




# OUR PEOPLE OUR WEALTH

Annual Report 2020-21



**IIFL** WEALTH & ASSET  
MANAGEMENT





The COVID-19 disruption has been the single most defining period of our times. The suddenness, scale and impact have been staggering across all walks of life. And if there's been one shining light that has come through for us during this period of disruption it is this –

**Our People.**

**Our annual report is a testament to them; through real human stories that present a picture of how we continue to deliver value in spite of the challenges.**

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# Chairman's Message

**I believe that we are currently at the cusp of a great opportunity. The strong stock market performance and a spike in savings has fuelled a wealth boom globally.**



Dear Shareholders,

The past year has been unprecedented in many aspects. Our homes became our new workspace, Zoom calls replaced chats by the water cooler, and brainstorming sessions were dictated by the Wi-Fi. All this happened, even as we and the rest of the world, dealt with the stress and fear of managing the pandemic and its widespread impact.

With no playbook in hand, we drew on the strength and support of our people to navigate through these unprecedented times. Henry Ford once said, 'Coming together is a beginning. Keeping together is progress. Working together is success.' In the past year, this has been exemplified by our people and partners who have come together in varying ways to support each other and the organization.

It is this solidarity that has held us in good stead and will continue to anchor us as we wade through choppy waters in the aftermath of the pandemic. Inevitably, the way we work and

interact has irrevocably changed. At the same time, the uncertain and high-risk landscape has put a spotlight on risk-mitigation and now, more than ever before, brought to fore the importance of astute financial planning.

Technology is now playing a more integral role in our client's journey and is becoming a fulcrum for growth. In parallel, the investment landscape is also going through a transition as tech-powered innovation engenders new products and unique investment avenues. A digital revolution is underway and we are enthused by the large number of possibilities in terms of product and service innovation that we, as one of the leading wealth managers of India, can provide to the industry.

I believe that we are currently at the cusp of a great opportunity. The strong stock market performance and a spike in savings has fuelled a wealth boom globally. According to a report by

Boston Consulting Group (BCG), financial wealth in India grew from 2015 to 2020 by 11% per annum to \$3.4 trillion and is expected to grow by 10% per annum to \$5.5 trillion by 2025. India is expected to lead percentage growth of fortunes in the coming years and that augurs well for IIFL Wealth & Asset Management. Your company is well-poised to seize opportunities by optimally leveraging technology while staying tethered to our core philosophy of putting people first and retaining the human element in wealth management. Less than 15% of high net worth individual (HNI) financial assets is managed by the top 25 wealth managers in India. Over the years, several global wealth managers have reduced their presence in the country even as Indian wealth managers continue to increase their share. Your company has fortified itself as one of the leading pure wealth management company in the country with assets under management of over ₹2,46,000 Crs as on March 31, 2021.

In the pages ahead, you will read about how your company's bold move to change its business model a couple of years ago, has resulted in enhancing our leading position in the industry. On the asset management side too, our AMC has continued to innovate and pioneer thematic

funds which have seen an overwhelming response. You will be pleased to note that IIFL Focused Equity Fund, was amongst the best performing funds in its category.

The year gone by has been one of the toughest years for businesses across the globe. The future belongs to those businesses that can harness the value contributed by their people, to create the right products and distribute them in the most efficient way possible.

I would like to sincerely thank our fellow Board members, our stakeholders and our investors, for their constant support and trust reposed in us. Your company's Board remains committed to ensure the highest levels of corporate governance.

As we keep a close eye on the changing wealth management landscape, we are confident that with the support of the management and the people at IIFL Wealth and Asset Management, we will continue to capitalise on emerging opportunities that can deliver long term, sustainable growth for our clients, our employees and our stakeholders.

Our annual report this year is dedicated to our people, who are our wealth.

**Nilesh Vikamsey** 

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Chairman,  
IIFL Wealth Management

# From The CEO's Desk

**Your company is a roster of relationships between people, processes and products; with the potential to provide for, and preserve the interests of all stakeholders.**



Dear Shareholders,

The year gone by has been unprecedented not only in terms of the impact of the pandemic but also from the perspective of how people came together to collectively support each other, envisage solutions, and embrace new ways of working and interacting. The IIFL Wealth and Asset Management family has shown immense resilience and achieved strong performance across financial and other metrics. Our growth momentum remains strong and we have been able to focus on successfully executing our critical strategic initiatives as well as initiating new ones. We look to sustain this performance and continue our delivery on growth as well as shareholder value. While the prevailing environment continues to be uncertain, both in terms of the pandemic and economic reconstruction, we have been able to support our clients with advice, product innovation and the required agility as together we navigate the current environment. We dedicate this annual report to all our people, clients, and stakeholders who have empowered us and enabled our success.

The Asset Management business continues to show stellar growth and maintain its top quartile position on performance. We continue to focus on scaling up and selectively adding to our identified

strategies, including the long-short strategy. Having an in-house asset management company and NBFC also allows us to offer customised solutions to our clients. We are also one of the largest trusteeship services in the country and the chosen Advisor to our Client families. The team here includes estate planners and qualified legal professionals with experience of handling complex and sensitive matters.

As with all businesses, the COVID-19 pandemic has ensured a significant degree of adoption to digital activities. Most of our clients are now actively engaging with our relationship teams online and using our digital platforms more than ever before.

## **Financials: Performance despite Pandemic**

Our overall AUM increased to ₹207,044 crores, up 31.9% for the full year. Our Average Recurring Revenue (ARR) Assets increased 12.7% QoQ to ₹1,01,969 Crs up 62.9% for the year. Total net flow for the year was more than ₹14,000 Crs, organically without including the flows that came in as a part of the L&T acquisition completed in April of last fiscal. We reported an overall revenue of ₹1,053 Crs, up 23.74% YoY. PAT for FY21 was up 78.9% at ₹369 Crs from ₹206 Crs in FY20.



Our overall Cost to Income ratio has reduced to 54%. This is testimony to our focus on increasing productivity as well as the cost optimization initiatives that we have been undertaking over the last fiscal.

We maintained our aggressive dividend policy by paying out more than 70% of our FY21 PAT as dividend translating into ₹30 per share in addition to the special dividend of Rs. 40 paid as a part of the capital release initiatives.

### **Revenue model: Bold move turns resilient**

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Two years ago we embarked on a journey to create a more resilient and sustainable recurring revenue model, which is in line with global practices and followed by major global private banks. This not only boosts the firm's revenue predictability, but also offers the clients a better outcome under advisory and other portfolio management offerings. I am happy to share that this transition has been progressing on a strong clip and our total revenue is back at FY19 levels. More importantly, the share of Annual Recurring Revenue (ARR) in the revenue from operations has increased from 43% in FY19 to 63% in FY21. This is on track to get us to the steady state of about 70 to 75% ARR over the next year. We continue to focus on fostering deep client relationships and holistically meeting the needs of our clients. Our success is reflected by the ~99% client retention seen during the year.

### **IIFL-ONE: Still one of its kind**

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Our momentum and focus remain very strong on IIFL-ONE covering advisory and PMS, both the Discretionary PMS and Non-Discretionary PMS propositions. Under IIFL-One we have seen healthy growth with assets crossing the ₹30,000-crore mark. The proposition continues to gain acceptance across clients to the broader industry even as we continue to sharpen our propositions further to remain the market leader in this space. We continue to invest in the right sales, product and advisory teams, with a focus on hiring as well as upskilling our existing teams to meet emerging client as well as industry requirements.

### **Asset Management: Superior performance, Differentiated offerings**

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Our alternates-focused asset management business has seen extremely strong traction with 70% increase in AUM for the full year. We

continue to see strong flows into our listed and unlisted equity strategies driven by the strong performance of our funds, the differentiated offerings, as well as large institutional mandates. Manoj Shenoy, assumed charge as the Chief Executive Officer of our AMC with Anup Maheshwari continuing as the CIO. Amar Merani joined to head the Real Estate Strategy, further strengthening our senior leadership team. The AMC business is seeing tailwinds on the back of healthy performance across all our funds. Our listed equity mutual funds and portfolio managed schemes have done extremely well and we have also seen a stellar performance from our large pre-IPO funds on all the listed equity positions. The AMC has received a very encouraging response from both, new institutional clients as well as large distributors in the market. As we move forward in this business, we are well-positioned to win mandates as well as registrations with a lot of large distributors and institutional clients.

### **Digitisation: Adding a human touch**

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The COVID-19 pandemic has accelerated a digital transformation that was already underway. Investments in the technology and digital domains continue to be active across all aspects of our business. From comprehensively reimagining our client and banker journeys with the new age lens, to deploying technology to drive operational efficiencies and greater integration even with our external service providers, we continue to explore digital-first approaches to drive future growth.

Our ecosystem is built keeping in mind our clients' requirements at the forefront. The client web and mobile apps are used to access portfolio information; a multi-family office system – Altiore provides clients their entire family net worth. We also launched a WhatsApp Channel for our wealth and asset management clients which they can use to reach out to us for portfolio statements, queries, product information and even schedule a review. Internally, we strengthened our relationship managers (RM) analytics platform – Insights and have a strong CRM system that provides RMs complete details of their client portfolios and data linked intelligence.

Digitisation is a priority as the firm upgrades and as new technologies evolve at an ever-greater pace. We have appointed a leading global consultant to accelerate our digital strategy and initiatives on digitisation, prospecting and

onboarding of new clients, transaction execution and document signing are underway. Our app-based dashboards and portfolio review mechanisms provide clients and RMs, seamless access to portfolio holdings and analytics. Our new technology model is increasingly independent of asset and physical infrastructure - it is cloud-based and digitised; yet, tethered to our core values of human relationships that help engender greater client retention and loyalty.

### **Work From Home: Unleashing people, potential & performance**

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Even before the early COVID-19 wave was impacting everyday business matters, we enabled our people to effortlessly operate from home. Your company is a roster of relationships between people, processes and products; with the potential to provide for and preserve the interests of all stakeholders. We played to our strengths. With laptops being delivered home and remote access for everyone; a resilient team ensured that client servicing stayed top priority. Our people ensured not only client retention, but also new client additions during the year - a culture we built with our people's agility and focus. A culture which draws from the spirit of every team member, stakeholder, investor and client who form our ecosystem.

We ensured vaccine provisioning for our teams and the pre-emptive safety of our people. We bolstered our wellness services to take care of the morale and motivation of our people. From a doctor-on-call, yoga sessions, access to medicines and to mental health services and resources, we see the impact of the care-like-home culture we built in response to the pandemic. We reinstated salaries six months ahead of plans and also provided a direct increment in the salaries below a certain threshold, months ahead of the annual appraisal process.

### **Client Experiences: Curated to perfection**

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Keeping in mind the safety and convenience of our clients, our client engagement activities were transformed to mostly online activities during the year, which included Masterclass series featuring among others, legendary investor Prem Watsa and William E Ford, CEO, General Atlantic; a Young Leaders Program aimed at preparing the next generation of leaders; IIFL-ONE Class Apart - a series on Wealth Preservation and TechTalks - featuring new age companies. IIFL WAM was closely associated with the 'Invest India 2020'

conference focused on further strengthening business ties between India and Canada where our Honourable Prime Minister, Narendra Modi delivered the keynote address.

