

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Mn)

SR. No.	Particulars	Note No.	As at Mar 31, 2022	As at Mar 31, 2021
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	3	32.58	167.08
(b)	Bank balance other than (a) above	4	5,316.80	3,530.48
(c)	Receivables			
	(I) Trade receivables	5	107.43	44.88
	(II) Other receivables	5	2,405.63	673.99
(d)	Loans	6	4.05	2.62
(e)	Investments	7	1,007.11	2.29
(f)	Other financial assets	8	1,393.99	883.05
2	Non-Financial Assets			
(a)	Current tax assets (net)		3.64	3.64
(b)	Deferred tax assets (net)	9	-	4.67
(c)	Property, plant and equipment	10	0.08	0.05
(d)	Capital work-in-progress	11	1.20	-
(e)	Other intangible assets	12	6.24	2.32
(f)	Right to Use Asset	13	2.04	0.75
(g)	Other non-financial assets	14	38.49	31.86
	Total Assets		10,319.28	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	15	63.38	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	15	5,072.84	3,209.23
(b)	Finance Lease Obligation	13	2.13	0.81
(c)	Borrowings (other than debt securities)	16	4,280.00	-
(d)	Other financial liabilities	17	24.34	1,305.66
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)		17.00	84.08
(b)	Provisions	18	0.23	19.94
(c)	Deferred tax liabilities (net)	9	6.16	-
(d)	Other non-financial liabilities	19	37.60	16.96
3	EQUITY			
(a)	Equity share capital	20	3.00	3.00
(b)	Other equity	21	812.60	705.99
	Total Liabilities and Equity		10,319.28	5,347.68

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner

Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: April 29, 2022

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Mn)

SR. No.	Particulars	Note No.	2021-22	2020-21
1	Revenue from operations			
(a)	Fees and commission income	22	710.17	763.26
	Total revenue from operations		710.17	763.26
2	Other income	23	89.80	94.14
3	Total income (1+2)		799.98	857.40
	Expenses			
(a)	Finance costs	24	163.27	165.98
(b)	Fees and commission expenses		0.74	9.26
(c)	Employee benefits expenses	25	341.89	229.39
(d)	Depreciation, amortisation and impairment	10,12 &13	3.60	2.33
(e)	Others expenses	26	135.28	89.95
4	Total expenses		644.78	496.91
5	Profit before tax (3-4)		155.20	360.49
6	Tax expense:			
(a)	Current tax	27	36.21	90.78
(b)	Deferred tax	27	11.22	(0.60)
7	Profit for the year (5-6)		107.77	270.31
8	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss - Remeasurements of Employee Benefits		(1.57)	0.68
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.39	(0.17)
	Subtotal (a)		(1.18)	0.51
(b)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (b)		-	-
	Other comprehensive income (a+b)		(1.18)	0.51
9	Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the year)		106.59	270.82
10	Earnings per equity share			
	Basic (Rs.)	28	3,592.33	9,010.33
	Diluted (Rs.)	28	3,592.33	9,010.33

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IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Mn)

Particulars	2021-22	2020-21
A. Cash flows from operating activities		
Profit before tax	155.20	360.49
Adjustments for:		
Depreciation & amortisation expenses	3.60	2.33
Provisions for employee benefits	4.70	3.44
Net changes in fair value through Profit and Loss of investments	(4.35)	(13.61)
- Realised		
Net changes in fair value through Profit and Loss of investments	(21.92)	(0.11)
- Unrealised		
Interest income	(63.18)	(80.10)
Interest expenses	136.93	153.71
Operating profit before working capital changes	210.98	426.16
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	(3,341.70)	2,965.06
Increase in Financial/Non-financial Liabilities	615.83	1,037.99
Cash (used in)/ generated from operations	(2,514.89)	4,429.21
Net income tax (paid) / refunds	(103.29)	(26.16)
Net cash (used in)/ generated from operating activities (A)	(2,618.18)	4,403.04
B. Cash flows from investing activities		
Payments for purchase of investments	(0.88)	(1,236.14)
Proceeds from sale of investments	2.40	1,249.75
Net (payments for)/proceeds from Short term investments	(980.06)	-
Interest income received	64.76	97.55
Fixed Deposit (placed)/matured (net)	(760.34)	(349.02)
Purchase/sale of Property, plant and equipment (includes intangible assets) (net)	(7.64)	(1.94)
Staff loan given	(2.85)	(1.50)
Staff loan received back	1.42	1.09
Net cash (used in) investing activities (B)	(1,683.20)	(240.21)
C. Cash flows from financing activities		
Intercompany Deposit taken / repaid (net)	4,280.00	(4,250.90)
Interest expenses paid	(113.13)	(156.96)
Net cash (used in)/ generated from financing activities (C)	4,166.87	(4,407.86)
Net (decrease) in cash and cash equivalents (A+B+C)	(134.50)	(245.01)
Opening Cash & cash equivalents (as per Note 3)	167.08	412.11
Closing Cash & cash equivalents (as per Note 3)	32.58	167.08

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Place : Mumbai
Dated: April 29, 2022

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Mn)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3.00	-	3.00	-	3.00

STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Mn)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3.00	-	3.00	-	3.00

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(₹ 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, 2021	3.00	297.17	(3.58)	412.40	706.00	709.00
Profits for the year	-	-	-	107.77	107.77	107.77
Other comprehensive income	-	-	-	(1.18)	(1.18)	(1.18)
Balance at the 31 Mar 2022	3.00	297.17	(3.58)	519.01	812.59	815.59

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

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

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner

Anu Jain
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Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: April 29, 2022

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022

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. Pursuant to the Composite Scheme of Arrangement approved by NCLT on 8th March 2019, 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” (“Undertaking”, as defined in the Scheme) of IIFL Wealth was transferred to the Company on a going concern basis. Pending regulatory approvals, the business of the said Undertaking was being carried out by IIFL Wealth on behalf of the Company. After receiving the necessary regulatory approvals from the exchanges and depositories, the business of the said Undertaking was transferred to the Company with effect from May 3rd, 2021. The Financial Statements of the Company reported hereunder include the results 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, April 29, 2022.

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.

d) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Financial Assets.

Depreciation

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of lease.

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

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Office equipment	5

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are 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.

Derecognition:

The carrying amount of an item of property, plant and equipment 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 item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

e) 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 amortisation and 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 impairment loss, if any.

Amortisation:

Intangible Assets with finite lives are amortised on a Straight-Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortisation period and the amortisation 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.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

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.

f) 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 amortisation 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 amortisation 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.

g) 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 amortised 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)

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

Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

i. Financial assets measured at amortised cost:

A financial asset is measured at the amortised 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 amortised 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.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised 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.

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

Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

- 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 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 cost
- (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 cost.

Subsequent measurement:

(i) All financial liabilities of the Company are categorized as subsequently measured at amortised 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.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED**(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)****Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)**

(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.

h) 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

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.

i) 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. Non-monetary 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.

j) 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.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED**(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)****Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)****Current tax:**

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

Deferred tax:

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

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.

k) 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).

