21	2019-20
1	Revenue from operations			
(a)	Fees and commission income	21	763.26	472.95
	Total revenue from operations		763.26	472.95
2	Other income	22	94.14	99.92
3	Total income (1+2)		857.40	572.87
	Expenses			
(a)	Finance costs	23	165.98	147.00
(b)	Fees and commission expenses		9.26	8.23
(c)	Employee benefits expenses	24	229.39	206.75
(d)	Depreciation, amortization and impairment	10,11 &12	2.33	2.82
(e)	Others expenses	25	89.95	104.63
4	Total expenses		496.91	469.43
5	Profit before tax (3-4)		360.49	103.44
6	Tax expense:			
(a)	Current tax	26	90.78	25.84
(b)	Deferred tax	26	(0.60)	(0.50)
7	Profit for the year (5-6)		270.31	78.10
8	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of Employee Benefits		0.68	(1.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.17)	0.45
	Subtotal (a)		0.51	(1.32)
(b)	(i) Items that will be reclassified to profit or loss			
	- Foreign currency translation reserve		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (b)		-	-
	Other comprehensive income (a+b)		0.51	(1.32)
9	Total comprehensive income for the year (7+8) (Comprising profit and other comprehensive income for the year)		270.82	76.78
10	Earnings per equity share			
	Basic (Rs.)	27	9,010.33	3,012.96
	Diluted (Rs.)	27	9,010.33	3,012.96

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 the Board of Directors



Anu Jain
Director
(DIN: 01001502)



Urang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: May 17, 2021



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Mn)

Particulars	2020-21	2019-20
A. Cash flows from operating activities		
Profit before tax	360.49	103.44
Adjustments for:		
Depreciation & amortisation	2.33	2.82
Provisions for employee benefits	3.44	3.04
Net changes in fair value through Profit and Loss of investments		
- Realised	(13.61)	(4.44)
- Unrealised	(0.11)	-
Interest income	(80.10)	(95.48)
Interest expenses	153.71	137.05
Operating profit before working capital changes	426.15	146.43
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	2,965.06	(5,707.55)
Increase/ (Decrease) in Financial/Non-financial Liabilities	1,037.99	2,438.01
Cash (used in)/ generated from operations	4,429.20	(3,123.11)
Net income tax(paid) / refunds	(26.16)	(5.55)
Net cash (used in)/ generated from operating activities (A)	4,403.04	(3,128.66)
B. Cash flows from investing activities		
Purchase of investments	(1,236.14)	(11,450.37)
Sale of investments	1,249.75	11,454.81
Interest received	97.55	92.00
Fixed Deposit (placed)/matured (net)	(349.02)	(83.64)
Purchase/sale of intangible assets	(1.94)	0.18
Staff loan given	(1.50)	(1.74)
Staff loan received back	1.09	1.81
Intercompany Deposit - given	(3,275.00)	(2,376.10)
Intercompany Deposit - received	3,275.00	2,434.00
Net cash generated from/(used in) investing activities (B)	(240.21)	70.95
C. Cash flows from financing activities		
Issuance of share capital	-	2.49
Securities premium received	-	297.47
Share issue expenses	-	(0.30)
Intercompany Deposit - taken	7,490.00	9,497.50
Intercompany Deposit - repaid	(11,740.90)	(6,196.94)
Interest paid	(156.96)	(133.80)
Net cash (used in)/ generated from financing activities (C)	(4,407.86)	3,466.42
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(245.03)	408.71
Opening Cash and Cash Equivalents (As per Note 3)	412.11	3.40
Closing Cash and Cash Equivalents (As per Note 3)	167.08	412.11

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Anu Jain
Director
(DIN: 01001502)



Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: May 17, 2021



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Mn)

Particulars	Equity attributable to owners of the Company					Total
	Equity Share Capital	Reserves & Surplus			Total Other Equity	
		Securities Premium	Capital Reserve	Suplus in Statement of Profit and loss		
Balance as at 1st Apr, 2020	3.00	297.17	(3.58)	141.58	435.17	438.17
Profits for the year	-	-	-	270.31	270.31	270.31
Other comprehensive income	-	-	-	0.51	0.51	0.51
Balance at the 31 Mar 2021	3.00	297.17	(3.58)	412.40	705.99	708.99

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

(Amount in ₹)

Particulars	Equity attributable to owners of the Company					Total
	Equity Share Capital	Reserves & Surplus			Total Other Equity	
		Securities Premium	Capital Reserve	Suplus in Statement of Profit and loss		
Balance as at 1st Apr, 2019	0.51	-	(3.58)	64.80	61.22	61.73
Shares Issued during the year	2.49	297.47	-	-	297.47	299.96
Share issue expenses	-	(0.30)	-	-	(0.30)	(0.30)
Profits for the year	-	-	-	78.10	78.10	78.10
Other comprehensive income	-	-	-	(1.32)	(1.32)	(1.32)
Balance at the 31 Mar 2020	3.00	297.17	(3.58)	141.58	435.17	438.17

Securities Premium

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

Capital Reserve

It mainly represents the excess of net assets taken, over the cost of consideration paid during demerger.

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, if any.

In terms of our report attached

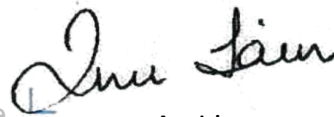
For Deloitte Haskins & Sells LLP
Chartered Accountants




Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors

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Anu Jain
Director
(DIN: 01001502)



Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: May 17, 2021



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 1. Corporate Information:

IIFL Wealth Distribution Services Limited (formerly known as IIFL Distribution Services Limited) (the “Company”) is a public limited company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of IIFL Wealth Management Limited. The Company is engaged in providing manpower services to its associate companies. Pursuant to the Composite Scheme of Arrangement approved by, inter-alia, the Board of Directors of the Company and IIFL Wealth Management Company Ltd. (IIFL Wealth) and the respective shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013, (“Scheme”) the “Broking and Depository Participant Business Undertaking” (as defined in the Scheme) of IIFL Wealth has been transferred to the Company on a going concern basis. Pending certain regulatory approvals, the business of the said Undertaking is being carried out by IIFL Wealth on behalf of the Company. However, the Financial Statements of the Company reported hereunder include the result of the said Undertaking.