### **Giving back to society: Laying a strong foundation**

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We at IIFL Wealth and Asset Management, strongly believe in enabling inclusion and launched collaborative efforts with existing philanthropic organisations to move the needle on impact. During the year, we established the IIFLW CSR Foundation to design and execute our Corporate Social Responsibility agenda with a focus on Education and Healthcare including COVID relief. We've contributed towards Give India's India COVID Response Fund (ICRF) and supported relief initiatives that impacted over 56 lakh lives across 115+ towns and cities with cash relief support, humanitarian aid and healthcare interventions.

As we look back at the year that was, the spirit and unflinching support of our people and our partners stands out like a beacon of light. We remain extremely conscious of our responsibility towards our people, our investors, and the environment and are committed to playing a strong role in the sustainability and conservation of our planet. We will continue to support our people and look at initiatives for increasing productivity, deployment of technology, and selective outsourcing of transactional activities.

The landscape of the world has irrevocably changed in the aftermath of the pandemic. While uncertainties and challenges will continue to persist, the human spirit will always emerge triumphant. We understand that the future holds immense opportunities. At IIFL Wealth, we are ideally positioned and committed to delivering the best to our clients, our people and our shareholders.

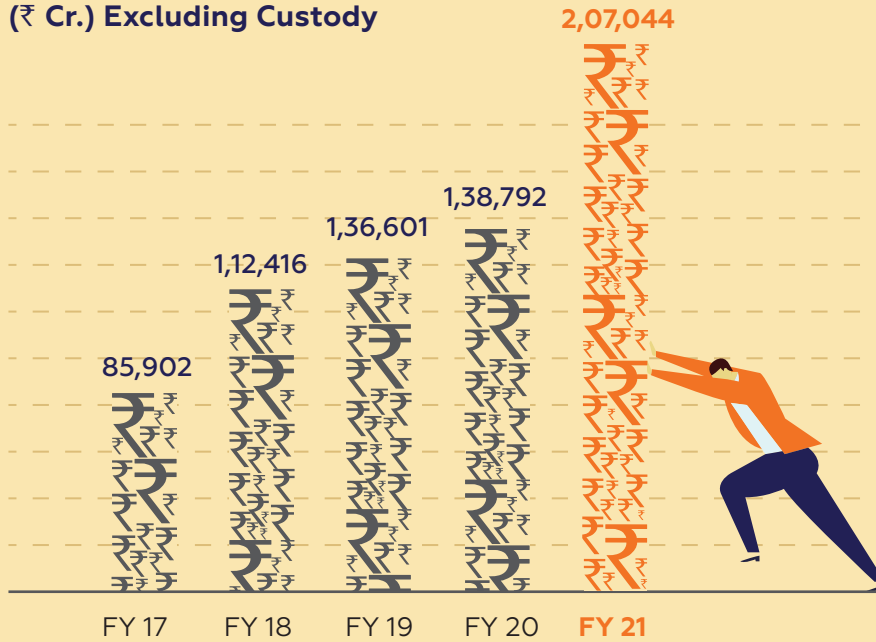
### **Karan Bhagat**

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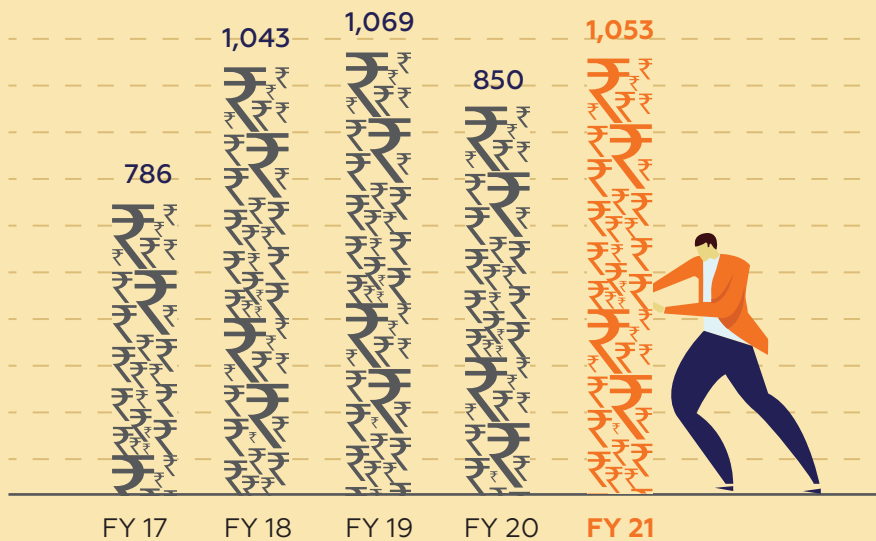
**Founder, MD & CEO,  
IIFL Wealth & Asset Management**

# Key Financial Highlights

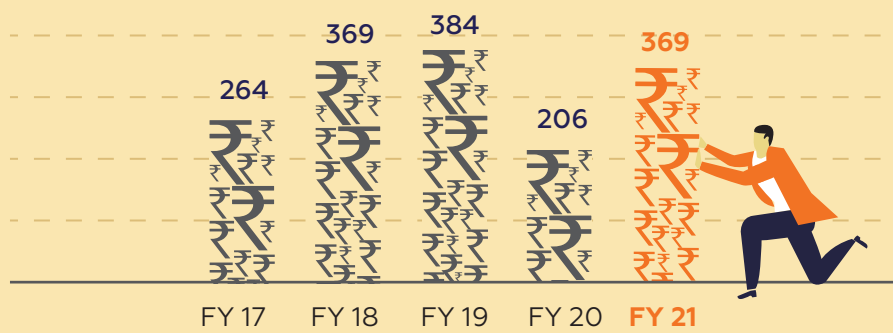
## ASSETS UNDER MANAGEMENT (₹ Cr.) Excluding Custody



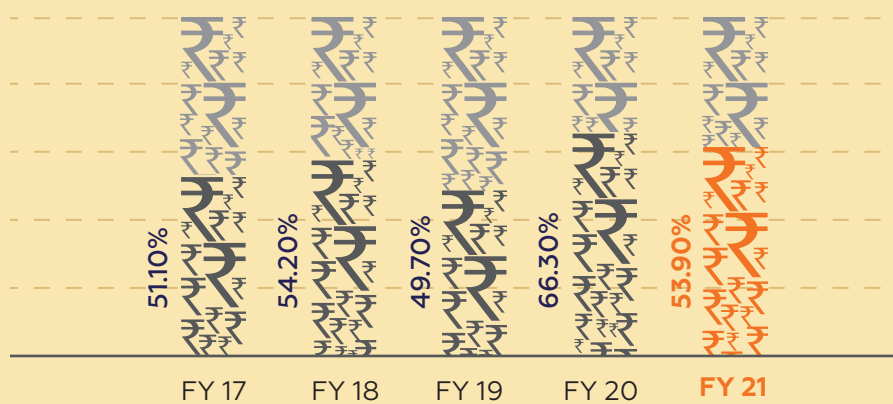
## NET REVENUES (₹ Cr.)



## PROFITABILITY (₹ Cr.)

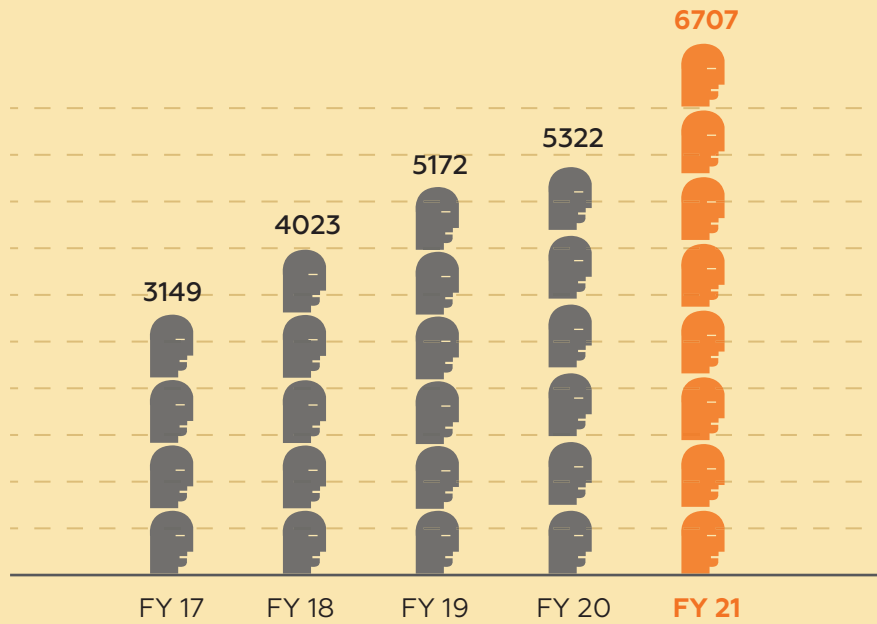


## COST TO INCOME RATIO\*



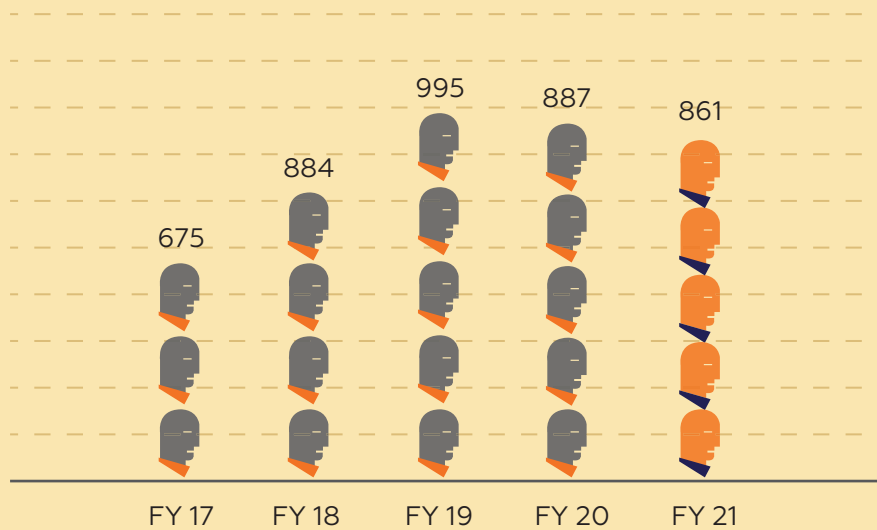
\*Cost to income ratios have been calculated basis Net Revenues