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
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Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

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.

l) 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.

m) 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.

Compensated Absences

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

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:

The Company provides for gratuity, a defined benefit plan, for employees. The Company makes annual contributions to funds administered by trustees and managed by a financial institution, towards meeting the Gratuity obligations.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
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Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

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.

n) 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.

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Notes forming part of Financial Statements for the year ended March 31, 2022 (continued)

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

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

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

As a lessor

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

Critical accounting estimate and judgement

1. Determination of lease term

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

2. Discount rate

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

o) Borrowing Cost

Borrowing cost includes interest, amortisation 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.

p) Segment Reporting

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

q) 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

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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.

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, 2022

Note 3. Cash and Cash Equivalents

Particulars	(₹ in Mn)	
	As at Mar 31, 2022	As at Mar 31, 2021
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)		
Cash on hand	0.05	0.05
Balance with banks		
- Others	32.54	167.03
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	32.58	167.08

Note 4. Bank Balance other than 3 above:

Particulars	(₹ in Mn)	
	As at Mar 31, 2022	As at Mar 31, 2021
Other Bank Balances		
In Earmarked Accounts		
- In client account	3,024.45	1,996.90
In Deposit accounts (with original maturity of more than 3 months)	2,286.30	1,525.96
Interest accrued on fixed deposits	6.04	7.62
Total	5,316.80	3,530.48

Out of the Fixed Deposits shown above:

Particulars	(₹ in Mn)	
	As at Mar 31, 2022	As at Mar 31, 2021
Lien marked against bank guarantee	1,255.71	1,321.27
Lien marked against overdraft facility	-	50.00
Collateral with exchange	1,006.05	116.05
Normal deposit	24.54	38.64
Interest accrued on fixed deposits	6.04	7.62
Total	2,292.34	1,533.58

Note 5. Receivables

Particulars	(₹ in Mn)	
	As at Mar 31, 2022	As at Mar 31, 2021
(i) Trade receivables		
Receivables considered good - Unsecured	107.43	44.88
Total (i)- Gross	107.43	44.88
Less: Impairment loss allowance		
Total (i)- Net	107.43	44.88
(ii) Other receivables		
Receivables considered good - Secured	2,405.63	673.99
Total (ii)- Gross	2,405.63	673.99
Less: Impairment loss allowance		
Total (ii)- Net	2,405.63	673.99
Total (i+ii)		

Trade receivables ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Unbilled revenue	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	106.55	0.88	-	-	-		107.43
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-		-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-		-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-		-
Unbilled revenue	-	-	-	-	-	-	-
Total receivables as on 31st March 2022	106.55	0.88	-	-	-	-	107.43

Trade receivables ageing schedule for the year ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Unbilled revenue	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	44.88	-	-	-	-		44.88
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-		-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-		-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-		-
Unbilled revenue	-	-	-	-	-	-	-
Total receivables as on 31st March 2021	44.88	-	-	-	-	-	44.88

- a) 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 2022 and 31st March 2021
- b) There are no credit impaired receivables as at 31st March 2022 and 31st March 2021
- c) No trade receivables and other receivables are interest bearing.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
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Notes forming part of Financial Statements for the year ended March 31, 2022

Note 6. Loans

Loans	As at Mar 31, 2022		As at Mar 31, 2021	
	Amortised cost	Total	Amortised cost	Total
(A)				
(i) Term loans	-	-	-	-
Inter Corporate Deposits (including ICD interest)				
(ii) Others - Staff Loan	4.05	4.05	2.62	2.62
Total (A) -Gross	4.05	4.05	2.62	2.62
Less: Impairment loss allowance	-	-	-	-
Total (A) - Net	4.05	4.05	2.62	2.62
(B)				
(i) Secured by tangible assets	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-
(i) Unsecured	4.05	4.05	2.62	2.62
Total (B)-Gross	4.05	4.05	2.62	2.62
(C)				
(I) Loans in India				
(i) Others	4.05	4.05	2.62	2.62
Less: Impairment loss allowance	-	-	-	-
Total(C) (I)-Net	4.05	4.05	2.62	2.62
(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)- Net	-	-	-	-
Total C(I) and C(II)	4.05	4.05	2.62	2.62

Type of Borrower	As at Mar 31, 2022		As at Mar 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	Nil	-	Nil	-
Directors	Nil	-	Nil	-
KMPs	Nil	-	Nil	-
Related Parties	Nil	-	Nil	-

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Notes forming part of Financial Statements for the year ended March 31, 2022

Note 7. Investments

(₹ in Mn)

Investments	As at Mar 31, 2022							As at Mar 31, 2021						
	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			
(A)	1	2	3	4	5=2+3+4	6	7=1+5+6	1	2	3	4	5=2+3+4	6	7=1+5+6
Mutual funds*	-	-	1,004.82	-	1,004.82	-	1,004.82	-	-	-	-	-	-	-
Equity instruments	-	-	2.29	-	2.29	-	2.29	-	-	2.29	-	2.29	-	2.29
Total (A)	-	-	1,007.11	-	1,007.11	-	1,007.11	-	-	2.29	-	2.29	-	2.29
(B)														
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	-	1,007.11	-	1,007.11	-	1,007.11	-	-	2.29	-	2.29	-	2.29
Total (B)	-	-	1,007.11	-	1,007.11	-	1,007.11	-	-	2.29	-	2.29	-	2.29
(C)														
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	-	-	1,007.11	-	1,007.11	-	1,007.11	-	-	2.29	-	2.29	-	2.29

* Out of the above investments, Mutual funds amounting to ₹1,004.82 mn (PY: nil) are lien marked

Name of Investment	Face Value	As at March 31, 2022		Face Value	As at March 31, 2021	
		No. of Units	Total Amount		No. of Units	Total Amount
Investment in Mutual Funds include :						
HDFC Liquid Fund - Direct Plan - Growth	1,000.00	40,121.00	167.90	-	-	-
HDFC Short Term Debt Fund - Direct Plan - Growth	10.00	73,38,251.00	192.40	-	-	-
SBI Liquid Fund - Direct Plan - Growth	1,000.00	1,00,000.00	333.31	-	-	-
SBI Liquid Fund - Regular Plan - Growth	1,000.00	94,000.00	311.21	-	-	-
Total		75,72,372	1,004.82			
Investment in Equity Instruments include :						
Fineworthy Software Solutions Limited	10.0000	10,000.00	2.29	10.0000	10,000.00	2.29
Total		10,000.00	2.29		10,000.00	2.29
Grand Total			1,007.11			2.29

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
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Notes forming part of Financial Statements for the year ended March 31, 2022

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

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Deposit with exchange	1,387.32	880.82
Other deposits	2.68	2.03
Advances to Group/Holding company	3.99	0.02
Others	-	0.18
Total	1,393.99	883.05