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 on, May 18, 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.

- Manpower and Broking services: Fees and commission for brokerage services and Manpower services are recognized at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- 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.

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.



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**IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)**

d) Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3-5

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Impairment

Assets that have an indefinite useful life, such as goodwill, are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

f) 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.



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

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.
- 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



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

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 with in 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:

- (i) recognized at amortised costs
- (ii) recognized at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) 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.

g) Derivative financial instruments

The Company enters into derivative financial contracts, which are initially recognized at fair value at the date the contracts are entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

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.

h) 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.

i) 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



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

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.

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.

j) 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.

k) 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.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

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



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

m) Lease accounting

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.

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.



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

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.

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.

n) 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.

o) 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.

p) 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.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021 (continued)

r) 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:

- Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets and are based on changes in technical or commercial obsolescence.

- 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.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION 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 Mar 31, 2021	As at Mar 31, 2020
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)		
Cash on hand	0.05	0.05
Balance with banks		
- Others	167.03	412.06
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	167.08	412.11

Note 4. Bank Balance other than 3 above:

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Other Bank Balances		
In Earmarked Accounts		
- In client account	1,996.90	2,550.94
In Deposit accounts (with original maturity of more than 3 months)	1,533.58	1,201.51
Total	3,530.48	3,752.45

Out of the Fixed Deposits shown above:

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Lien marked against bank guarantee	1,327.67	1,037.35
Lien marked against overdraft facility	50.08	50.80
Collateral with exchange	116.67	60.84
Total	1,494.42	1,148.99

Note 5. Receivables

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
(i) Trade receivables		
Receivables considered good - Unsecured	44.88	47.48
Total (i)- Gross	44.88	47.48
Less: Impairment loss allowance	-	-
Total (i)- Net	44.88	47.48
(ii) Other receivables		
Receivables considered good - Secured	673.99	619.33
Total (ii)- Gross	673.99	619.33
Less: Impairment loss allowance	-	-
Total (ii)- Net	673.99	619.33
Total (i+ii)		

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other 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
- There are no credit impaired receivables as at 31st March 2021 and 31st March 2020
- No trade receivables and other receivables are interest bearing.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 6. Loans

(₹ in Mn)

Loans	As at Mar 31, 2021		As at Mar 31, 2020	
	Amortised cost	Total	Amortised cost	Total
(A)				
(i) Term loans				
Inter Corporate Deposits (including ICD interest)*	-	-	0.50	0.50
(ii) Others	2.62	2.62	2.21	2.21
Total (A) -Gross	2.62	2.62	2.71	2.71
Less: Impairment loss allowance	-	-	-	-
Total (A) - Net	2.62	2.62	2.71	2.71
(B)				
(i) Secured by tangible assets	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-
(i) Unsecured	2.62	2.62	2.71	2.71
Total (B)-Gross	2.62	2.62	2.71	2.71
(C)				
(I) Loans in India				
(i) Others	2.62	2.62	2.71	2.71
Less: Impairment loss allowance	-	-	-	-
Total(C) (I)-Net	2.62	2.62	2.71	2.71
(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)- Net	-	-	-	-
Total C(I) and C(II)	2.62	2.62	2.71	2.71

* Includes Loan to related parties- Refer Note 32



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 7. Investments

(₹ in Mn)

Investments	As at Mar 31, 2021							As at Mar 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=1+5+6
(A)															
Equity instruments	-	-	2.29	-	2.29	-	2.29	-	-	2.18	-	2.18	-	2.18	
Total (A)	-	-	2.29	-	2.29	-	2.29	-	-	2.18	-	2.18	-	2.18	
(B)															
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Investments in India	-	-	2.29	-	2.29	-	2.29	-	-	2.18	-	2.18	-	2.18	
Total (B)	-	-	2.29	-	2.29	-	2.29	-	-	2.18	-	2.18	-	2.18	
(C)															
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total- Net (D) = A-C	-	-	2.29	-	2.29	-	2.29	-	-	2.18	-	2.18	-	2.18	

Name of Investment	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Total Amount (₹ in Mn)	No. of Units	Total Amount (₹ in Mn)
Investment in Equity Instrument include :				
Fineworthy Software Solution Private Limited	10,000.00	2.29	10,000.00	2.18
Total		2.29		2.18

Note 8. Other financial assets (unsecured, considered good) (₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Deposit with exchange	880.82	3,367.28
Other deposits	2.03	2.03
Advances to Group/Holding company	0.02	0.00#
Others	0.18	-
Total	883.05	3,369.31

Amount less than ₹ 10,000



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 9. Deferred Taxes

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2021 are as follows:

(₹ in Mn)

	Opening balance as at Apr 1, 2020	Recognised in profit or loss	MAT credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2021
Deferred tax assets:					
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.63	(0.49)	-	-	0.14
Retirement benefits for employees	4.12	1.07	-	(0.17)	5.02
Unutilised MAT credit	-	-	-	-	-
Others	0.01	-	-	-	0.01
Total deferred tax assets (A)	4.76	0.58	-	(0.17)	5.17
Deferred tax liabilities:					
Unrealised profit on investments etc.	(0.52)	0.02	-	-	(0.50)
Total deferred tax liabilities (B)	(0.52)	0.02	-	-	(0.50)
Deferred tax assets (A - B)	4.24	0.60	-	(0.17)	4.67