## COUNT OF RELEVANT FAMILIES

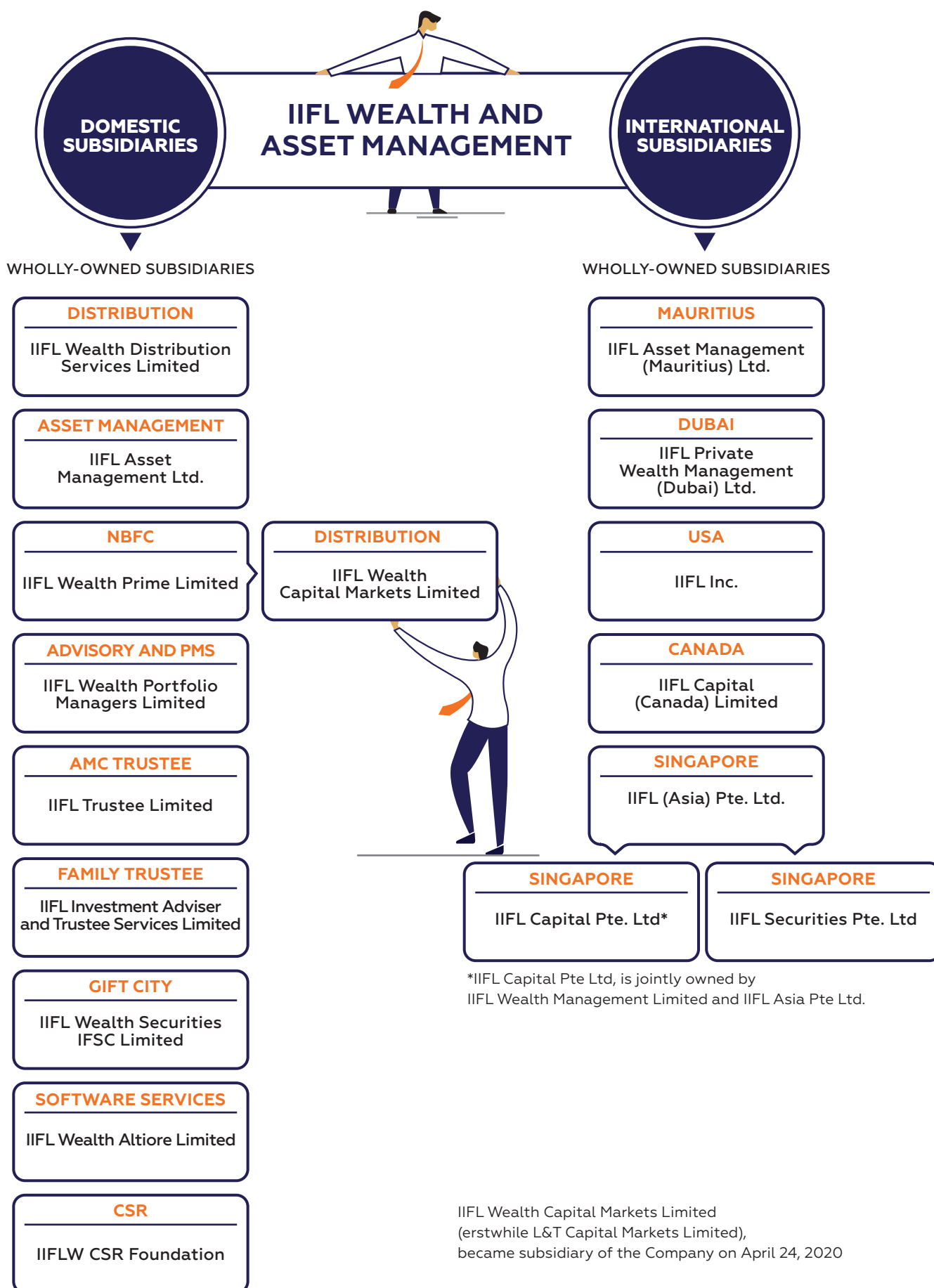


\*Relevant families is basis number of families with AUM in excess of ₹. 1 Cr

## EMPLOYEES



# Corporate Structure



## VISION

To be India's leading wealth and asset management company, aligning interests of clients, shareholders and employees.



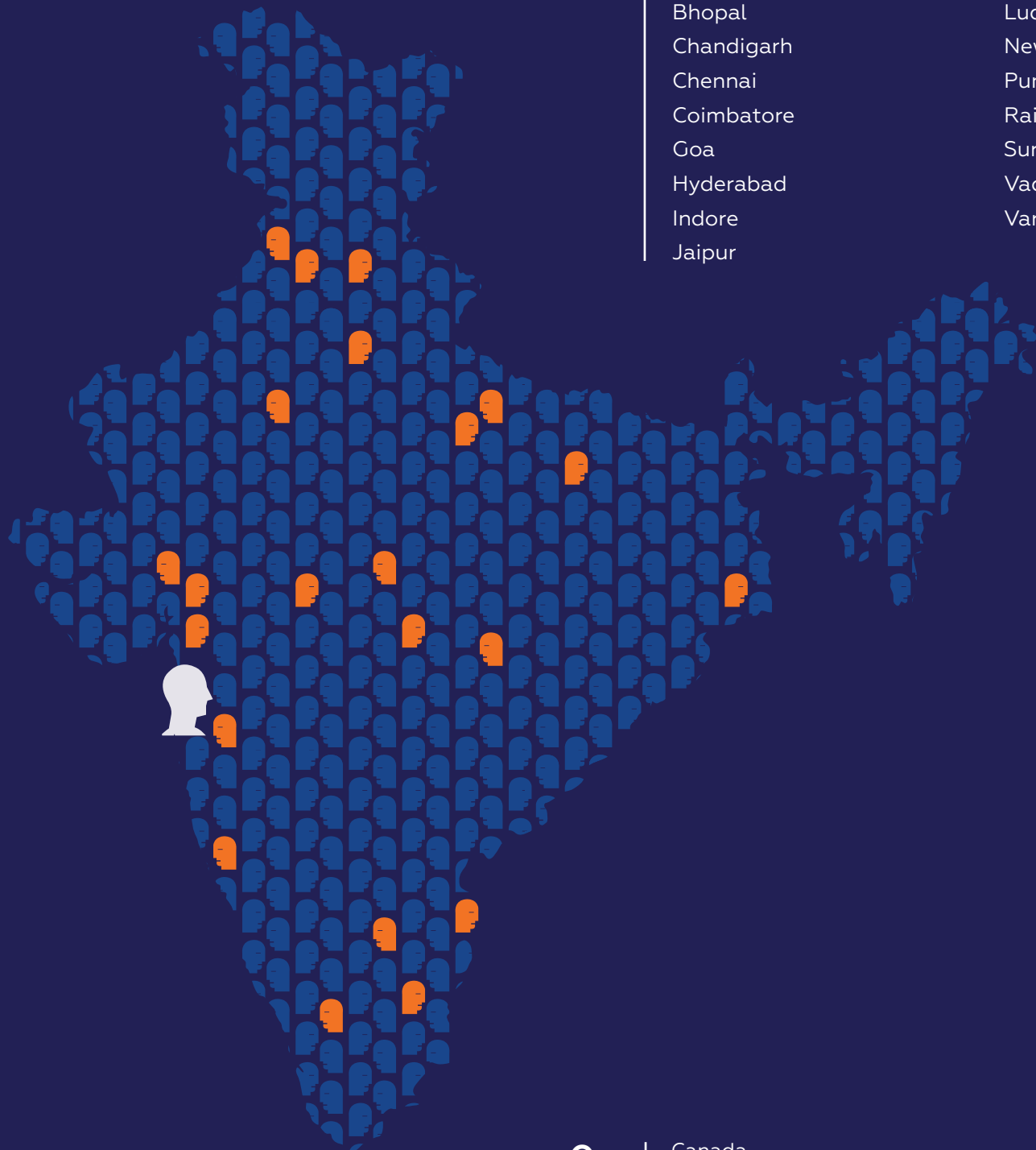
# Transcending Geographies

## Our Domestic Footprint

### Mumbai - Corporate Office

Ahmedabad  
Amritsar  
Bengaluru  
Bhopal  
Chandigarh  
Chennai  
Coimbatore  
Goa  
Hyderabad  
Indore  
Jaipur

Kanpur  
Kochi  
Kolkata  
Lucknow  
Ludhiana  
New Delhi  
Pune  
Raipur  
Surat  
Vadodara  
Varanasi



## Our International Footprint

Canada  
Dubai  
Mauritius  
Singapore  
United States



# Our Businesses

## OUR PEOPLE MANAGE WEALTH FOR YOU, YOUR FAMILY AND YOUR BUSINESS.

IIFL Wealth & Asset Management is a client-focused company offering wealth and asset management, lending solutions and estate planning services. Our values and ethos have ensured we are able to take a long-term view with our clients, employees and shareholders. Our unique integration of people, platform, products and principles - The Capital Code, as we call it, has helped us drive innovation across products and services by adopting the latest technology. To think long-term means to resist the temptations of short-term gains in favour of sustainable decisions. Our relationships and business have a long-term focus towards the lasting benefit of our clients, investors, and employees.

### Wealth Management

Since inception, the company has served the highly specialized and sophisticated needs of high net worth individuals (HNIs) and ultra-high net worth individuals (UHNIs), family offices and institutional clients through a comprehensive range of tailored wealth management solutions. As one of the largest players in the wealth management space, we are able to provide clients with preferential access for sourcing and customizing investments with fund houses, institutional brokers and boutique managers. The company recognised that incremental innovation was vital to develop a holistic products platform that serves the evolving needs of the uber-rich. Crafting strategies that convert market challenges into opportunities is the key to creating and preserving wealth. We help India's wealthiest to preserve, protect and grow their legacy.

### Asset Management

Our sizeable and growing asset management business has a leadership in alternates and is the second pillar of the firm, growing independently but with lots of synergies.

A disciplined and active investment management approach combined with intensive research allows us to tap into India's potential to facilitate long-term wealth creation. Sharp focus remains on financial due diligence to achieve the goals of

capital preservation and growth. Our diversified suite of mutual funds, portfolio management schemes and alternative investment funds span across public and private equities with fixed income securities.

### Estate Planning

We facilitate generational planning and asset transfer for clients by assisting on strategic trust formation and investment management of business and personal assets to ensure longevity of the solutions. We are the largest trusteeship service in the country, with more than 650 High Net Worth and Ultra-High Net Worth families as clients.

### Lending Solutions

We offer a range of lending solutions to our clients across the spectrum of structured leverage. Our loan book of ₹3,620 crore as on 31st March 2021 makes us the leading NBFC in India by asset size in the wealth management industry. We are rated AA by ICRA, the hallmark of trust among large institutional investors. To date, we have provided over 1,000 customers access to capital to facilitate investments in the markets, meet short term working capital requirements, early stage debt and even to undertake large acquisitions.

# Wealth Management



In wealth management, we engage with clients in multiple capacities under one platform. These include distributor, advisory, broker, PMS manufacturer, AIF manager, mutual fund manager, alternative investments manager and portfolio manager. As a distributor, we have one of the most comprehensive product research teams enabling our open architecture recommendations across multiple product providers and asset classes. As an Advisory offering, we provide our clients different facets - pure advisory business, non-discretionary PMS business as well as discretionary PMS business. As a broker, we offer cost-effective and efficient prime brokerage services to our clients across all asset classes. As a PMS manufacturer, we offer both discretionary and non-discretionary options across risk profiles as well as customised bespoke mandates. As an AIF manager, we are a market leader with cutting-edge solutions across private equity; pre-IPO as well as structured credit ideas. As a mutual fund manufacturer, we provide select equity and debt strategies all of which continue to be in the top decile in terms of performance on a consistent basis. Our NBFC offers access to preferential lending terms. The company's trusteeship service is one of the largest in the country and the chosen advisor to more than 650 High Net Worth and Ultra High Net Worth families for estate planning.