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Notes forming part of Financial Statements for the year ended March 31, 2022

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, 2022 are as follows:

	(₹ in Mn)			
	Opening balance as at Apr 1, 2021	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2022
Deferred tax assets:				
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.14	(0.01)	-	0.13
Retirement benefits for employees	5.02	(5.66)	0.39	(0.24)
Others	0.01	0.01		0.01
Total deferred tax assets (A)	5.17	(5.66)	0.39	(0.10)
Deferred tax liabilities:				
Property, plant and equipment				-
Unrealised profit on investments etc.	0.50	5.57		6.07
Total deferred tax liabilities (B)	0.50	5.57	-	6.07
Net Deferred tax assets / (Liabilities) (A - B)	4.67	(11.22)	0.39	(6.16)

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	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
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)
Net Deferred tax assets / (Liabilities) (A - B)	4.24	0.60	(0.17)	4.67

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
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Notes forming part of Financial Statements for the year ended March 31, 2022

Note 10. Property, plant and equipment (₹ in Mn)

Particulars	Office equipments
Gross Block as on April 01, 2021	0.06
Additions	0.05
Deductions / adjustments during the year	-
As at March 31, 2022	0.11
Amortisation	
Upto April 01, 2021	0.01
Amortisation for the year	0.02
Deductions / adjustments during the year	-
Upto March 31, 2022	0.02
Net Block as at March 31, 2022	0.08

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

Note 11. Capital Work-in-Progress: (₹ in Mn)

Particulars	As at March 31, 2022
As at April 01, 2021	-
Additions	1.20
Deductions	-
As at Mar 31, 2022	1.20

Particulars	As at March 31, 2021
As at April 01, 2020	-
Additions	-
Deductions	-
As at Mar 31, 2021	-

Ageing table	FY 2021-22					
	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress		1.20	-	-	-	1.20
Project temporarily suspended						Nil

Ageing table	FY 2020-21					
	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress						Nil
Project temporarily suspended						Nil

Note 12. Other Intangible Assets (₹ in Mn)

Particulars	Amount
Software/Intangible assets	
Gross Block as on April 01, 2021	12.01
Additions	6.39
Deductions / adjustments during the year	-
As at March 31, 2022	18.40
Amortisation	
Upto April 01, 2021	9.69
Amortisation for the year	2.48
Deductions / adjustments during the year	-
Upto March 31, 2022	12.17
Net Block as at March 31, 2022	6.24

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

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Note 13. Disclosure Pursuant to IND AS 116 "Leases"

(₹ in Mn)

Following are the changes in the carrying value of right to use assets for the year ended March 31, 2022:

Particulars	Vehicles
Balance as at 01 April, 2021	0.75
Additions during the year	2.39
Depreciation charge for the year	(1.10)
Deletions during the year	-
Balance as at March 31, 2022	2.04

Following are the changes in the carrying value of right to use assets for the year 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

The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	Vehicles
Balance as at 01 April, 2021	0.81
Additions	2.39
Deletion	-
Finance cost accrued during the period	0.19
Payment of lease liabilities	(1.26)
Balance as at March 31, 2022	2.13

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	0.85	0.61
Non-current lease liabilities	1.28	0.20
Total	2.13	0.81

Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	1.01	0.65
One to five years	1.42	0.22
More than five years	-	-
Total undiscounted lease liabilities	2.43	0.87
Lease liabilities included in the statement of financial position	2.13	0.81

Amounts recognised in profit or loss

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	0.19	0.07
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	27.18
Depreciation relating to leases	1.10	0.57
Total	28.47	27.82

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	1.26	0.64

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Note 14. Other Non Financial Assets (Unsecured, considered good) (₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Prepaid expenses	28.67	29.84
Advances recoverable in cash or in kind or for value to be received	0.27	0.05
Employee advance against expenses	0.16	0.05
Goods & Service tax input credit receivable	8.42	1.92
Prepaid gratuity	0.97	-
Total	38.49	31.86

Note 15. Payables (₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Trade payables		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 15.1 and 15.2)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.38	2.01
Total	63.38	2.01
Other payable		
- (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 15.2)	-	-
- (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,072.84	3,209.23
Total	5,072.84	3,209.23

15.1. Trade payables ageing schedule

(₹ in Mn)

Particulars	Outstanding for following periods from due date of payment				Unbilled / provision	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	2.06	-	-	-	61.32	63.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-	-
Total trade payables as on 31st March 2022	2.06	-	-	-	61.32	63.38

Particulars	Outstanding for following periods from due date of payment				Unbilled / provision	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	0.20	-	-	-	1.81	2.01
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-	-
Total trade payables as on 31st March 2021	0.20	-	-	-	1.81	2.01

15.2. 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:

(Amount in ₹)

Particulars	2021-22	2020-21
(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.

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Note 16. Borrowings (other than Debt securities)

(₹ in Mn)

Particulars	As at Mar 31, 2022				As at Mar 31, 2021			
	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	4,280.00	-	-	4,280.00	-	-	-	-
Total	4,280.00	-	-	4,280.00	-	-	-	-
Borrowings in India	4,280.00	-	-	4,280.00	-	-	-	-
Borrowings outside India	-	-	-	-	-	-	-	-
Total	4,280.00	-	-	4,280.00	-	-	-	-

* Term Loans repayable from related parties are repayable within one year at an interest rate of 7.8%. Refer Note-33
The funds called for through inter corporate deposits during the year have been utilised by the Company for the purposes called for.

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Note 17. Other Financial Liabilities

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Payable to holding company / group companies (Refer Note 33)	-	1,304.52
Interest accrued but not due on ICD (Refer Note 33)	23.81	-
Others	0.53	1.14
Total	24.34	1,305.66

Note 18. Provisions:

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Provision for employee benefits		
- Gratuity	-	19.94
- Leave encashment	0.23	-
Total	0.23	19.94

Note 19. Other Non Financial Liabilities:

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Statutory remittances	37.60	16.96
Total	37.60	16.96

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Note 20. 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)

Authorised :	As at Mar 31, 2022	As at Mar 31, 2021
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, 2022		As at Mar 31, 2021	
	No. of shares	Amount (₹ in mn)	No. of shares	Amount (₹ in mn)
At the beginning of the year	30,000	3.00	30,000	3.00
Add: Issued during the year	-	-	-	-
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, 2022		As at Mar 31, 2021	
	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, 2022		As at Mar 31, 2021	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	30,000	100.0%	30,000	100.0%

(f) Shares held by promoters at the end of the year

Promoters Name	As at March 31,2022		% change during the year
	No of shares	%holding	
IIFL Wealth Management Limited & its nominees	30,000	100.0%	0.0%

Promoters Name	As at March 31,2021		% change during the year
	No of shares	%holding	
IIFL Wealth Management Limited & its nominees	30,000	100.0%	0.0%

(g) 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 21. Other Equity:

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Securities premium	297.17	297.17
Capital reserve	(3.58)	(3.58)
Retained earnings	519.01	412.40
Total	812.60	705.99