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2020 are as follows:

(₹ in Mn)

	Opening balance as at Apr 1, 2019	Recognised in profit or loss*	MAT credit utilised/ Created	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2020
Deferred tax assets:					
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.59	0.04	-	-	0.63
Retirement benefits for employees	3.03	0.64	-	0.45	4.12
Unutilised MAT credit	0.21	-	(0.21)	-	-
Others	-	0.01	-	-	0.01
Total deferred tax assets (A)	3.83	0.69	(0.21)	0.45	4.76
Deferred tax liabilities:					
Unrealised profit on investments etc.	(0.54)	0.02	-	-	(0.52)
Total deferred tax liabilities (B)	(0.54)	0.02	-	-	(0.52)
Deferred tax assets (A - B)	3.29	0.71	(0.21)	0.45	4.24



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 10. Property, plant and equipment

(₹ in Mn)

Particulars	Office equipments
Gross Block as on April 01, 2020	-
Additions	0.06
Deductions / adjustments during the year	-
As at March 31, 2021	0.06
Amortisation	
Upto April 01, 2020	-
Amortisation for the year	0.01
Deductions / adjustments during the year	-
Upto March 31, 2021	0.01
Net Block as at March 31, 2021	0.05

Particulars	Office equipments
Gross carrying value as on April 01, 2019	-
Additions	-
Deductions / adjustments during the year	-
As at March 31, 2020	-
Amortisation	
Upto April 01, 2019	-
Amortisation for the year	-
Deductions / adjustments during the year	-
Upto March 31, 2020	-
Net Block as at March 31, 2020	-

Note 11. Other Intangible Assets

(₹ in Mn)

Particulars	Amount
Software/Intangible assets	
Gross Block as on April 01, 2020	10.13
Additions	1.88
Deductions / adjustments during the year	-
As at March 31, 2021	12.01
Amortisation	
Upto April 01, 2020	7.94
Amortisation for the year	1.75
Deductions / adjustments during the year	-
Upto March 31, 2021	9.69
Net Block as at March 31, 2021	2.32

Particulars	Amount
Software	
Gross carrying value as on April 01, 2019	10.48
Additions	0.65
Deductions / adjustments during the year	1.00
As at March 31, 2020	10.13
Amortisation	
Upto April 01, 2019	5.89
Amortisation for the year	2.22
Deductions / adjustments during the year	0.17
Upto March 31, 2020	7.94
Net Block as at March 31, 2020	2.19



Note 12. Disclosure Pursuant to Ind AS 116 "Leases"

(₹ in Mn)

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	0.96
Additions during the year	0.47
Depreciation charge for the year	(0.57)
Deletions during the year	(0.11)
Balance as at March 31, 2021	0.75

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	1.56
Additions during the year	-
Depreciation charge for the year	(0.60)
Deletions during the year	-
Balance as at March 31, 2020	0.96

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

Particulars	Vehicles
Balance as at 01 April, 2020	1.02
Additions	0.47
Deletion	(0.11)
Finance cost accrued during the period	0.07
Payment of lease liabilities	(0.64)
Balance as at March 31, 2021	0.81

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

Particulars	Vehicles
Balance as at 01 April, 2019	1.56
Additions	-
Deletion	-
Finance cost accrued during the period	0.12
Payment of lease liabilities	(0.66)
Balance as at March 31, 2020	1.02

Following is the break up value of the Current and Non - Current Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	0.61	0.60
Non-current lease liabilities	0.20	0.42
Total	0.81	1.02

Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	0.65	0.67
One to five years	0.22	0.45
More than five years	-	-
Total undiscounted lease liabilities	0.87	1.12
Lease liabilities included in the statement of financial position	0.81	1.02

Amounts recognised in profit or loss

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	0.07	0.12
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	27.18	19.48
Depreciation relating to leases	0.57	0.60
Total	27.82	20.20

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	0.64	0.66



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 13. Other Non Financial Assets (Unsecured, considered good)

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Prepaid expenses	29.84	8.98
Advances recoverable in cash or in kind or for value to be received	0.05	0.01
Employee advance against expenses	0.05	0.06
Goods & Service tax input credit receivable	1.92	-
Total	31.86	9.05

Note 14. Payables

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Trade payables		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 14.1)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.01	1.32
Total	2.01	1.32
Other payable		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 14.1)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,209.23	3,228.88
Total	3,209.23	3,228.88

14.1. 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:

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 of the same.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

(₹ in Mn)

Note 15. Borrowings (other than Debt securities)

Particulars	As at Mar 31, 2021				As at Mar 31, 2020			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(a)Term loans*								
-from related parties	-	-	-	-	4,250.90	-	-	4,250.90
Total	-	-	-	-	4,250.90	-	-	4,250.90
Borrowings in India	-	-	-	-	4,250.90	-	-	4,250.90
Borrowings outside India	-	-	-	-	-	-	-	-
Total	-	-	-	-	4,250.90	-	-	4,250.90

Residual maturity	As at Mar 31, 2021		As at Mar 31, 2020	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost				
Less than 1 year	-	-	4,250.90	9.10%-10.12%
1-5 years	-	-	-	-
Above 5 years	-	-	-	-

* Term Loans repayable from related parties are unsecured. Refer Note-32



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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 16. Other Financial Liabilities

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Payable to holding co / group companies (Refer Note 32)	1,304.52	238.40
Interest payable on ICD (Refer Note 32)	-	3.25
Others	1.14	0.45
Total	1,305.66	242.10

Note 17. Provisions:

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Provision for employee benefits		
- Gratuity	19.94	16.37
Total	19.94	16.37