## CUSTOMER SEGMENTS WE CATER TO

- **Entrepreneurs:** Who have sold their businesses either partly or wholly
- **Senior executives:** Who have exercised their stock options, or sold equity in their firms
- **Professionals:** Including doctors, corporate lawyers, actors
- **Medium to large industrialists:** Marquee families with substantial liquidity in their personal books
- **Corporate treasuries:** Our expertise in Fixed Income and Debt and our capability to synthetically structure products give us access to some large corporate treasuries
- **Funds, endowments and family offices:** Account for 70% of the international assets under FII sub accounts
- **Large traders:** Our focus is on utilization of platform (funding limits, speed of execution and service levels)

## Five Ps of Wealth Management

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These 5 pillars are instrumental to our success as they work together to perfectly align the client's need and what the market has to offer.

### PEOPLE



Wealth management is a people-centric business with high engagement levels. A quality team of experienced professionals across relationship management, service management, product and other support teams, ensure that the highest level of service is provided to our clients. The team undergoes continuous learning through one-to-one mentorships and our dedicated Learning Management System (LMS), group engagements, and access to courses from leading global universities. Despite the pandemic, the number of hours of training increased to 13,000+hrs with 21 unique training programs through Virtual instructor-led training (VILT) & online sessions. These included trainings like Negotiation, Strategic & Trusted RM, Interpersonal skills, Time Management, Managerial Effectiveness and several master classes both for sales and non-sales functions. Employee equity ownership and a strong internal culture has led to perhaps the lowest attrition in the industry for team leaders.

### PROPOSITION



Our ability to offer full scale wealth management services gives us the edge. We have an open architecture with a multi-manager platform. The manufacturer selection process is rigorous and unbiased. Clients can segregate and manage their portfolios through various modes of engagement simultaneously. We provide avenues for diversification across asset classes. This provides the ability to generate steady-state returns above inflation with the least volatility and risk.

### PLATFORM



Our comprehensive suite of products and services is perhaps unmatched in the industry. We have one of the largest products and investment teams which provide innovation and high-quality support. Our cutting-edge technology ensures the best in class Client Portfolio Reporting, In-Depth Analysis and Data Aggregation. An integrated lending solutions offering along with a strong estate planning practice complete the platform. Niche corporate finance services help clients with capital structuring for these businesses.

### PROCESS



We have stringent standardised control mechanisms, which include personalised review and an assessment by the fund management team. Our Portfolio Management Approach ensures client portfolios are managed in line with defined Investment Policy Statements, which are constantly monitored. Strong business intelligence, state-of-the-art technology and robust internal processes ensure seamless and efficient execution.

### PRICING



Transparency and alignment of interest is synonymous with our firm. With the launch of IIFL-ONE, we pioneered the fee-based portfolio management model in India. Our combined platform, which includes brokerage and allied services allow for All-In-Fee models, which ensures that our efforts are completely in alignment with our client's objectives. From a client's perspective, our scale enables attractive pricing of products.

# IIFL-ONE: Our wealth platform that institutionalises a range of investment options



A deep understanding of our clients helps us personalise the offering to perfectly suit the client's needs. It is an aggregation of our product expertise, active advice and discretionary services.

Through IIFL-ONE we have redefined client engagement for wealth management in India.



IIFL-ONE's unique investment philosophy revolves around the following twin objectives –


- **Outperformance to the static asset allocation**
- **Reducing volatility in the portfolio**

IIFL-ONE has been very well received by clients of IIFL Wealth & Asset Management. This proposition has seen a robust growth in assets under management. Our clients have experienced and understood the efficacy of the IIFL-ONE proposition along with the overall value that it brings to their objective of long term risk-adjusted growth of their wealth.

This can be witnessed below in the growth of the Assets Under Management:

| Closing AUM in ₹ Crore       |        |        |              |
|------------------------------|--------|--------|--------------|
|                              | FY 20  | FY 21  | YoY % Change |
| <b>IIFL One Assets</b>       | 17,720 | 27,940 | 58%          |
| <b>Discretionary PMS</b>     | 4,410  | 8,753  | 98%          |
| <b>Non-Discretionary PMS</b> | 8,236  | 13,391 | 63%          |
| <b>Advisory</b>              | 5,075  | 5,795  | 14%          |

Source: IIFL WAM data book



IIFL-ONE has successfully delivered on the below attributes –

**Process vs Personalisation:** Providing process-oriented solutions for clients while ensuring each solution is a suitable mix to achieve their specific long-term goals.

**Short Term vs Long Term:** Building portfolios with an eye on the long-term return, while optimization and balancing the portfolio for short term outperformance and opportunities.

**Core vs Satellite:** This philosophy has ensured that product ideas do not drive investment strategy in the core portfolio. While core portfolio provides stability, long-term appreciation, liquidity on a risk adjusted basis, the satellite portfolio is innovative in nature and tactically managed keeping in mind the economic and market conditions.

**Institutional Processes:** IIFL-ONE is a platform that institutionalises a range of investment

options for clients under a competitive and transparent fee structure. A deep understanding of our clients helps us personalise the offering to perfectly suit the client’s needs. It is an aggregation of our product expertise, active advice and discretionary services. Through IIFL-ONE we have redefined client engagement for wealth management in India.

**Avoiding Conflict of Interest:** As a proposition, IIFL-ONE reduces conflict of interest by entering into a transparent, commercial arrangement with clients and helps them avoid typical behavioral mistakes by adhering consistently to time-tested investment processes.

**Transparent Fee Structure:** At the heart of the IIFL-ONE proposition is its fee-based structure, that aligns our interest with our clients. We don’t get compensated by mutual fund managers or product vendors, instead we get compensated by our clients.

## IIFL-ONE Offerings Are Based On 5 Core Principles:

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### SIMPLE BY DESIGN



We believe portfolios should be simple. This ensures that rebalancing of these portfolios, as indicated by our proprietary models, is easily achievable. Successful portfolios ensure that complexity is minimised ensuring better tracking of instruments as well. Our model portfolios define a simple combination of direct stocks, ETFs, direct bonds and open ended mutual funds.

### FOCUS ON ASSET ALLOCATION



Global studies have indicated that 94% of the returns of long term portfolios are a function of asset allocation. Core asset allocation for any investor is identified from the tenure of the capital as well as the risk tolerance of the investor. For IIFL-ONE, we have built a robust model that guides our asset allocation decisions. This model will help add alpha as against a passive asset allocation approach.

### PROCESS DRIVEN



A core tenet of IIFL-ONE is the focus on the process as opposed to subjectivity in decision making. Allocation is reset in a timely manner to maintain constant weights for each asset class. Market cap allocations are statistically computed to determine the optimal large & mid cap allocations. Instrument & fund manager selection is a critical factor to ensure appropriate product fitment. Various control factors are put in place to ensure portfolio governance to minimize risk.

### EXPERIENCED TEAM



The fund management team comes with strong multi-asset experience of dealing with long term portfolios across multiple cycles. The team is supported by asset class

experts who research every investment idea before it is added to the carefully curated model portfolios.

### COST EFFECTIVE



Controlling costs of the portfolios is an important facet of IIFL-ONE. IIFL-ONE pioneered the all-in-cost model which gives the investor complete clarity on the total cost of the portfolio. This approach ensures stability in total costs besides creating savings for the client.

### Determinants of Return

At IIFL-ONE, we believe the following factors could contribute to outperformance over benchmark returns in the long run:

**Asset Allocation:** Insights into macroeconomic trends, market themes and a large input from our proprietary allocation model, ensures we dynamically modify our asset allocation.

**Market Cap Allocation:** Using our proprietary model, we determine the optimal equity allocation between large-cap and mid-cap to help deliver outperformance to index benchmarks.

**Instrument Selection:** Our experienced research team meticulously analyses various instruments to arrive at a whitelist. Investment ideas are then selected considering chosen investment approach and product suitability.

**Portfolio Control Measures:** A third party custodian handling settlements, dedicated centralised teams handling all trades and frequent portfolio reviews with clients among other measures helps in maintaining the optimum balance between performance and risk.

## IIFL-ONE: Portfolio Management Offerings

Offerings have been classified into the following:

**1. SIGNATURE OFFERINGS:** Portfolio manager has sole discretion in selecting investment ideas with adherence to permissible instruments and chosen investment approach for the strategy.

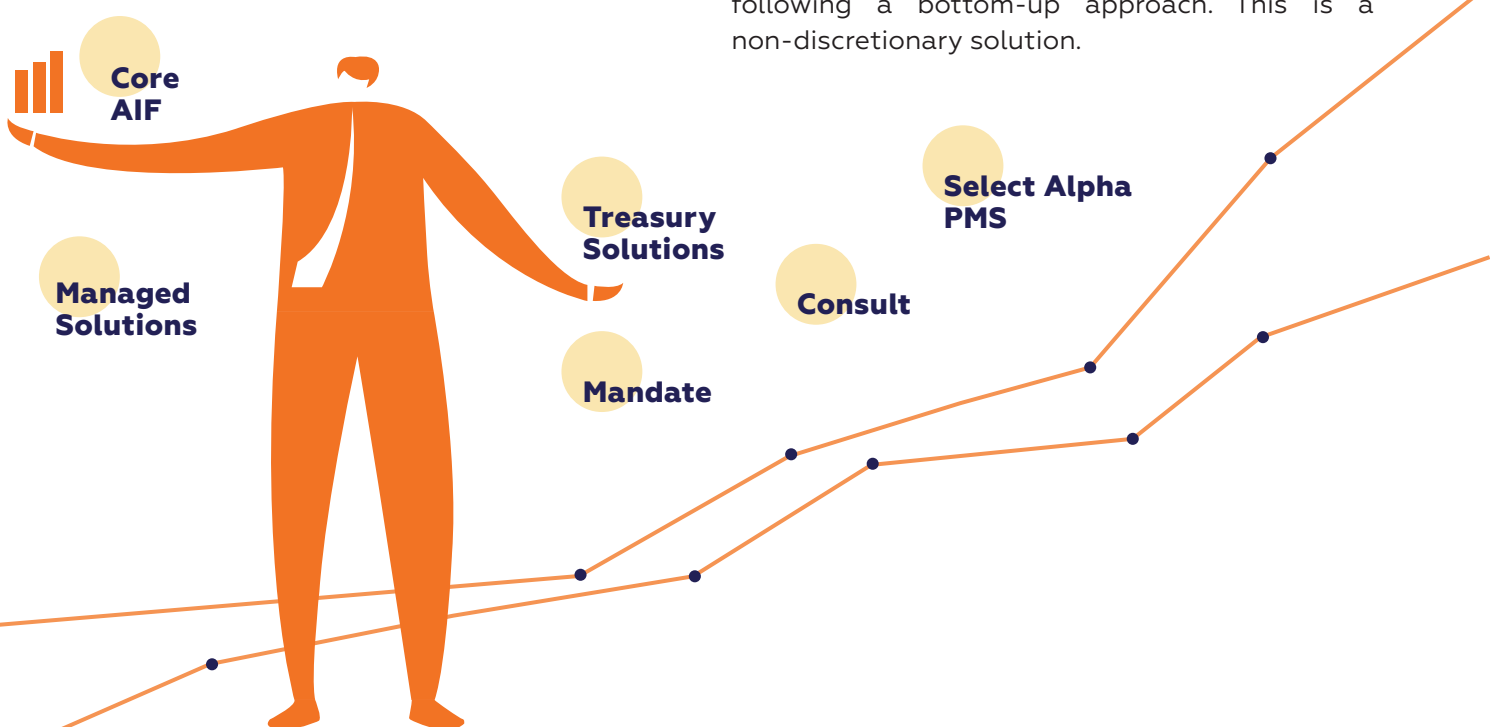
They include the following solutions:

- **Core AIF** - A bouquet of high quality, liquid direct equity stocks and direct bonds picked through a rigorous research process.
- **Managed Solutions** - Selection process brings together an array of mutual funds and ETFs using multiple parameters.