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Note 22. Fee and Commission Income (₹ in Mn)

Particulars	2021-22	2020-21
Manpower Service Fees	219.82	164.84
Commission Income	490.24	567.17
Distribution Fees	0.11	31.25
TOTAL	710.17	763.26

Note 23. Other Income (₹ in Mn)

Particulars	2021-22	2020-21
Interest income	63.53	80.42
Change in fair value of investments		
- Realised	4.35	13.61
- Unrealised	21.92	0.11
Profit on Termination of Lease	-	0.00#
Total	89.80	94.14

Amount less than ₹ 10,000

Note 24. Finance Cost (₹ in Mn)

Particulars	2021-22			2020-21		
	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	-	136.93	136.93	-	153.71	153.71
Other interest expense	-	26.34	26.34	-	12.27	12.27
Total	-	163.27	163.27	-	165.98	165.98

Note 25. Employee Benefit Expenses (₹ in Mn)

Particulars	2021-22	2020-21
Salaries and wages	314.56	216.15
Contribution to provident and other funds	6.91	3.92
Share based payments to employees	7.88	0.91
Staff welfare expenses	7.84	4.97
Gratuity expense	4.47	3.44
Leave encashment	0.23	-
Total	341.89	229.39

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(₹ in Mn)

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

Particulars	FY 21-22	FY 20-21
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-21	01-Apr-20
Date of reporting	31-Mar-22	31-Mar-21
Period of reporting	12 Months	12 Months

Assumptions		
Expected return on plan assets	6.33%	N.A.
Rate of discounting	6.33%	6.33%
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	19.94	16.37
Interest cost	1.66	0.99
Current service cost	2.81	2.45
Past service cost	-	-
Liability transferred in	6.77	1.15
(Liability transferred out)	(0.17)	(0.27)
(Benefit paid directly by the employer)	(0.89)	(0.06)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.01)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.63)	(0.42)
Actuarial (gains)/losses on obligations - due to experience	3.29	(0.26)
Present value of benefit obligation at the end of the year	31.77	19.94

Table showing change in the fair value of plan assets		
Fair value of plan assets at the beginning of the period	-	-
Interest income	-	-
Contributions by the employer	32.65	-
Expected contributions by the employees	-	-
(Benefit paid from the fund)	-	-
Return on plan assets, excluding interest income	0.09	-
Fair value of plan assets at the end of the period	32.75	-

Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the year)	(31.77)	(19.94)
Fair value of plan assets at the end of the year	32.75	-
Funded status (surplus/ (deficit))	0.97	(19.94)
Net (liability)/asset recognized in the balance sheet	0.97	(19.94)

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(₹ in Mn)

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

Net interest cost for current year		
Interest cost	1.66	0.99
(Interest income)	-	-
Net interest cost for current year	1.66	0.99

Expenses recognized in the statement of profit or loss for current year		
Current service cost	2.81	2.45
Net interest cost	1.66	0.99
Past service cost	-	-
Expenses recognized	4.47	3.44

Expenses recognized in the other comprehensive income (OCI) for current year		
Actuarial (gains)/losses on obligation for the year	1.66	(0.68)
Return on plan assets, excluding interest income	(0.09)	-
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	1.57	(0.68)

Balance sheet reconciliation		
Opening net liability	19.94	16.37
Expenses recognized in statement of profit or loss	4.47	3.44
Expenses recognized in OCI	1.57	(0.68)
Net liability/(asset) transfer in	6.77	1.15
Net (liability)/asset transfer out	(0.17)	(0.27)
(Benefit paid directly by the employer)	(0.89)	(0.06)
(Employer's contribution)	(32.65)	-
Net liability/(asset) recognized in the balance sheet	(0.97)	19.94

Other details		
No of active members	162	106
Per month salary for active members	7.02	3.68
Weighted Average Duration of the Projected Benefit Obligation	9	10
Average expected Future Service	9	9
Projected benefit obligation (PBO)	(0.97)	19.94

Maturity analysis of the benefit payments		
1st following year	2.98	1.28
2nd following year	2.49	1.48
3rd following year	2.48	1.49
4th following year	2.45	1.50
5th following year	2.43	1.49
Sum of years 6 to 10	13.24	7.57
Sum of years 11 and above	35.54	23.39

Sensitivity analysis		
Projected Benefit Obligation on Current Assumptions	31.77	19.94
Delta Effect of +1% Change in Rate of Discounting	(2.31)	(1.59)
Delta Effect of -1% Change in Rate of Discounting	2.65	1.84
Delta Effect of +1% Change in Rate of Salary Increase	1.85	1.36
Delta Effect of -1% Change in Rate of Salary Increase	(1.76)	(1.28)
Delta Effect of +1% Change in Rate of Employee Turnover	0.14	(0.04)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.16)	0.04

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25.2 Defined Contribution Plans:

(₹ in Mn)

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

Particulars	2021-22	2020-21
Contribution to provident fund	6.91	3.91
Contribution to labour welfare fund #	0.00#	0.00#
Total	6.91	3.91

Amount less than ₹ 10,000.

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

Note 26. Other Expenses:-

(₹ in Mn)

Particulars	2021-22	2020-21
Operations and fund management expenses	16.70	9.34
Rent and energy cost	30.02	35.50
Insurance	2.05	0.16
Repairs & Maintenance	2.88	0.11
Marketing, advertisement and business promotion expenses	1.92	1.14
Travelling & Conveyance	6.36	2.86
Legal & Professional Fees	27.32	7.24
Communication	4.83	4.20
Manpower Outsource Expenses	1.88	1.76
Software Charges / Technology Cost	31.28	20.38
Office & other expenses	6.04	5.61
Remuneration to Auditors :		
Audit fees	0.46	0.57
Certification Expenses	0.23	0.01
Out of Pocket Expenses	0.01	0.02
Corporate Social Responsibility Expenses (refer note 36)	3.30	1.05
Total	135.28	89.95

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Note 27. Income taxes

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in Mn)

Sr. No.	Particulars	2021-22	2020-21
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	36.21	90.78
	Tax expense in respect of earlier years	-	0.00#
		36.21	90.78
(ii) Deferred Tax:	Tax expense on origination and reversal of temporary differences	11.22	(0.60)
		11.22	(0.60)
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	47.43	90.18
(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	(0.39)	0.17
	Income tax expense reported in the other comprehensive income	(0.39)	0.17

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	2021-22	2020-21
(a)	Profit before tax	155.20	360.49
(b)	Income tax expense at tax rates applicable to individual entities	38.67	90.73
(c)	(i) Tax on income subject to lower tax rate	-	-
	(A) Gains on investments (including fair valuation)	(0.07)	(1.02)
(ii) Tax on expense not tax deductible		-	-
	(A) Expenses not allowable as tax deductible as per tax laws	1.08	0.27
(iii) Tax effect on various other items	7.36	0.20	
	Total effect of tax adjustments [(i) to (xii)]	8.37	(0.55)
(d)	Tax expense recognised during the year	47.03	90.18
	Effective tax rate	30.31%	25.01%