Note 18. Other Non Financial Liabilities:

(₹ in Mn)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Statutory remittances	16.96	27.43
Total	16.96	27.43



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 19. Share Capital:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 100/- as follows:

	(₹ in Mn)	
	As at Mar 31, 2021	As at Mar 31, 2020
Authorised :		
35,000 (P.Y 35,000) Equity shares of ₹ 100/- each with voting rights	3.50	3.50
Issued, Subscribed and Paid Up:		
30,000 (P. Y. 30,000) Equity shares of ₹100/- each fully paid.	3.00	3.00
Total	3.00	3.00

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

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of shares	Amount (₹ in Mn)	No. of shares	Amount (₹ in Mn)
At the beginning of the year	30,000	3.00	5,120	0.51
Add: Issued during the year	-	-	24,880	2.49
Outstanding at the end of the year	30,000	3.00	30,000	3.00

(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 ₹ 100/- 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:

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	30,000	100.0%	30,000	100.0%

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

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	30,000	100.0%	30,000	100.0%

(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.

Note 20. Other Equity:

	(₹ in Mn)	
	As at Mar 31, 2021	As at Mar 31, 2020
Securities premium	297.17	297.17
Capital reserve	(3.58)	(3.58)
Retained earnings	412.40	141.58
Total	705.99	435.17



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 21. Fee and Commission Income

(₹ in Mn)

Particulars	2020-21	2019-20
Manpower Service Fees	164.84	131.99
Distribution Fees	31.25	-
Commission Income	567.17	340.96
TOTAL	763.26	472.95

Note 22. Other Income

(₹ in Mn)

Particulars	2020-21	2019-20
Interest income	80.42	95.48
Change in fair value of investments		
- Realised	13.61	4.44
- Unrealised	0.11	-
Profit on Termination of Lease	-	-
Miscellaneous income	-	0.00##
Total	94.14	99.92

Amount less than ₹ 10,000

Note 23. 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	-	153.71	153.71	-	137.06	137.06
Other interest expense	-	12.27	12.27	-	9.94	9.94
Total	-	165.98	165.98	-	147.00	147.00

Note 24. Employee Benefit Expenses

(₹ in Mn)

Particulars	2020-21	2019-20
Salaries and wages	216.15	195.25
Contribution to provident and other funds	3.92	3.99
Share based payments to employees	0.91	0.51
Staff welfare expenses	4.97	3.96
Gratuity expense	3.44	3.04
Total	229.39	206.75



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

24.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

Particulars	FY 20-21	FY 19-20
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		
Starting period	01-Apr-20	01-Apr-19
Date of reporting	31-Mar-21	31-Mar-20
Period of reporting	12 Months	12 Months

Assumptions (previous year)		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.04%	7.59%
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.

Assumptions (current year)		
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.

Table showing change in the present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	16.37	11.66
Interest cost	0.99	0.89
Current service cost	2.45	2.15
Past service cost	-	-
Liability transferred in	1.15	0.26
(Liability transferred out)	(0.28)	(0.30)
(Benefit paid directly by the employer)	(0.06)	(0.05)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.42)	1.68
Actuarial (gains)/losses on obligations - due to experience	(0.26)	0.08
Present value of benefit obligation at the end of the year	19.94	16.37

Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the year)	(19.94)	(16.37)
Fair value of plan assets at the end of the year	-	-
Funded status (surplus/ (deficit))	(19.94)	(16.37)
Net (liability)/asset recognized in the balance sheet	(19.94)	(16.37)



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

24.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) (continued)

Net interest cost for current year	FY 20-21	FY 19-20
Present value of benefit obligation at the beginning of the year	19.94	16.37
(fair value of plan assets at the beginning of the year)	-	-
Net liability/(asset) at the end of the year	19.94	16.37
Interest cost	0.99	0.89
(Interest income)	-	-
Net interest cost for current year	0.99	0.89

Expenses recognized in the statement of profit or loss for current year		
Current service cost	2.45	2.15
Net interest cost	0.99	0.89
Past service cost	-	-
Expenses recognized	3.44	3.04

Expenses recognized in the other comprehensive income (OCI) for current year		
Actuarial (gains)/losses on obligation for the year	(0.68)	1.76
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	(0.68)	1.76

Balance sheet reconciliation		
Opening net liability	16.37	11.66
Expenses recognized in statement of profit or loss	3.44	3.04
Expenses recognized in OCI	(0.68)	1.76
Net liability/(asset) transfer in	1.15	0.26
Net (liability)/asset transfer out	(0.28)	(0.30)
(Benefit paid directly by the employer)	(0.06)	(0.05)
Net liability/(asset) recognized in the balance sheet	19.94	16.37

Other details		
No of active members	106	102
Per month salary for active members	3.68	3.44
Weighted average duration of projected benefit obligation	10	11
Average Expected Future Service	9	9
Projected benefit obligation (pbo)	19.94	16.37

Maturity analysis of the benefit payments		
1st following year	1.28	0.94
2nd following year	1.48	1.02
3rd following year	1.49	1.16
4th following year	1.50	1.17
5th following year	1.49	1.16
Sum of years 6 to 10	7.57	5.79
Sum of years 11 and above	23.39	20.81

Sensitivity analysis		
Projected Benefit Obligation on Current Assumptions	19.94	16.37
Delta Effect of +1% Change in Rate of Discounting	(1.59)	(1.42)
Delta Effect of -1% Change in Rate of Discounting	1.84	1.65
Delta Effect of +1% Change in Rate of Salary Increase	1.36	1.34
Delta Effect of -1% Change in Rate of Salary Increase	(1.28)	(1.25)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.04)	(0.15)
Delta Effect of -1% Change in Rate of Employee Turnover	0.04	0.16



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

24.2 Defined Contribution Plans:

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

(₹ in Mn)		
Particulars	2020-21	2019-20
Contribution to provident fund	3.92	3.99
Contribution to ESIC	-	-
Contribution to labour welfare fund	0.00##	0.00##
Total	3.92	3.99

Amount less than ₹ 10,000.