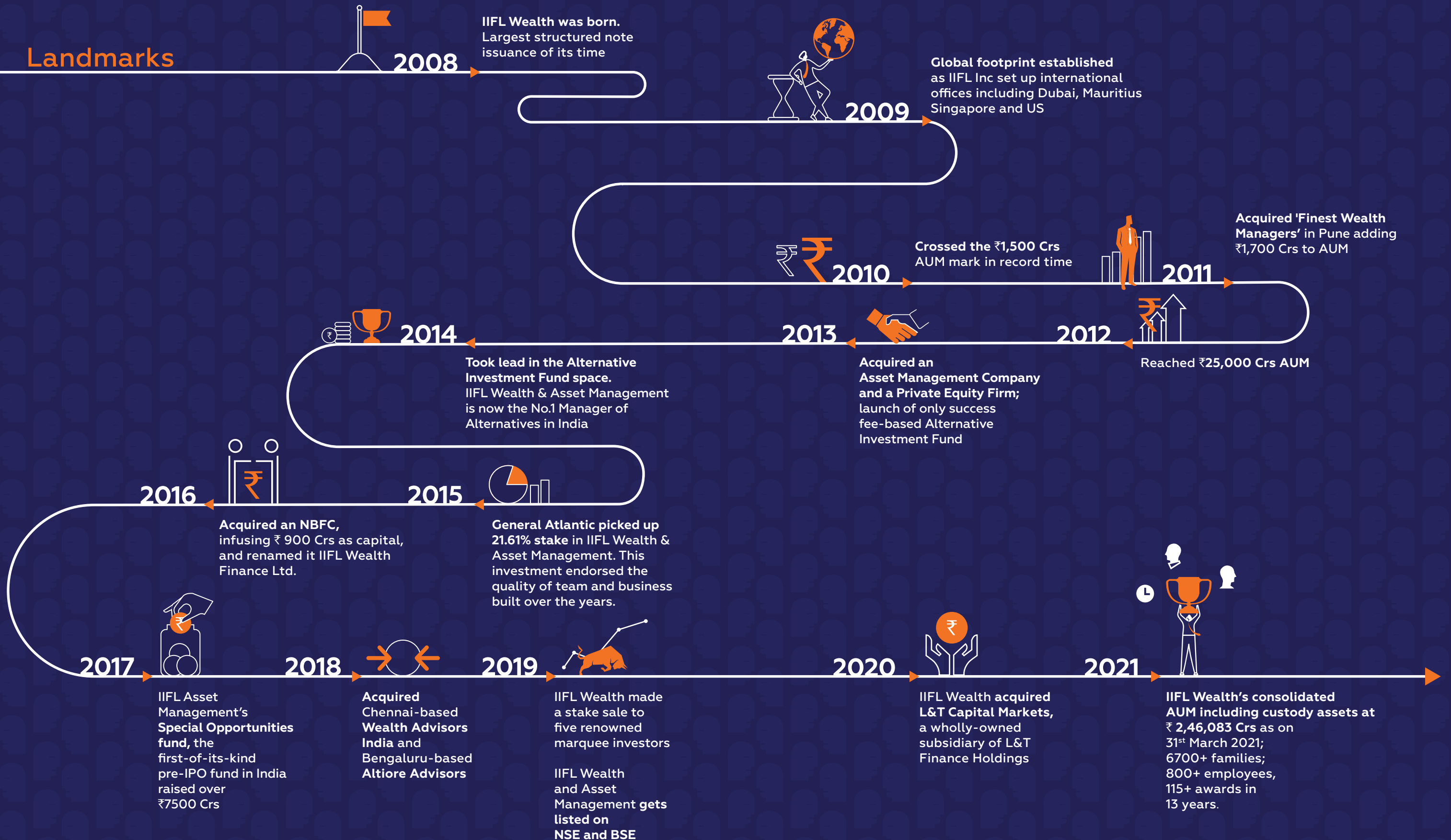
**2. BESPOKE OFFERINGS:** Portfolio manager creates customized portfolios in adherence to permissible instruments and selected investment approach.

They include the following solutions:

- **Treasury Solutions** - Fixed Income portfolios focusing on the twin objectives of risk control and return optimization. This offering is run for the benefit of large corporate treasuries. It can be offered via both the discretionary and non-discretionary platform.
- **Mandate** - Customized instrument selection that brings together high-quality instruments from a diversified universe. Clients define the portfolio guidelines and entrust the entire investment management process to our team of experts.
- **Consult** - Portfolio created by expert fund management team from a diversified universe of high-quality instruments. Under this, we use our expertise to create a customised investment framework using the portfolio guidelines defined by the clients.
- **Select Alpha PMS** - Concentrated direct equity portfolio for the short to medium term formed by following a bottom-up approach. This is a non-discretionary solution.

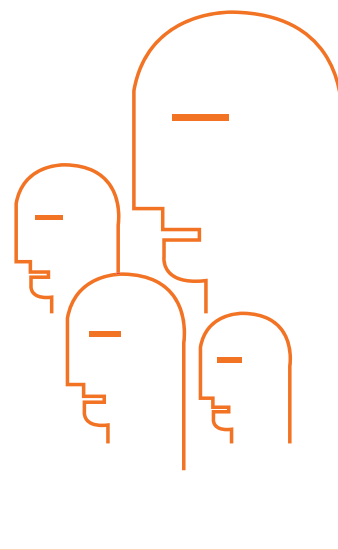


# Landmarks





# Asset Management: Valuable accretion of human capital



Despite the pandemic and changed working dynamics during FY21, our AUM grew by 70%, thanks to our People. The year saw net inflows of more than ₹ 10,000 Crs spread across asset classes and geographies. The year was particularly successful from institutional mandates perspective.

During FY21, IIFL Asset Management Company (IIFL AMC) continued its focus towards augmenting the product suite across four asset classes (listed equities, private equities, credit and real estate). The AMC also persisted with institutionalizing the internal processes across functions. In terms of client coverage, the company established connects with many offshore institutions and family offices. Domestically, on the sales and distribution front, the company added 43 new channel partners and undertook multiple sales and marketing related activities.

During the year under review, the company witnessed net inflows of ₹10,000 Crs, driven by significant flows in the listed equity space. Both listed equity and private equity remain scale strategies with ₹15,738 Crs AUM in listed equity and ₹13,616 Crs AUM in private equity in FY21. Fixed income investment categories comprising of liquid mutual funds and structured credit products contributed ₹2,851 Crs to overall AUM while real estate funds contributed ₹5,118 Crs.

Human capital is quintessential to any organization, and at IIFL AMC, we witnessed valuable accretion of human capital over the past year as the total head count increased to 131. Mr. Manoj Shenoy with close to three decades of valuable experience in the financial services industry also assumed charge as the Chief Executive Officer, further strengthening our senior leadership team.

We believe that the lockdown/restrictions could have a short-term impact on most sectors, however the effect will be transient in nature. At this stage, where we anticipate delayed pick-up in the economic recovery (provided a third wave doesn't derail the growth), we are focusing on opportunities across defensives and cyclicals based on our ROE and PAT growth parameters. While exposure to sectors such as Financials, Industrials, and Building materials are more structural in nature to benefit from the acceleration in the growth trajectory, we would also tactically look at opportunities in the defensive segment where the impact of the short-term disruptions is likely to be limited. We continue to focus on bottom up security selection while having a positive bias towards cyclical recovery and taking tactical calls based on the market dynamics.

Considering the impact of the pandemic on the economy, most central banks resorted to another round of monetary easing to improve liquidity and support economic growth. The Reserve Bank of India also followed suit by announcing repo cuts, reduction in CRR for a year and improving liquidity through measures like Long Term Repo Operations (LTROs) to mitigate the adverse impact of tightening financial conditions in the domestic markets. Furthermore, usage of unconventional steps like LTROs signifies RBI's willingness to promptly act when necessary. This helped address the sudden steepening of the yield curve and a substantial spread between short term and long-term government debt securities. While the longer end of the yield curve remains attractive, a higher supply of both state and central government borrowing may offset some of the gains.

The year was particularly successful from institutional mandates perspective. Further, while maintaining our focus as an alternative asset manager, we have also explored opportunities across other product segments such as portfolio management services and mutual funds.

## Developments Across Key Platforms:

**Alternative Investment Funds (AIFs):** During the first couple of quarters, our focus was primarily on raising commitments in already launched schemes viz. High Conviction Fund - Series 1, India Housing Fund - Series 2 and IIFL Seed Ventures Fund – Series.

In Q2, on unlisted equity side, AMC launched a new fund during the quarter, IIFL India Private Equity Fund Series 1A which intended to invest in financial intermediaries which are dominant players in their segments.

In Q3, we launched IIFL Equity Opportunities Fund, a fund of fund, which aims to provide a unique opportunity to invest in the best-in-class technology focused venture capital funds primarily focused at providing follow on capital to top performing digital companies along with other marquee investors.

In Q4, we launched another fund on unlisted equity side, IIFL Special Opportunities Fund Series 8, which would invest in late stage consumer tech deals. The fund received a fantastic response.

**Portfolio Management Services (PMS):** On listed equity front, in PMS, while regular sales from distributor platforms continued during the year, multiple communications to investors informing about product performance and offering easy one click top-ups in PMS strategies were sent. The business in PMS was disrupted due to the pandemic, but IIFL AMC had launched editable forms to enable business continuity. In Q4, we added a new strategy, IIFL Phoenix Portfolio which intends to create a portfolio of such businesses with an established track record, which have the potential to see a sharp improvement in fundamentals in the future.

Over the year, we continued to onboard new distribution partners and achieve scale across our existing products (Multicap and Multicap advantage PMS). Despite disruptions, PMS witnessed healthy net inflows during the year.

**Mutual Funds (MFs):** Given our continued focus on scaling up IIFL Focused Equity Fund, we were able to add net inflows of ₹379 Crs during the year. For most of the year, the fund was amongst the best performing fund in its category. Additionally, in order to increase its reach across platforms, we laid emphasis on increasing SIPs in the scheme from online channels.