Note 28. Earnings Per Share:

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

Particulars		2021-22	2020-21
BASIC			
Profit after tax as per Statement of profit and loss (₹ in Mn)	A	107.77	270.31
Weighted average number of shares subscribed	B	30,000	30,000
Face value of equity shares (in ₹) fully paid		100	100
Basic EPS (₹)	A/B	3,592.33	9,010.33
DILUTED			
Profit after tax as per statement of profit and loss (₹ in Mn)	A	107.77	270.31
Weighted number of shares subscribed	B	30,000	30,000
Add: Potential equity shares on account of conversion of employee stock option	C	-	-
Weighted average number of shares outstanding	D=B+C	30,000	30,000
Diluted EPS (₹)	A/D	3,592.33	9,010.33

Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Financial Risk Management

(₹ in Mn)

29A.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 Financial assets is considered very low as the counterparty is mainly stock exchanges.

29B. 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:

Financial liabilities	As at Mar 31, 2022			
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	63.38	47.85	15.44	0.09
Other payables	5,072.84		5,072.84	
Borrowings (Other than Debt Securities)	4,280.00	-	-	4,280.00
Other financial liabilities	24.34	-	24.34	-
Total	9,440.56	47.85	5,112.62	4,280.09

For Finance Lease Obligation maturity refer note 13

Financial liabilities	As at Mar 31, 2021			
	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 13

29C. 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.

29C.1 Currency Risk

The Company have 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 2021-22 are as below:

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 2020-21

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.

29C.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.

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Since the borrowings/loans outstanding as at March 31, 2022 and as at March 31, 2021 are at fixed interest rate, hence no interest rate risk analysis has been performed by the Management.

29C.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, 2022	As at Mar 31, 2021
Financial Assets		
Derivative financial instruments	-	-
Investments	1,007.11	2.29
	1,007.11	2.29
Financial Liabilities		
Derivative financial instruments	-	-
Debt securities	-	-
	-	-

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

	2021-22	2020-21
Increase of 100 basis point		
Impact on Profit and Loss after tax	7.54	0.02
Impact on Equity	7.54	0.02
Decrease of 100 basis point		
Impact on Profit and Loss after tax	(7.54)	(0.02)
Impact on Equity	(7.54)	(0.02)

29D. 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.

29E. Category Wise Classification for applicable Financial Assets and Liabilities

(₹ in Mn)

Sr No.	Particulars	As at Mar 31, 2022			Total
		Measure at amorised 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	32.58	-	-	32.58
(b)	Bank balance other than (a) above	5,316.80	-	-	5,316.80
(c)	Receivables				-
	(I) Trade receivables	107.43	-	-	107.43
	(II) Other receivables	2,405.63	-	-	2,405.63
(d)	Loans	4.05			4.05
(e)	Investments	-	1,007.11	-	1,007.11
(f)	Other financial assets	1,393.99	-	-	1,393.99
	Total	9,260.48	1,007.11	-	10,267.59
	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	63.38	-	-	63.38
	(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	5,072.84			5,072.84
(b)	Finance Lease Obligations	2.13			2.13
(c)	Borrowings (other than debt securities)	4,280.00	-	-	4,280.00
(d)	Other financial liabilities	24.34	-	-	24.34
	Total	9,442.69	-	-	9,442.69

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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

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 are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings are considered to be close to the fair value.

29E.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.

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29E. 1a. Financial instruments measured at fair value – Fair value hierarchy

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

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

(₹ in Mn)

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Mutual Funds	1,004.82	-	-	1,004.82
Investments in Equity Shares*	-	-	2.29	2.29
Total Assets	1,004.82	-	2.29	1,007.11

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

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

Reconciliation of Level 3 fair value measurements

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Opening Balance	2.29	2.18
Total gains or losses		
- in profit or loss	-	0.11
Closing Balance	2.29	2.29

29E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

(₹ in Mn)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at Mar 31, 2022		As at Mar 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	32.58	32.58	167.08	167.08
Bank balance other than above	5,316.80	5,316.80	3,530.48	3,530.48
Receivables				
(I) Trade receivables	107.43	107.43	44.88	44.88
(II) Other receivables	2,405.63	2,405.63	673.99	673.99
Loans	4.05	4.05	2.62	2.62
Other financial assets	1,393.99	1,393.99	883.05	883.05
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	63.38	63.38	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	5,072.84	5,072.84	3,209.23	3,209.23
Finance Lease Obligations	2.13	2.13	0.81	0.81
Borrowings (other than debt securities)	4,280.00	4,280.00	-	-
Other financial liabilities	24.34	24.34	1,305.66	1,305.66

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Note 30. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Capital and Other Commitments

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets	2.49	Nil
Total	2.49	-

Contingent Liabilities

(₹ in Mn)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Bank guarantees (refer note 30.1)	2,369.40	2,499.40

30.1 Fixed Deposits(excluding accrued interest) amounting to ₹ 1255.71 Mn (P.Y. ₹ 1321.27 Mn) are pledged against this.

Note 31. 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 32. 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.

(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.

(₹ in Mn)

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking Business	579.80	201.20	660.20	343.03
Manpower Services	220.18	(41.94)	197.20	17.46
Total	799.98	159.26	857.40	360.49

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.

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Note 32. Disclosure as per Ind AS 108 "Segment Reporting": (continued)

Segment assets and liabilities

(₹ in Mn)

Segment assets	As at March 31, 2022	As at March 31, 2021
Broking Business	10,214.15	5,124.81
Manpower Services	98.01	222.87
Total segment assets	10,312.16	5,347.68

(₹ in Mn)

Segment liabilities	As at March 31, 2022	As at March 31, 2021
Broking Business	9,622.64	4,520.31
Manpower Services	13.13	118.39
Total segment liabilities	9,635.77	4,638.70
Unallocated liabilities	-	-
Consolidated total liabilities	9,635.77	4,638.70

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, 2022	For the year ended March 31, 2021
Broking Business	2.50	1.76
Manpower Services	1.10	0.57
Total	3.60	2.33

(₹ in Mn)

Interest Income included in segment revenue	For the year ended March 31, 2022	For the year ended March 31, 2021
Broking Business	63.18	61.78
Manpower Services	0.35	18.64
Total	63.53	80.42

(₹ in Mn)

Finance Cost	For the year ended March 31, 2022	For the year ended March 31, 2021
Broking Business	163.08	152.93
Manpower Services	0.19	13.05
Total	163.27	165.98

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Note 33. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2022

a) List of Related Parties:

Nature of relationship	Name of party	
Director/ Key Managerial Personnel	Mr. Umang Papneja, Director	
	Ms. Anu Jain, Director	
	Mr. Yatin Shah, Director	
	Mr. Anirudha Taparia, Director	
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 Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)	
	IIFL Wealth Employee Welfare benefit Trust (upto January 11, 2022)	
	IIFL Private Wealth Management (Dubai) Limited	
	IIFL Inc.	
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd)	
	IIFL (Asia) Pte. Limited *	
	IIFL Capital Pte. Limited *	
	IIFL Securities Pte. Limited *	
	IIFL Capital (Canada) Limited	
	IIFLW CSR Foundation	
	Other Related Parties	IIFL Finance Limited
		IIFL Securities Limited
		IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
		Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited w.e.f. February 22, 2022)
		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
		Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited w.e.f. October 6, 2021)
		IIFL Home Finance Limited
		Samasta Microfinance Limited (w.e.f March 01, 2017)
		Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
		Shreyans Foundation LLP
		India Infoline Foundation
		Spaisa Capital Limited
Spaisa Trading Limited		
IIFL Sales Limited		
Giskard Datatech Private Limited (Associate Company w.e.f. November 06, 2020 and Ceased to be Associate Company w.e.f. December 30, 2021)		
General Atlantic Singapore Fund Pte Limited		
Mr. Karan Bhagat		
Mr. Venkataraman Rajamani		
Mr. Nirmal Jain		
Mr. Shantanu Rastogi		
Mr. Sandeep Achyut Naik		
Mr. Gopalakrishnan Soundarajan		
Mr. Mihir Nanavati, Chief Financial Officer (Upto September 1, 2021)		
Mr. Sanjay Wadhwa, Chief Financial Officer (wef September 2, 2021)		
Mr. Amit Bhandari, Company Secretary, (Upto August 3, 2021)		
Mr. Rohit Bhave, Company Secretary (wef August 4, 2021)		
Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)		
Ms. Madhu Bhagat (Mother of Mr. Karan Bhagat)		
Mr. Kush Bhagat (Son of Mr. Karan Bhagat)		
Ms. Kyra Bhagat (Daughter of Mr. Karan Bhagat)		
Mr. Varun Bhagat (Brother of Mr. Karan Bhagat)		
Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)		
Yatin Prakash Shah HUF		
Prakashchandra Chunilal Shah HUF		
Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)		
Mrs. Hansadevi Shah (Mother of Mr. Yatin Shah)		
Kiaan Shah (Son of Mr. Yatin Shah)		
Naysa Shah (Daughter of Mr. Yatin Shah)		
Ms. Yasmita Sarju Vakil (Sister of Mr. Yatin Shah)		
Ms. Shefali Devani (Sister of Mr. Yatin Shah)		
Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)		
Mr. Bhanwarlal Jain (Father of Mr. Nirmal Jain)		
Ms. Sunderben Jain (Mother of Mr. Nirmal Jain)		
Mr. Bhavya Jain (Son of Mr. Nirmal Jain)		
Ms. Kalpita Jain (Daughter of Mr. Nirmal Jain)		
Ms. Harshita Jain (Daughter of Mr. Nirmal Jain)		
Mr. Mansukh Jain and Mr. Ramesh Jain (Brother of Mr. Nirmal Jain)		
Ms. Pushpa Khokhawar (Sister of Mr. Nirmal Jain)		
Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)		
Mr. Rajamani (Father of Mr. Venkataraman Rajamani)		
Ms. Syamala (Mother of Mr. Venkataraman Rajamani)		

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Nature of relationship	Name of party
	Mr. Vihaan Venkataraman (Son of Mr. Venkataraman Rajamani)
	Mr. Varun Venkataraman (Son of Mr. Mr. Venkataraman Rajamani)
	Ms. Nandini (Sister of Mr. Mr. Venkataraman Rajamani)
	Ms. Anchal Rastogi (Spouse of Mr. Shantanu Rastogi)
	Mr. Girish Kumar Rastogi (Father of Mr. Shantanu Rastogi)
	Ms. Nisha Rastogi (Mother of Mr. Shantanu Rastogi)
	Mr. Vir Rastogi (Son of Mr. Shantanu Rastogi)
	Mr. Yug Rastogi (Son of Mr. Shantanu Rastogi)
	Mr. Shivam Rastogi (Brother of Mr. Shantanu Rastogi)
	Mrs. Bhakti Prabhu Naik (Spouse of Mr. Sandeep Naik)
	Mr. Achyut Madhushiva Naik (Father of Mr. Sandeep Naik)
	Ms. Suman Achyut Naik (Mother of Mr. Sandeep Naik)
	Mr. Naman Naik (Son of Mr. Sandeep Naik)
	Mr. Kian Naik (Son of Mr. Sandeep Naik)
	Deepak Achyut Naik (Brother of Mr. Sandeep Naik)
	Sunil Achyut Naik (Brother of Mr. Sandeep Naik)
	Ms. Prajakta Thakur (Sister of Mr. Sandeep Naik)
	Ms. Shalini Gopalakrishnan (Spouse of Mr. Gopalakrishnan Soundarajan)
	Mr. Govindarajan Soundarajan (Father of Mr. Gopalakrishnan Soundarajan)
	Ms. Sakunthla Soundarajan (Mother of Mr. Gopalakrishnan Soundarajan)
	Mr. Adidev Gopalakrishnan (Son of Mr. Gopalakrishnan Soundarajan)
	Ms. Srimathi Basra (Sister of Mr. Gopalakrishnan Soundarajan)
	Mrs. Bhavya Wadhwa (Spouse of Mr. Sanjay Wadhwa)
	Mr. Tulsio Wadhwa (Father of Mr. Sanjay Wadhwa)
	Mrs. Chandra Wadhwa (Mother of Mr. Sanjay Wadhwa)
	Shail Wadhwa (Son of Mr. Sanjay Wadhwa)
	Drishiti Wadhwa (Daughter of Mr. Sanjay Wadhwa)
	Mr. Girish Wadhwa (Brother of Mr. Sanjay Wadhwa)
	Mamta Wadhwa (Sister of Mr. Sanjay Wadhwa)
	Dr. Akanksha Rohit Bhase (Spouse of Mr. Rohit Bhase)
	Mr. Shrinivas Raghunath Bhase (Father of Mr. Rohit Bhase)
	Mrs. Anjali Shrinivas Bhase (Mother of Mr. Rohit Bhase)
	Ms. Uma Rohit Bhase (Daughter of Mr. Rohit Bhase)
	Mr. Vinod Anand (Father of Anu Jain)
	Mrs. Manju Anand (Mother of Anu Jain)
	Mrs. Yogita Papneja (Spouse of Umang Papneja)
	Mr. Jagmohan Papneja (Father of Umang Papneja)
	Mrs. Rita Papneja (Mother of Umang Papneja)
	Mr. Pratham Papneja (Son of Umang Papneja)
	Mr. Hriday Papneja (Son of Umang Papneja)
	Deepika Sarin (Spouse of Anirudha Taparia)
	Mr. Krishana Chandra Taparia (Father of Anirudha Taparia)
	Mrs. Indira Taparia (Mother of Anirudha Taparia)
	Kaiser Taparia (Son of Anirudha Taparia)
	Thiya Taparia (Daughter of Anirudha Taparia)
	Mr. Sudarshan Taparia (Brother of Anirudha Taparia)
	Yatin Investments
	Kyrush Investments
	Naykia Realty Private Limited
	Trend Analytics (India) Private Limited (Formerly known as Financial advisors (India) Private Limited)
	Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited)
	Orpheus Trading Private Limited
	MNJ Consultants Private Limited
	Ardent Impex Private Limited
	Sunder Bhawar Ventures Private Limited
	Chintamani Properties Private Limited
	5 Paisa P2P Limited
	5 Paisa Insurance Brokers Limited
	Kush Family Private Trust
	Kyra Family Private Trust
	Kalki Family Private Trust
	Nirmal Madhu Family Private Trust
	Naykia Family Private Trust
	Prakash Shah Family Private Trust
	Bhagat Family Private Trust
	Kyrush Family Private Trust
	Naysa Shah Family Private Trust
	Kiaan Shah Family Private Trust
	FIH Mauritius Investments Limited
	Capital Foods Private Limited
	Rubicon Research Private Limited
	No Broker Technologies Solutions Private Limited
	House of Anita Dongre Private Limited
	Sorting Hat Technologies Private Limited
	Chittaranjan Properties Private Limited
	Vare Precast & Construction Private Limited
	Unique Vacation Homes Private Limited