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

Note 25. Other Expenses:-

(₹ in Mn)		
Particulars	2020-21	2019-20
Operations and fund management expenses	9.34	6.37
Rent and energy cost	35.50	30.54
Insurance	0.16	0.15
Repairs & Maintenance	0.11	0.30
Marketing, advertisement and business promotion expenses	1.14	19.52
Travelling & Conveyance	2.86	10.40
Legal & Professional Fees	7.24	13.28
Communication	4.20	2.39
Manpower Outsource Expenses	1.76	-
Software Charges / Technology Cost	20.38	13.61
Office & other expenses	5.61	7.07
Remuneration to Auditors :		
Audit fees (net of GST input credit)	0.57	0.95
Certification Expenses	0.01	0.05
Out of Pocket Expenses	0.02	-
Corporate Social Responsibility Expenses	1.05	-
Total	89.95	104.63



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 26. 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
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	90.78	26.93
	Tax expense in respect of earlier years	0.00##	(1.09)
		90.78	25.84
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(0.60)	(0.88)
	Effect on deferred tax balances due to the change in income tax rate	-	0.38
		(0.60)	(0.50)
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	90.18	25.34
(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	0.17	(0.45)
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	0.17	(0.45)

Amount less than ₹ 10,000

(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)	Profit before tax	360.49	103.44
(b)	Income tax expense at tax rates applicable to individual entities	90.73	26.03
(c)	(i) Tax on income subject to lower tax rate	-	-
	(A) Gains on investments (including fair valuation)	(1.02)	(0.08)
	(ii) Tax on expense not tax deductible		
	(A) Expenses not allowable as tax deductible as per tax laws	0.27	0.01
	(iii) Effect on deferred tax due to change in Income tax	-	0.38
	(iv) Tax expense in respect of earlier years	-	(1.09)
	(v) Tax effect on various other items	0.20	0.09
	Total effect of tax adjustments [(i) to (xii)]	(0.55)	(0.69)
(d)	Tax expense recognised during the year	90.18	25.34
	Effective tax rate	25.02%	24.50%

Note 27. Earnings Per Share:

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

Particulars		2020-21	2019-20
BASIC			
Profit after tax as per Statement of profit and loss (₹ in Mn)	A	270.31	78.10
Weighted average number of shares subscribed	B	30,000	25,921
Face value of equity shares (in ₹) fully paid		100	100
Basic EPS (₹)	A/B	9,010.33	3,012.96
DILUTED			
Profit after tax as per Statement of profit and loss (₹ in Mn)	A	270.31	78.10
Weighted number of shares subscribed	B	30,000	25,921
Add: Potential equity shares on account of conversion of employee stock option	C	-	-
Weighted average number of shares outstanding	D=B+C	30,000	25,921
Diluted EPS (₹)	A/D	9,010.33	3,012.96



Note 28. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Financial Risk Management

(₹ in Mn)

28A.1. 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 and other receivables

The Company's trade receivables primarily include receivables from manpower services and broking operations. Based on the historical experience in collection of receivables, the Company considers credit risk arising from trade receivables to be insignificant.

2) Others

In addition to the above, balances and deposits with banks, Other Receivables 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 on Other Receivables and Other Financial assets is considered very low as the counterparty is mainly stock exchanges.

28B. 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 an adequate amount of credit lines. Further, The Company has well defined Asset Liability Management (ALM) Framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

As at Mar 31, 2021				
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	2.01	1.21	0.20	0.60
Other payables	3,209.23	3,209.23	-	-
Borrowings (Other than Debt Securities)	-	-	-	-
Other financial liabilities	1,305.66	-	1,305.66	-
Total	4,516.90	3,210.44	1,305.86	0.60

For Finance Lease Obligation maturity refer note 12

As at Mar 31, 2020				
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	1.32	0.73	-	0.59
Other payables	3,228.88	3,228.88	-	-
Borrowings (Other than Debt Securities)	4,250.90	-	4,250.90	-
Other financial liabilities	242.10	-	12.59	229.51
Total	7,723.20	3,229.61	4,263.49	230.10

For Finance Lease Obligation maturity refer note 12

28C. 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.

28C.1 Currency Risk

The Company has some exposure to foreign currencies through its business operations or 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 2020-21 are as below:

(₹ in Mn)

Particulars	USD	HKD	CHF	SGD
Cash and cash equivalents	0.01	0.01	0.02	0.01

A hypothetical 1% appreciation/(depreciation) of the respective foreign currencies with respect to functional currencies of the company would result in increase/decrease in the Company's net profit before tax by approximately INR 0.00 Mn.

FY 2019-20

Particulars	USD	HKD	CHF	SGD
Cash and cash equivalents	0.01	0.01	0.02	0.01

A hypothetical 1% appreciation/(depreciation) of the respective foreign currencies with respect to functional currencies of the company would result in increase/decrease in the Company's net profit before tax by approximately INR 0.00 Mn.

28C.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.

Since the borrowings/loans outstanding as at March 31, 2020 are at fixed interest rate, hence no interest rate risk analysis has been performed by the Management.