**Offshore/Institutions:** In terms of client coverage, we have established connect with many offshore institutions, wealth funds and

family offices over the past year. During the year, we received an additional investment from one of our existing advisory mandates. We also received a new mandate from an institutional investor.

In the coming year, we would continue to explore opportunities to enhance our product offering across our four asset classes i.e. listed equities, private equities, credit and real estate. We aim to maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes.



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# Distinguished Legacy

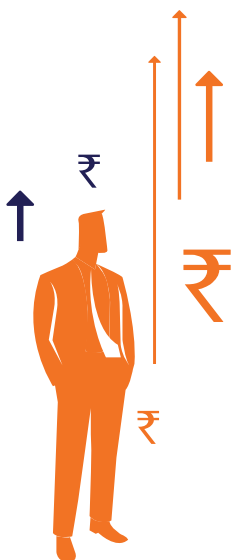


**MR. NIRMAL JAIN**  
Founder, IIFL Group

Nirmal holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. Over the last 26 years, he has led expansion of IIFL while remaining focused on financial services. Under his leadership, IIFL Group has attained its position as a dominant and diversified player in the financial services space. With an impeccable track record of governance and growth, IIFL has attracted marquee investors and won accolades internationally.

**MR. R. VENKATARAMAN**  
Co-Promoter, IIFL Group

Venkataraman holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined IIFL's Board in July 1999 and has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group. He has a varied experience of close to three decades and has held senior managerial positions in ICICI Ltd and GE Capital Services India Limited in their private equity division.



## Key people: Owners work and workers own



### **KARAN BHAGAT**

**Founder, Managing Director & Chief Executive Officer,  
IIFL Wealth Management Ltd.**

Karan has close to 25 years of experience in the financial services industry. He is responsible for providing direction and leadership towards the achievement of the organization's philosophy, mission, vision and its strategic goals and objectives. He has built a team of talented professionals, who work with and for, some of the most distinguished wealthy families in India and abroad.

### **YATIN SHAH**

**Co-founder, Joint-CEO,  
Wealth management business**

Yatin has close to 25 years of experience in the financial services industry, across equity research and private wealth management. He focuses on the wealth advisory practice besides client services, marketing and client experiences. He is responsible for introducing the IIFL Wealth & Asset Management proposition to new clients, as well as expanding the relationship with existing clients.



### **ANIRUDHA TAPARIA**

**Joint-CEO,  
Wealth management business**

Anirudha has close to 25 years of experience in the financial services industry across consumer, commercial and private banking. He has been instrumental in building IIFL Wealth & Asset Management's business across the globe. He is responsible for the wealth advisory practice across business verticals and geographies. Anirudha brings to the table a rich commercial banking experience and strong client relationships.

## **MANOJ SHENOY**

### **Chief Executive Officer, IIFL Asset Management**

Manoj has three decades of experience in the financial services industry. He possesses comprehensive understanding of diverse facets of financial services, including private banking, investment banking, stock broking, estate and succession planning. Prior to joining IIFL Wealth, Manoj was the CEO at L&T Financial Services - Wealth Management business.



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## **ANUP MAHESHWARI**

### **Chief Investment Officer, IIFL Asset Management**

Anup has more than 25 years of experience in financial services and is responsible for the investment and strategy for IIFL AMC's business including mutual funds and Alternative Investment Funds (AIFs). He plays a key role in meeting the company's aggressive growth goals as well as product development and devising an innovative investment strategy.



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## **ANSHUMAN MAHESHWARY**

### **Chief Operating Officer**

Anshuman has two decades of deep expertise in strategy and business planning, and is reinforcing the company's capabilities to drive performance. His ability to implement large-scale organization transformation and performance improvement is delivering tangible impact for clients and employees. Prior to IIFL Wealth, he was with A.T. Kearney since June 2001, and was last designated as Partner and Lead, Energy & Process Industries.



## Executive Directors

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### **UMANG PAPNEJA**

#### **Executive Director and Chief Investment Officer, IIFL Wealth**

Umang has more than two decades of experience in investments and wealth management. He provides strategic guidance for investment decisions across asset classes including equities, real estate, fixed income, commodities and alternatives with a focus on continuous product innovation.

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### **SHAJI KUMAR DEVIKAR**

#### **Executive Director**

Shaji Kumar has more than two decades of experience spread across large private sector banks. He is responsible for expanding and growing the wealth business in the southern region of India and spearheads the international business in UAE.



### **VINAY AHUJA**

#### **Executive Director**

Vinay has more than two decades of experience in the financial services industry, across wealth and asset management. His primary responsibility is to carry out wealth management activities for HNI clients in the Western and Southern regions, while executing sales strategies nationwide.

## Senior Managing Partners

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**GIRISH  
VENKATARAMAN**  
Estate Planning



**HIMANSHU JAIN**  
Lending Solutions



**HIMADRI CHATTERJEE**  
Key Clients Group



**AMAR MERANI**  
Real Estate



**A PRAMOD KUMAR**  
IIFL-ONE



**NIRAJ MURARKA**  
Credit Risk





## Managing Partners

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**ABHAY AMRITE**



**ASHISH AHUJA**



**HEMANT LAKHOTIYA**



**JITEN SURTANI**



**NIKUNJ KEDIA**



**PRAVIN SOMANI**



**SIDHARTHA SHAW**



**SUDHINDRANATH PAI  
KASTURI**



**VIJEETA SHARMA**

## Presidents

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**ANIRBAN BANERJEE**  
Human Resources



**MIHIR NANAVATI**  
Accounts & Finance



**PAVAN MANGHNANI**  
Corporate Strategy & IR

## Senior Executive Vice Presidents

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**ABHISHEK CHANDRA**  
Technology



**ANU JAIN**  
Equity Brokerage



**JAPHIA WALKER**  
Client Services



**PARINAZ VAKIL**  
Digital



**RAGHUVIR MUKHERJI**  
Business Risk



**RONAK SHETH**  
Marketing &  
Client Experiences



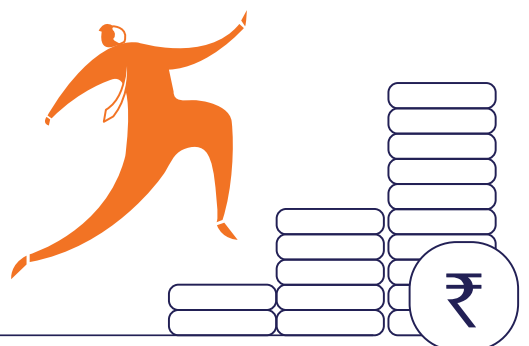
**SANDEEP JOSHI**  
Legal



**SHUJAUR SIDDIQUI**  
Third Party  
Products



**VIPUL GALA**  
Operations



# Team Stories





The section ahead is a tribute to our inspiring teams who drive the success at IIFL Wealth & Asset Management. The stories show how our people preserved our clients' trust and ensured seamless service through the pandemic. As they adapted to the new normal, they ensured connectivity, engagement, seamless execution and client servicing.

There are countless stories of the risks taken and the resilience displayed in the face of a debilitating pandemic that threatened to separate us. Our people acted with an owner's mindset to ensure stakeholders were well informed and stayed connected. The images and stories of our teams are just a small representation of the times our people underwent.

With immense pride in the journey of each member, we introduce to you the IIFL Wealth and Asset Management family, and their tenacity to perform through the pandemic.



## Asset Management

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### **MAKERS: Managing Assets; Keenly, Efficiently, Robustly and Swiftly**

As the Makers in the organization; this team has seen pivotal growth in the past year or so. They know a determination like no other. Pandemic or not, the way our MAKERS have navigated the challenges is exemplary of an Arctic Tern flying through a storm; straight towards the goal.

One swift manoeuvre at a time; our AMC Team has held their sails on the stormy winds with great panache. Despite the pandemic and changed working dynamics during FY21, our MAKERS ensured that AUM grew by 70%. The team also added 43 new channel partners and undertook multiple sales and marketing-related activities.

In terms of client coverage, the efforts of our MAKERS to establish connections with many offshore institutions and family offices over the

past years, resulted in IIFL AMC securing a mandate from a marquee institutional investor.

To ensure business continuity on the PMS front, the IIFL AMC launched editable forms; even adding IIFL Phoenix Portfolio in the fourth quarter, which intends to create a portfolio of businesses with an established track record and the potential to see a sharp improvement in fundamentals in the future. Given their continued focus on scaling up IIFL Focused Equity Fund, the team was able to add healthy net inflows during the year.

With this track record, one can only imagine what highs are written in the future. While the aim remains accurate; the targets are ever evolving. One thing is for sure, this is the team that makes dreams possible, with results.



# Client Services & Operations

## **CLIMBERS: Committed, Liable, Impactful and Masterfully Building Responsible Servicing**

For a service business like ours, few company functions were hit hardest by the pandemic, including Client Services and Operations.

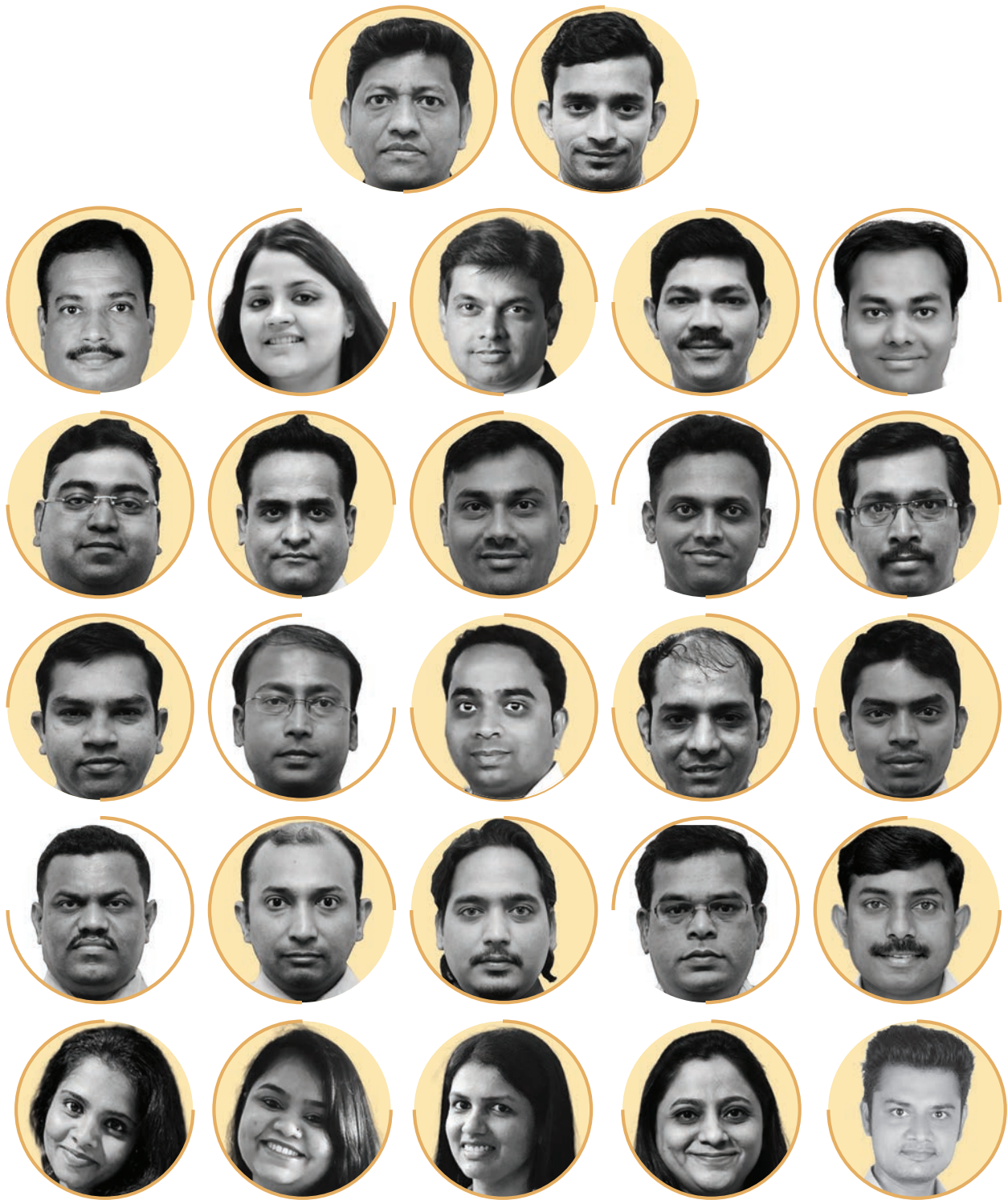
During these trying times, the immediate focus by leaders and representatives of these teams was across four key areas: 1) enabling service representatives with the right infrastructure to work remotely 2) meeting clients' urgent needs with empathy and care 3) rapidly innovating customer journeys to provide uninterrupted service to customers and 4) focusing on long-term capabilities for fluid times ahead.