*IIFL (Asia) Pte. Limited, IIFL Capital Pte. Limited and IIFL Securities Pte. Ltd. have Amalgamated to become IIFL Capital Pte. Limited with effect from October 27, 2021

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Note 33. Related Party Disclosures: (continued)

b) Significant Transactions with Related Parties

(₹ in Mn)

Nature of Transaction	Director/Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
ICD Taken:					
	-	23,543.48	-	-	23,543.48
IIFL Wealth Management Limited	-	(5,820.00)	-	-	(5,820.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	4,530.00	-	4,530.00
	-	-	(1,420.00)	-	(1,420.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(250.00)	-	(250.00)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	500.00	-	500.00
	-	-	-	-	-
ICD Repaid:					
	-	19,263.48	-	-	19,263.48
	-	(10,070.90)	-	-	(10,070.90)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	4,530.00	-	4,530.00
	-	-	(1,420.00)	-	(1,420.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(250.00)	-	(250.00)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	500.00	-	500.00
	-	-	-	-	-
ICD Given:					
	-	1,690.29	-	-	1,690.29
	-	(2,495.00)	-	-	(2,495.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(100.00)	-	(100.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	(680.00)	-	(680.00)
ICD Received back:					
	-	1,690.29	-	-	1,690.29
	-	(2,495.00)	-	-	(2,495.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(100.00)	-	(100.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	(680.00)	-	(680.00)
Fees Earned For Services (including Brokerage) rendered					
	-	2.48	-	-	2.48
IIFL Wealth Management Limited	-	-	-	-	-
	-	-	3.31	-	3.31
IIFL Captial Pte Limited	-	-	(3.26)	-	(3.26)
	-	-	1.93	-	1.93
IIFL Securities Pte Limited	-	-	(3.26)	-	(3.26)
	-	-	10.73	-	10.73
IIFL Investment Adviser & Trustee Services Limited	-	-	(7.92)	-	(7.92)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	151.26	-	151.26
	-	-	(132.30)	-	(132.30)
	-	-	53.65	-	53.65
IIFL Asset Management Limited	-	-	(39.58)	-	(39.58)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	0.09	-	0.09
	-	-	(5.84)	-	(5.84)
	-	-	-	0.09	0.09
IIFL Securities Limited	-	-	-	-	-
	-	-	-	1.60	1.60
IIFL Home Finance Limited	-	-	-	-	-
	-	-	-	-	-
Mr. Karan Bhagat	-	-	-	(0.10)	(0.10)
	-	-	-	1.09	1.09
Kyrush Investments	-	-	-	(0.35)	(0.35)
	-	-	-	0.01	0.01
Mr. Yatin Shah	-	-	-	(0.01)	(0.01)
	-	-	-	0.47	0.47
Mr. Nirmal Jain	-	-	-	(0.13)	(0.13)
	-	-	-	-	-
IIFL Wealth Employee Benefit Trust	-	-	-	(0.04)	(0.04)
	-	-	-	0.07	0.07
Yatin Investments	-	-	-	-	-
	-	-	-	-	-
Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited)	-	-	-	(0.01)	(0.01)
	-	-	-	0.08	0.08
Kalki Family Private Trust	-	-	-	(0.01)	(0.01)
	-	-	-	0.01	0.01
Geeta Mathur	-	-	-	-	-
	-	-	-	0.02	0.02
Sandeep Naik	-	-	-	-	-
	-	-	-	0.03	0.03
Subbaraman Narayan	-	-	-	-	-

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022

Note 33. Related Party Disclosures: (continued)

Interest Income on ICD:					
	-	1.94	-	-	1.94
IIFL Wealth Management Limited	-	(14.18)	-	-	(14.18)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(0.19)	-	(0.19)
	-	-	-	-	-
	-	-	(0.02)	-	(0.02)
Interest Expenses on ICD:					
	-	120.00	-	-	120.00
IIFL Wealth Management Limited	-	(145.40)	-	-	(145.40)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	7.66	-	7.66
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	(2.29)	-	(2.29)
	-	-	1.03	-	1.03
	-	-	-	-	-
Fees/Expenses incurred/Reimbursed For Services Procured					
	-	27.18	-	-	27.18
IIFL Wealth Management Limited	-	(27.18)	-	-	(27.18)
Corporate Social Responsibility(CSR)					
	-	-	3.13	-	3.13
IIFLW CSR Foundation	-	-	(1.05)	-	(1.05)
Allocation / Reimbursement of Expenses Paid:					
	-	64.11	-	-	64.11
IIFL Wealth Management Limited	-	-	-	-	-
Allocation / Reimbursement of Expenses Received:					
	-	-	1.31	-	1.31
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	(0.75)	-	(0.75)
	-	-	0.44	-	0.44
IIFL Asset Management Limited	-	-	(0.25)	-	(0.25)
Other Funds Received:					
	-	158.71	-	-	158.71
IIFL Wealth Management Limited	-	(1.15)	-	-	(1.15)
	-	-	-	-	-
IIFL Asset Management Limited	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-	-	-
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	0.06	-	0.06
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	(0.15)	-	(0.15)
	-	-	0.31	-	0.31
	-	-	-	-	-
Other Funds Paid:					
	-	2,860.64	-	-	2,860.64
IIFL Wealth Management Limited	-	(1.06)	-	-	(1.06)
	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	(0.11)	-	(0.11)
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	-	-	-
	-	-	(0.16)	-	(0.16)
	-	-	0.10	-	0.10
IIFL Asset Management Limited	-	-	(0.02)	-	(0.02)