Note 28. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

28C.3. Other Price Risk (including Equity Linked Investments)

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 Mar 31, 2021	As at Mar 31, 2020
Financial Assets		
Derivative financial instruments	-	-
Investments	2.29	2.18
	2.29	2.18
Financial Liabilities		
Derivative financial instruments	-	-
Debt securities	-	-
	-	-



Note 28. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

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

	2020-21	2019-20
Increase of 100 basis point		
Impact on Profit and Loss after tax	0.02	0.02
Impact on Equity	0.02	0.02
Decrease of 100 basis point		
Impact on Profit and Loss after tax	(0.02)	(0.02)
Impact on Equity	(0.02)	(0.02)

28D. Capital Management

The Company's capital management is intended to create value for shareholders. The assessment of Capital level and requirements are assessed having regard to long-and short term strategies of the Company and regulatory capital requirements of its businesses and constituent entities.

28E. Category Wise Classification for applicable Financial Assets and Liabilities

Sr No.	Particulars	As at Mar 31, 2021			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
	Financial Assets				
(a)	Cash and cash equivalents	167.08	-	-	167.08
(b)	Bank balance other than (a) above	3,530.48	-	-	3,530.48
(c)	Receivables				
	(I) Trade receivables	44.88	-	-	44.88
	(II) Other receivables	673.99	-	-	673.99
(d)	Loans	2.62			2.62
(e)	Investments		2.29		2.29
(f)	Other financial assets	883.05			883.05
	Total	5,302.10	2.29		5,304.39
	Financial Liabilities				
(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	2.01			2.01
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,209.23			3,209.23
(b)	Finance Lease Obligations	0.81			0.81
(c)	Borrowings (other than debt securities)				
(d)	Other financial liabilities	1,305.66			1,305.66
	Total	4,517.71			4,517.71

Sr No.	Particulars	As at Mar 31, 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)	
	Financial Assets				
(a)	Cash and cash equivalents	412.11	-	-	412.11
(b)	Bank balance other than (a) above	3,752.45	-	-	3,752.45
(c)	Receivables				
	(I) Trade receivables	47.48	-	-	47.48
	(II) Other receivables	619.33	-	-	619.33
(d)	Loans	2.71			2.71
(e)	Investments		2.18		2.18
(f)	Other financial assets	3,369.31			3,369.31
	Total	8,203.39	2.18		8,205.57
	Financial Liabilities				
(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	1.32			1.32
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,228.88			3,228.88
(b)	Finance Lease Obligations	1.02			1.02
(c)	Borrowings (other than debt securities)	4,250.90			4,250.90
(d)	Other financial liabilities	242.10			242.10
	Total	7,724.22			7,724.22

Financial assets measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances 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 and other payables, borrowings and other financial liabilities are considered to be the same as their fair values due to their short term nature.



Note 28. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

28E.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. This include NAVs of the schemes of mutual funds.
- 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 methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. 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.

28E. 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.

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Equity Shares*	-	-	2.29	2.29
Total Assets	-	-	2.29	2.29

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Equity Shares*	-	-	2.18	2.18
Total Assets	-	-	2.18	2.18

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

Reconciliation of Level 3 fair value measurements

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Opening Balance	2.18	2.18
Total gains or losses		-
- in profit or loss	0.11	-
Purchases	-	-
Disposal/ Settlements	-	-
Transfer out of Level 3	-	-
Closing Balance	2.29	2.18

28E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair	As at Mar 31, 2021		As at Mar 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	167.08	167.08	412.11	412.11
Bank balance other than above	3,530.48	3,530.48	3,752.45	3,752.45
Receivables				
(I) Trade receivables	44.88	44.88	47.48	47.48
(II) Other receivables	673.99	673.99	619.33	619.33
Loans	2.62	2.62	2.71	2.71
Other financial assets	883.05	883.05	3,369.31	3,369.31
Financial Liabilities				
(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	2.01	2.01	1.32	1.32
(II) Other payables	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,209.23	3,209.23	3,228.88	3,228.88
Finance Lease Obligations	0.81	0.81	1.02	1.02
Borrowings (other than debt securities)	-	-	4,250.90	4,250.90
Other financial liabilities	1,305.66	1,305.66	242.10	242.10



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 29. 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

Particulars	(₹ in Mn)	
	As at Mar 31, 2021	As at Mar 31, 2020
Bank guarantees (refer note 29.1)	2,499.40	1,687.40

29.1 Fixed Deposits(excluding accrued interest) amounting to ₹ 1321.27 Mn(P.Y. ₹ 1,015.59 Mn) are pledged against this.

Note 30. 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 31. Disclosure as per Ind AS 108 "Segment Reporting":

Services from which reportable segments derive their revenues

The Company's Operating Segments are identified as those segments that engage in business activities to earn revenues and incur expenses whose results are regularly reviewed by Chief operating decision maker.

The Company has following business segments, which are its reportable segments.

(i) **Broking Business:** This segment comprises of equity and debt broking. The Segment also includes Investment activities which are complimentary to Broking activities and largely provided to or arise from servicing its clients under broking. (Refer note 2.1)

(ii) **Manpower Services:** This segment generally comprises of manpower services like backoffice operations, accounting and admin etc; provided to fellow subsidiaries.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

For financial statement presentation purposes various individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- The methods used to provide the service to the customers are the same;
- The services provided are guided by similar regulatory provisions and framework.

Segment revenues and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking Business	660.20	343.03	415.18	84.23
Manpower Services	197.20	17.46	157.69	19.21
Total	857.40	360.49	572.87	103.44

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment profit represents the profit before tax earned by each segment post allocation of all identifiable other income, direct expenses, finance cost and other cost.



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 31. Disclosure as per Ind AS 108 "Segment Reporting": (continued)

Segment assets and liabilities

(₹ in Mn)

Segment assets	As at March 31, 2021	As at March 31, 2020
Broking Business	5,124.81	7,834.87
Manpower Services	222.87	393.49
Total segment assets	5,347.68	8,228.36

(₹ in Mn)

Segment liabilities	As at March 31, 2021	As at March 31, 2020
Broking Business	4,520.31	7,740.89
Manpower Services	118.39	49.30
Total segment liabilities	4,638.70	7,790.19

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments.
- All liabilities are allocated to reportable segments.