Providing for customers' needs started with thinking about employees first. The entire Client Services team of 100+ members was equipped with all immediate infrastructure they required, to work remotely. Another fundamental focus area was continuing to deliver a seamless customer onboarding experience. Within a record time, a digital onboarding platform was built, which was paperless, seamless and designed to function with an e-signature of the client.

The team also realized that it was now more than ever, that clients needed extra information, guidance, and support to navigate a novel set of challenges. Instead of burdening the service representatives further, the team set up six central functions to cater to six high priority areas (like Query Management, Compliance Checks, Onboarding amongst others) to enable service deliveries, without sacrificing client experience. The Operations team found solutions to facilitate transactions, implemented major regulatory changes and supported multiple audit completions.

It was the drive for efficiency and productivity that allowed these teams to fortify the organization, to operate with success, through the pandemic. What is even more admirable is their diligence, self-motivation to always go the extra mile in order to bring us where we stand today. At IIFL Wealth & Asset Management, to operate and service clients, took on a new and enriched dimension during the pandemic, with an unwavering focus on the short and long-term.







# Finance

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## **ARCHERS: Appropriating Reserves; Coordinating Health, Expense and Regulation Squad**

The pandemic presented the finance function with many unprecedented challenges, putting finance leaders under pressure in ways that were not anticipated and posing new demands on the function too.

To begin with, the finance function is often not used to working remotely. Moreover, the outbreak happened around the same time as our upcoming annual disclosures. This overwhelming disruption was the first and yet, the most formidable test of resilience for the team. From empowering the Finance team members with all the data and infrastructure they needed for working remotely, to co-ordinating with auditors and board members from multiple locations, to getting all leadership approvals; the team managed a successful, timely,

and error-free execution of all regulatory and reporting priorities.

In the coming days, weeks, and months, not just quarterly results but adherence to all statutory compliances – be it TDS, Income Tax, among others - were all delivered timely and accurately.

Another major focus area was to accelerate the overall digital transformation agenda for the Finance team, in the realm of vendor payments. With a transformation mindset for long-term viability in mind, a new payment process was set in motion, to ensure all vendor invoicing and payments continued in an uninterrupted way, posing a huge victory for our firm and its brand.



# Human Resources & Admin

## HEART: Human Element Assimilation Regulation Team

The Human Resources and Administration teams have responded to the unique challenges of the pandemic with passion, patience and perseverance. As the heart of the organization; they made sure that positive energies, flexibility and overall employee well-being were the focus for the year. Several initiatives were put into action - from handling medical and financial support during the pandemic's first and second waves, to building the resilience muscle of the organization.

Bolstering organization health was a big priority. The team set up resident doctors in Mumbai, as well as doctors-on-call and medical stations at the offices in Mumbai, Bengaluru, Chennai and Delhi. This is where we have the bulk of our team, and the empanelled doctors serviced more than 450 employees and families.

Next came employee well-being. Besides providing services of a nutritionist, yoga classes over Zoom, as well as cognitive assistance, they launched Mindzen, a 24/7 mental health service allowing access to scores of self-help articles, quizzes, podcasts, webinars, as well as in-person counselling. More than 200 employees and their friends and families participated.

The team launched an IPL Fantasy League contest in association with a leading sports platform. Here, our people could create their own teams and win exciting prizes during the IPL matches.

Irrespective of where everyone is and how they are connected, the Administration team found a way to keep everyone together and meet their needs in the most effective and time-sensitive ways. From delivering laptops, to packages, to organizing new employee kits and managing e-passes for employees who were operating from the office. When it was nearly impossible to step out, this team made it their duty to fulfill every employee's need no matter how imminent or important.

As we hopefully move towards the end of the pandemic, 825 employees are inoculated from the harsh effects of the virus. The HEART of the organisation has truly been pumping lifeblood to the organisation, keeping every department healthy and ready for any challenge which comes our way.



# Legal, Compliance & Secretarial

## **PATROL: Prudent and Thoroughly Responsible Over Legalities**

When it comes to the law, the legal way is the only way forward for us. It is because of our PATROL, that time and again, we have been led in the right direction. Be it compliance, legalities involved in transactions, or secretarial procedures, these teams seamlessly coordinated with impeccable tact and patience in dealing with different situations through the year.

From the Risk Management and Compliance teams, we had unique situations. Client onboarding and several transactions had to be done on the basis of scanned documents, which increased fraud risk. Appropriate controls were instituted: trackers were created both, at the end of Client Services and at the Operations end for tracking of scanned documents that required to be followed up with the originals. Call-backs were done diligently to mitigate fraud risk. In perhaps one of many firsts, internal audits and some

compliance audits were done completely remotely. This meant doing all system walkthroughs on MS Teams. Secondly, all documentary evidence had to be scanned and transmitted to auditors through FTP drives and emails. Amid internal audits, COVID-19 struck members of the team. Yet, everyone chipped in and the audits were successfully carried through.

The teams also handled the transition of the Broking and DP businesses from IIFL Wealth to IIFL Wealth Distribution Services Ltd during the COVID Phase 2 lockdown, when some team members and teams at the clearing agencies were tested positive. Despite this situation, the teams managed to coordinate with the Clearing banks, various exchanges, clearing houses and depositories for transfer of facilities, client positions and collateral.



# Marketing, Client Experiences & Business Intelligence

## FARMERS: Fierce. Agile. Robust. Market-ERS

When the world and our clients were feeling vulnerable, the Marketing team became the bridge between the business and clients. Amidst shifting priorities, reorganized budgets, and pivoting platforms, the Marketing team had to entirely re-imagine how they ensured that connectivity, communications and value were delivered.

In our client's world, our best engagements were our unique on-ground experiences. The challenge was, to reimagine and recreate them virtually, and yet deliver a similar level of value and memorability for clients. Since the first lockdown, 23 such special events were curated virtually with more than 5,000 clients participating.

With virtual events and webinars covering knowledge, entertainment, and communication of our products and services, the Marketing team delivered bespoke experiences. An exclusive and live, cook-along with MasterChef Australia fame Gary Mehigan was curated for clients. Over 500 gourmet hampers with freshly sourced, diverse ingredients, were hand-delivered to clients across 18 cities; one of the biggest challenges taken up and executed with resounding success.

Unique experiences were curated; like Decoding Wealth to engage our clients' spouses in financial knowledge sharing, ACE (Act. Change. Emerge.) with business leaders and their pandemic survival and success stories, TechTalks to introduce clients to everything new in Tech, and Asset Class Masterclass to educate clients about new investment asset classes.

For the first time in our history, migrating our clients to digital and e-service channels became absolutely necessary. Communicating newer touchpoints with clients was the biggest key to seamless business continuity. Be it our WhatsApp for Business service channel, or access to our investment reporting platform; over the past year, we have seen improved engagement and loyalty.

As a multi-disciplinary team focused on understanding how our clients perceive us; the pandemic has led the Fierce. Agile. Robust. Market-ERS at IIFL Wealth & Asset Management, to not only retain but improve brand salience with existing clients as well as help acquire newer ones.



# Products

## TACTICS: Through Action-Cognition-Tact, Innovation Creates Solutions

As the pandemic upended business continuity overnight and most of us transitioned quickly from “centralised working to remote working”, there was one team, for whom, doing this wasn’t feasible owing to their complex infrastructure and fast-paced needs. At a time when we all dreaded to even step out of our homes; our Equity Broking team was present in office every day to ensure the Dealing Room was always functional; with no disruption to any business or client outcomes. The ownership showcased by the entire team is a testament to their commitment and our value system.

During this unsettling period of uncertainty, another team led with only client focus in mind. In

these times, the real estate market was favourable for buyers and investors and many clients were seeking to invest. Our Real Estate team ensured complete support by accompanying clients on-site, to ensure client needs were met with agility and genuine support.

From a products’ standpoint, the Products team pursued multiple opportunities that came their way, owing to the bullish market situation. They converted their insights on the customer, markets and business into winning value propositions and products, that were hugely appreciated by clients. At the back of this, the year turned out to be an unprecedented one, power-packed with growth.



# Relationship Managers

## The Engine: Engaging, Navigating & Growing Impactfully with Novel Experiences

The team of relationship managers is where our business momentum is built and managed. As one of the most successful teams over the past decade, last year, this team has, tuned into the needs of our clients, understood the business challenges and delivered despite all hurdles.

Going beyond their normal, this team stayed in touch and stayed on top of things. To ensure positivity, connectivity and engagement with clients, the team did daily internal morning calls keeping themselves updated and connected. Exchanging notes aided them to share knowledge,

improve certainty, and brought about positive energy in their interaction with clients.

Our team was available at all times and aware of every market fluctuation. There is no problem this team cannot solve, even those of a personal nature.

With an Engine so well oiled; we were able to evolve our offerings and advantages to our clients over the past year. We adapted our capabilities to the new world order. We refreshed the way we presented ourselves and found success in every step of the way.

### An Anecdote:

This anecdote of a team member is one of extraordinary will power and willingness to get the job done.

The day the first lockdown was announced by Prime Minister Narendra Modi, a team member brought a new life into this world. There was joy and there was chaos. The newness of being a parent who has to tackle the lockdown to meet baby's needs, this team member stayed connected with clients and colleagues successfully servicing every request that came along the way.