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

(₹ in Mn)

Nature of Transaction		Holding Company	Fellow Subsidiaries	Other Related Parties	Total
ICD Taken					
	-	4,280.00	-	-	4,280.00
IIFL Wealth Management Limited	-	-	-	-	-
Sundry Payables					
	-	35.25	-	-	35.25
IIFL Wealth Management Limited	-	(1,304.52)	-	-	(1,304.52)
Sundry Receivables					
	-	-	3.76	-	3.76
IIFL Investment Adviser & Trustee Services Limited	-	-	(2.02)	-	(2.02)
	-	-	18.80	-	18.80
IIFL Asset Management Limited	-	-	(10.28)	-	(10.28)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	52.63	-	52.63
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	(28.82)	-	(28.82)
	-	-	-	-	-
	-	-	(0.02)	-	(0.02)
	-	-	-	0.11	0.11
IIFL Securities Limited	-	-	-	-	-
	-	-	-	1.89	1.89
IIFL Home Finance Limited	-	-	-	-	-
Receivable from Client					
	-	-	-	-	-
Kalki Family Private Trust	-	-	-	(2.44)	(2.44)
	-	-	-	-	-
Naykia Family Private Trust	-	-	-	0.00#	-
	-	-	-	0.00#	-
Ami Yatin Shah	-	-	-	0.00#	-
	-	-	-	-	-
Madhu Jain	-	-	-	0.00#	-

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022

Note 33. Related Party Disclosures: (continued)

	-	-	-	0.00#	-
Shilpa Bhagat	-	-	-	-	-
Kyrush Realty Private Limited	-	-	-	0.00#	-
Nirmal Madhu Family Private Trust	-	-	-	0.00#	-
Kush Family Private Trust	-	-	-	-	-
Kyra Family Private Trust	-	-	-	0.00#	-
Bhagat Family Private Trust	-	-	-	0.00#	-
Kyrush Family Private Trust	-	-	-	-	-
Prakash Shah Family Private Trust	-	-	-	0.00#	-
Naysa Shah Family Private Trust	-	-	-	-	-
Kiaan Shah Family Private Trust	-	-	-	0.00#	-
IIFL Asset Management Limited	-	-	0.00#	-	-
Payable to Client					
IIFL Wealth Portfolio Managers Limited (Formerly	-	-	68.27	-	68.27
IIFL Alternate Asset Advisors Limited)	-	-	(3.83)	-	(3.83)
IIFL Wealth Prime Limited (Formerly known as IIFL	-	-	18.01	-	18.01
Wealth Finance Limited)	-	-	(163.08)	-	(163.08)
IIFL Investment Adviser & Trustee Services Limited	-	-	0.00#	-	-
Yatin Investments	-	-	-	14.91	14.91
Kyrush Investments	-	-	-	(0.39)	(0.39)
IIFL Wealth Management Limited	-	8.50	-	-	8.50
	-	(10.12)	-	-	(10.12)

(₹ in Mn)

Particulars	31st March 2022	31st March 2021
Salaries and other employee benefits to whole time directors and other KMPs	12.60	-

Note:

Amounts in brackets represents previous year's figures

Amount less than ₹ 10,000

Note 34. Other Statutory Information

(i) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

(ii) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

(iii) The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

(iv) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

(viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) Considering that the company is in the business of broking services, the analytical ratios related to Capital to Risk Weighted Assets Ratio (CRAR), Tier I CRAR, Tier II CRAR and Liquidity Coverage Ratios are not applicable.

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022

Note 35.1. Maturity analysis of assets and liabilities as at March 31, 2022

(₹ in Mn)

SR. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	32.58	-	32.58
(b)	Bank balance other than (a) above	5,072.99	243.81	5,316.80
(c)	Receivables			
	(I) Trade receivables	107.43	-	107.43
	(II) Other receivables	2,405.63	-	2,405.63
(d)	Loans	1.25	2.80	4.05
(e)	Investments	-	1,007.11	1,007.11
(f)	Other financial assets	3.99	1,390.00	1,393.99
2	Non-Financial Assets			
(a)	Current tax assets (net)	-	3.64	3.64
(b)	Deferred tax assets (net)	-	-	-
(c)	Property, plant and equipment	-	0.08	0.08
(d)	Capital work-in-progress	1.20	-	1.20
(e)	Other intangible assets	-	6.24	6.24
(f)	Right to Use Asset	-	2.04	2.04
(g)	Other non-financial assets	38.18	0.31	38.49
	Total Assets	7,663.25	2,656.03	10,319.28
	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	63.38	-	63.38
	(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	5,072.84	-	5,072.84
	Finance Lease Obligations	0.85	1.28	2.13
(b)	Borrowings (other than debt securities)	4,280.00	-	4,280.00
(c)	Other financial liabilities	24.34	-	24.34
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	17.00	-	17.00
(b)	Provisions	0.02	0.21	0.23
(c)	Deferred tax liabilities (net)	-	6.16	6.16
(d)	Other non-financial liabilities	37.60	-	37.60
3	EQUITY			
(a)	Equity share capital	-	3.00	3.00
(b)	Other equity	-	812.60	812.60
	Total Liabilities and Equity	9,496.03	823.25	10,319.28

IIFL WEALTH DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2022

Note 35.2. 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
(d)	Other intangible assets	-	2.32	2.32
(e)	Right to Use Asset	-	0.75	0.75
(f)	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 Lease 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, 2022

Note 36. Corporate Social Responsibility

Particulars	2021-22	2020-21
Amount required to be spent by the company during the year	3.30	1.05
Amount of expenditure incurred	3.30	1.05
Shortfall at the end of the year	-	-
Reason for shortfall	NA	NA
Provision of CSR	-	-
Nature of CSR activities	Livelihoods and livelihoods - incubator	Education and healthcare including COVID Relief

The Company has met its CSR obligations through IIFLW CSR Foundation. (Refer Note 33)

Note 37. Business combination

With a view to consolidate the distribution businesses of the Holding Company under a single wholly owned subsidiary, it is proposed to merge IIFL Wealth Capital Market Limited ("IWCML") with IIFL Wealth Prime Limited ("IWPL") and then demerge the distribution business from IIFL Wealth Prime Limited ("IWPL") to the Company ("IWDSL"). In this regard, the Boards of IWCML, IWPL and the Company (IWDSL) have approved the demerger and consolidation of distribution business through a composite scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). Pursuant to this scheme, IWCML will stand merged with IWPL. The appointed date for the Scheme is 1st April 2021 and the scheme is subject to necessary statutory and regulatory approvals.

Note 38. Subsequent Events

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

Note 39. Covid Note

The Company has taken into consideration the impact of COVID-19 on various elements of the financial statements basis the available external and internal information and is of the view that the events do not have any material implication for the Company.

Note 40. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on April 29, 2022.

Note 41. Previous year figures are regrouped/reclassified/rearranged wherever 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: April 29, 2022