Other segment information

(₹ in Mn)

Depreciation and amortisation	For the year ended March 31, 2021	For the year ended March 31, 2020
Broking Business	1.76	2.22
Manpower Services	0.57	0.60
Total	2.33	2.82

(₹ in Mn)

Interest Income included in segment revenue	For the year ended March 31, 2021	For the year ended March 31, 2020
Broking Business	61.78	74.21
Manpower Services	18.64	21.27
Total	80.42	95.48

(₹ in Mn)

Finance Cost	For the year ended March 31, 2021	For the year ended March 31, 2020
Broking Business	152.93	140.50
Manpower Services	13.05	6.50
Total	165.98	147.00



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 32. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2021

a) List of Related Parties:

Nature of relationship	Name of party	
Director/ Key Managerial Personnel	Mr. Umang Papneja, Director	
	Mr. Pankaj Fitkariwala, Director (Resigned w.e.f. May 29, 2020)	
	Ms. Anu Jain, Director	
	Mr. Yatin Shah, Director (appointed w.e.f. May 26, 2020)	
Holding Company	IIFL Wealth Management Limited	
Fellow Subsidiaries	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	
	IIFL Asset Management Limited	
	IIFL Investment Adviser and Trustee Services Limited	
	IIFL Trustee Limited	
	IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	
	IIFL Wealth Securities IFSC Limited	
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f. December 27, 2019)	
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)	
	IIFL Wealth Employee Welfare benefit Trust	
	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 (Mauritius) Ltd)	
	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) **	
	Other Related Parties	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 known as 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
		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 Limited)		
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		

*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 WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 32. Related Party Disclosures: (continued)

b) Significant Transactions with Related Parties

	(₹ in Mn)			
Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
Share Capital				
IIFL Wealth Management Limited	(2.49)	-	-	(2.49)
Securities Premium				
IIFL Wealth Management Limited	(297.47)	-	-	(297.47)
ICD Taken:				
IIFL Wealth Management Limited	5,820.00	-	-	5,820.00
	(6,467.50)	-	-	(6,467.50)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	1,420.00	-	1,420.00
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	(3,030.00)	-	(3,030.00)
	-	250.00	-	250.00
	-	-	-	-
ICD Repaid:				
IIFL Wealth Management Limited	10,070.90	-	-	10,070.90
	(3,166.94)	-	-	(3,166.94)
IIFL Wealth Finance Limited	-	1,420.00	-	1,420.00
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	(3,030.00)	-	(3,030.00)
	-	250.00	-	250.00
	-	-	-	-
ICD Given:				
IIFL Wealth Management Limited	2,495.00	-	-	2,495.00
	(2,036.10)	-	-	(2,036.10)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	100.00	-	100.00
	-	(340.00)	-	(340.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	680.00	-	680.00
	-	-	-	-
ICD Received back:				
IIFL Wealth Management Limited	2,495.00	-	-	2,495.00
	(2,094.00)	-	-	(2,094.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	100.00	-	100.00
	-	(340.00)	-	(340.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	680.00	-	680.00
	-	-	-	-
Fees Earned For Services (including Brokerage) rendered				
IIFL Captial Pte Limited	-	3.26	-	3.26
	-	(3.09)	-	(3.09)
IIFL Securities Pte Limited	-	3.26	-	3.26
	-	(3.09)	-	(3.09)
IIFL Wealth Management Limited	(51.66)	-	-	(51.66)
	-	7.92	-	7.92
IIFL Investment Adviser & Trustee Serviced Limited	-	(7.00)	-	(7.00)
	-	132.30	-	132.30
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	(62.66)	-	(62.66)
	-	39.58	-	39.58
IIFL Asset Management Limited	-	(34.97)	-	(34.97)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	5.84	-	5.84
	-	(0.57)	-	(0.57)
Karan Bhagat	-	-	0.10	0.10
	-	-	(0.06)	(0.06)
Kyrush Investments	-	-	0.35	0.35
	-	-	(0.17)	(0.17)
Yatin Shah	-	-	0.01	0.01
	-	-	-	-
Nirmal Jain	-	-	0.13	0.13
	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	0.04	0.04
	-	-	-	-
Kyrush Realty Private Limited	-	-	0.01	0.01
	-	-	-	-
Kalki Family Private Trust	-	-	0.01	0.01
	-	-	(0.01)	(0.01)
Interest Income on ICD:				
IIFL Wealth Management Limited	14.18	-	-	14.18
	(20.81)	-	-	(20.81)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	0.19	-	0.19
	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Portfolio Managers Ltd)	-	0.02	-	0.02
	-	-	-	-
Interest Expenses:				
IIFL Wealth Management Limited	145.40	-	-	145.40
	(129.11)	-	-	(129.11)
IIFL Wealth Finance Limited	-	2.29	-	2.29
	-	(3.61)	-	(3.61)



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 32. Related Party Disclosures: (continued)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
Fees/Expenses incurred/Reimbursed For Services Procured				
IIFL Wealth Management Limited	27.18 (19.48)	-	-	27.18 (19.48)
Corporate Social Responsibility(CSR)				
IIFLW CSR Foundation	-	1.05	-	1.05
Allocation / Reimbursement of Expenses Received:				
IIFL Wealth Management Limited	(0.42)	-	-	(0.42)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	0.75 (0.53)	-	0.75 (0.53)
IIFL Asset Management Limited	-	0.25 (0.32)	-	0.25 (0.32)
Other Funds Received:				
IIFL Wealth Management Limited	1.15 (0.29)	-	-	1.15 (0.29)
IIFL Asset Management Limited	-	-	-	-
IIFL Wealth Finance Limited	-	(0.01)	-	(0.01)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	0.15	-	0.15
Other Funds Paid:				
IIFL Wealth Management Limited	1.06 (7.90)	-	-	1.06 (7.90)
IIFL Investment Adviser & Trustee Serviced Limited	-	0.11 (0.01)	-	0.11 (0.01)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	0.16	-	0.16
IIFL Asset Management Limited	-	0.02 (0.31)	-	0.02 (0.31)

(C) Amount due to / from related parties (Closing Balances:

(₹ in Mn)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
ICD Taken				
IIFL Wealth Management Limited	(4,250.90)	-	-	(4,250.90)
Sundry Payables				
IIFL Wealth Management Limited	1,304.52 (237.89)	-	-	1,304.52 (237.89)
Sundry Receivables				
IIFL Investment Adviser & Trustee Serviced Limited	-	2.02 (2.12)	-	2.02 (2.12)
IIFL Asset Management Limited	-	10.28 (10.73)	-	10.28 (10.73)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	28.82 (26.81)	-	28.82 (26.81)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	0.02	-	0.02
Receivable from Client				
Kalki Family Private Trust	-	-	2.44	2.44
Naykia Family Private Trust	-	-	0.00#	0.00#
Amit Yatin Shah	-	-	0.00#	0.00#
Madhu Jain	-	-	0.00#	0.00#
Karan Bhagat	-	-	(0.00#)	(0.00#)
IIFL Asset Management Limited	-	(0.00#)	-	(0.00#)
Payable to Client				
IIFL Wealth Management Limited	10.12	-	-	10.12
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Ltd)	-	3.83 (294.50)	-	3.83 (294.50)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	163.08 (586.79)	-	163.08 (586.79)
IIFL Investment Adviser & Trustee Serviced Limited	-	0.00#	-	0.00#
Yatin Investments	-	-	0.39	0.39
Kyrush Investments	-	-	(24.92)	(24.92)

Note:

Amounts in brackets represents previous year's figures

Amount less than ₹ 10,000



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 33.1. Maturity analysis of assets and liabilities as at March 31, 2021

(₹ in Mn)

SR. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	167.08	-	167.08
(b)	Bank balance other than (a) above	3,522.22	8.26	3,530.48
(c)	Receivables			
	(I) Trade receivables	44.88	-	44.88
	(II) Other receivables	673.99	-	673.99
(d)	Loans	0.92	1.70	2.62
(e)	Investments	-	2.29	2.29
(f)	Other financial assets	0.20	882.85	883.05
2	Non-Financial Assets			
(a)	Current tax assets (net)	-	3.64	3.64
(b)	Deferred tax assets (net)	-	4.67	4.67
(c)	Property, plant and equipment	-	0.05	0.05
(c)	Other intangible assets	-	2.32	2.32
(d)	Right to Use	-	0.75	0.75
(e)	Other non-financial assets	31.79	0.07	31.86
	Total Assets	4,441.08	906.60	5,347.68
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	2.01	-	2.01
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,209.23	-	3,209.23
	Finance Obligations	0.61	0.20	0.81
(b)	Borrowings (other than debt securities)	-	-	-
(c)	Other financial liabilities	1,305.66	-	1,305.66
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	84.08	-	84.08
(b)	Provisions	4.94	15.00	19.94
(c)	Other non-financial liabilities	16.96	-	16.96
3	EQUITY			
(a)	Equity share capital	-	3.00	3.00
(b)	Other equity	-	705.99	705.99
	Total Liabilities and Equity	4,623.49	724.19	5,347.68



IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 33.2. Maturity analysis of assets and liabilities as at March 31, 2020

(₹ in Mn)

SR. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	412.11	-	412.11
(b)	Bank balance other than (a) above	3,744.42	8.03	3,752.45
(c)	Receivables			
	(I) Trade receivables	47.48	-	47.48
	(II) Other receivables	619.33	-	619.33
(d)	Loans	1.55	1.16	2.71
(e)	Investments	-	2.18	2.18
(f)	Other financial assets	0.00#	3,369.31	3,369.31
2	Non-Financial Assets			
(a)	Current tax assets (net)	-	6.35	6.35
(b)	Deferred tax assets (net)	-	4.24	4.24
(c)	Property, plant and equipment	-	-	-
(c)	Other intangible assets	-	2.19	2.19
(d)	Right to Use	-	0.96	0.96
(e)	Other non-financial assets	9.05	-	9.05
	Total Assets	4,833.94	3,394.42	8,228.36
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	1.32	-	1.32
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,228.88	-	3,228.88
	Finance Obligations	0.60	0.42	1.02
(b)	Borrowings (other than debt securities)	4,250.90	-	4,250.90
(c)	Other financial liabilities	242.10	-	242.10
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	22.17	-	22.17
(b)	Provisions	0.94	15.43	16.37
(c)	Other non-financial liabilities	27.43	-	27.43
3	EQUITY			
(a)	Equity share capital	-	3.00	3.00
(b)	Other equity	-	435.17	435.17
	Total Liabilities and Equity	7,774.34	454.02	8,228.36



**IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)**

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

Note 34. Corporate Social Responsibility

During the year, the Company has spent its entire liability of ₹ 1.05 Mn 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 in achieving 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 include education and healthcare including COVID Relief. (Refer Note 32 on Related Party Disclosures)

Note 35. Subsequent Events

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

Note 36. 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 including current second wave 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 37. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on May 17, 2021.

Note 38. Previous year figures are regrouped/reclassified/rearranged where ever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors



Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai

Dated: May 17, 2021