The phone screen constantly shuttled between messages, work emails, client calls, expert views, depressing reds in stock market screen as well as camera mode to capture the newborn's precious moments. The sleepless nights that every parent of a newborn faces also included reviewing client portfolios and doing SWAT analysis for them. Times like these truly bring out the best in us and it really taught to value life & relations and at the same time not to deter from our responsibilities.





# Technology & Digital

## THREAD – Technological Health, Response, Energy, and Activity Division

When the world fell into chaos, the thread holding our connections together at IIFL Wealth are our Technological Health, Response, Energy and Activity Divisions. When the pandemic hit our doorsteps, these teams were the beacon of novelty and access for our firm. Technologically speaking, this past year we have seen a powerful evolution both structurally and functionally. Within the first few weeks of the first lockdown, the Virtual Private Network and Tech architecture was further strengthened, to ensure that client servicing, communications and internal team connections remain seamless, as we shifted to remote working. Another challenge was to ensure network security - the IT team ensured required controls were maintained while enabling work from home.

From distributing laptops and desktops within 5 days, to enabling mobile access for everyone; the IIFL Wealth Thread demonstrated exemplary qualities and rose to the challenge by coordinating across functions and supporting critical users who

are working at different times. Not only did they ensure we found ways to stay together, they also ensured these ways were completely secure, and continue to allow us to thrive in the financial ecosystem without a hitch.

Digitally, the connection between our clients and us has only become stronger over the past year. While the need of the hour was to stay connected, early deployment of platforms such as MS Teams and Zoom allowed us to transition seamlessly. Adoption rose to 98%. In addition, we also launched our WhatsApp BOT – IWA ((IIFL Wealth WhatsApp Assist), which offers clients 24/7 access to a variety of information in just a few taps. Launched during the second wave, over 35% clients are finding value in IWA, and the number is steadily increasing.

As leaders in wealth management services, our technology and digital teams have ensured business continuity and seamless migration from Office to working from Home.





# Environmental, Social, Governance (ESG)

At IIFL Wealth & Asset Management (IIFL WAM), we are aware of our responsibility towards our people, our investors, our communities and the environment and are committed to playing a sound role in the sustainability and conservation of our planet. We strongly believe that a sound Environmental, Social, Governance (ESG) proposition can create value for all our stakeholders and meet our sustainability goals.

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As a leading wealth and alternate asset management company, our compliance, governance, HR, employee and CSR policies are exhaustive. In the coming years, we will continue adopting ESG best practices.

## **Incorporating the ESG proposition in our AMC business**

At IIFL AMC, our ESG Integration refers to the explicit and systematic analysis of a range of risks related to environmental, social and governance factors faced by companies operating within a sector. It is a holistic approach to investment analysis where material ESG factors and traditional fundamental analysis are concurrently identified and assessed to form an investment decision.

Focusing on the material ESG factors provides us a more rounded assessment of the risks and real costs faced by a company from stakeholders within the ecosystems in which they operate. The ESG Integration framework is focused on materiality and risk as its two fundamental pillars.

We aim to identify material ESG factors which may fundamentally alter the financials or the operating business model of the company over the long term. Our ESG Integration framework currently assesses companies based on the ESG risks faced and which remain unmitigated by

companies operating within a certain sector, basis the material factors identified.

Governance factors have been a key component of our fundamental analysis and under the ESG Integration framework we are focused on extending these insights through emphasis on material, but intangible risks faced by companies.

Environmental factors focus primarily on risks emanating from the use of fossil fuels, particularly coal, use of sustainable energy sources, efficiency of resource use and emissions generated by companies in their operations.

Social factors focus primarily on the risks emanating from the stakeholder management, diversity of workforce, employee well-being and skill-development, collective bargaining and exposure to socially harmful lines of business.

In our AMC, we also undertake engagement with companies on ESG. The focus of the engagement process is to better understand the position of the company on material ESG risks and help the company to understand our concerns on the same.

The underpinning of our approach to ESG is our belief that companies that are well governed, manage stakeholder relationships in a holistic manner and make transparent disclosures are best suited to deliver sustainable shareholder value.

## Environmental

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Our environmental initiatives are focused on reducing our carbon imprint and net energy consumption and ensuring that the impact can be amplified through collaboration with employees, partners, and clients.

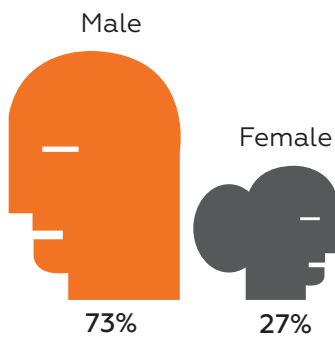
- Digital onboarding of clients is a major shift in our industry to go green and IIFL WAM has taken great strides in the same.
- Our net energy consumption has dropped from 19,29,652 units in FY20 to 13,99,995 units in FY21.
- We have established car lease policies ensuring adherence to the latest emission guidelines; replacement of legacy cars, periodic mandatory servicing, review, and upkeep mechanisms are all in place. As a policy, brand new cars are leased, and the maximum tenure of the cars has been 4 years so far. This has ensured that the vehicles abide by the latest emission guidelines.
- We have partnered with IIFL Foundation to extend support to Tribal Area Development Department (TADD) for redevelopment of 30 'Maa Baadi centers' through the introduction of digital learning tools, extensive learning resources (library and toys), and access to hygienic water and sanitation facilities. These interventions also include environment-friendly measures like installation of Solar Panels and Solar-powered water pumps.
- We focused on Carbon footprint, and Tracking and Reduction through a reduction in commute and business travel. The total amount spent on travel was reduced from ₹ 1,072.8 lakh in FY20 to ₹176 lakh in FY21. We have adopted digital meetings with our clients to reduce travel, thus saving fuel and reducing emissions. While the offices were closed for most part of the year, we continued to ensure any travel was undertaken only if unavoidable.
- We undertook several other measures to minimise our environmental impact due to business travel. These measures include carpooling, company bus service and video / audio conferencing facilities at all major offices and the use of a web-based software platform for online meetings.
- Embraced waste segregation mechanisms by appointing an agency which takes over our wet waste and turns it into manure. Further, dry waste such as printing paper and boxes, is also given to an agency for recycling, while usable scrap is sold.

# Social

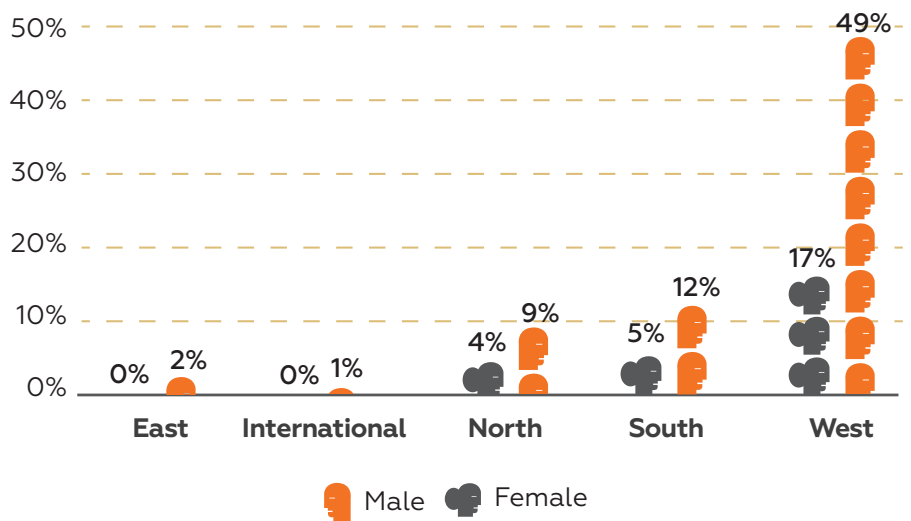
We are highly cognizant of our responsibilities towards our people and the social ecosystem. Thus, we have proactively implemented policies that focus on human capital development and engender a fair and inclusive workplace where employees feel safe and can thrive. and clients

- We have established several employee-oriented policies covering areas such as employee benefits, Whistle Blower Policy, Prevention of Sexual Harassment Policy, and Code of Conduct for employees at the workplace as per applicable laws.
- We are a merit-based organisation and focused on fostering an inclusive and diverse environment. Approximately 27% of the overall employee strength in the organisation is female.

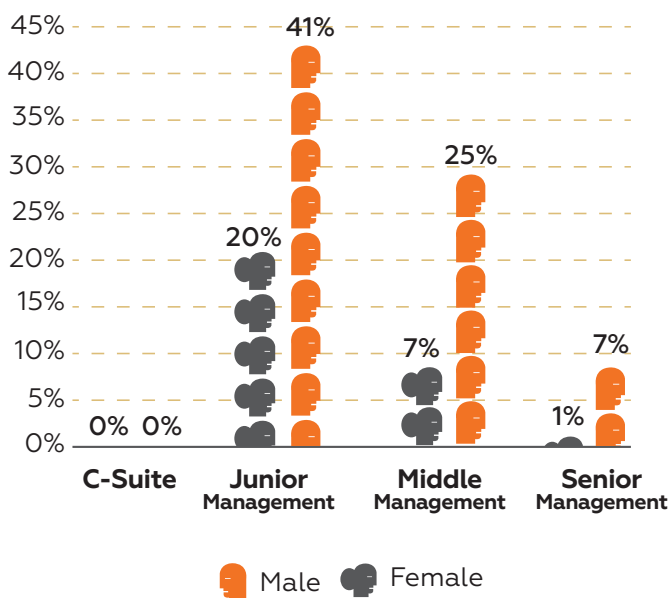
## Gender Split



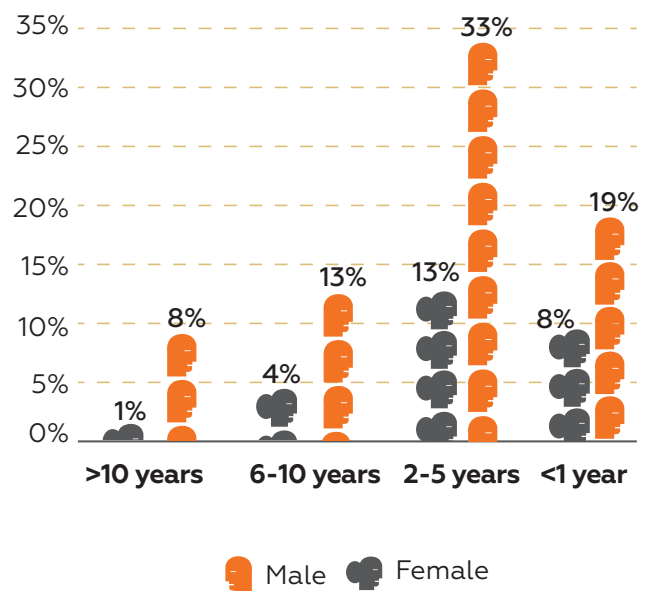
## Region-wise Gender Split



## Designation Bucket Split Across Gender



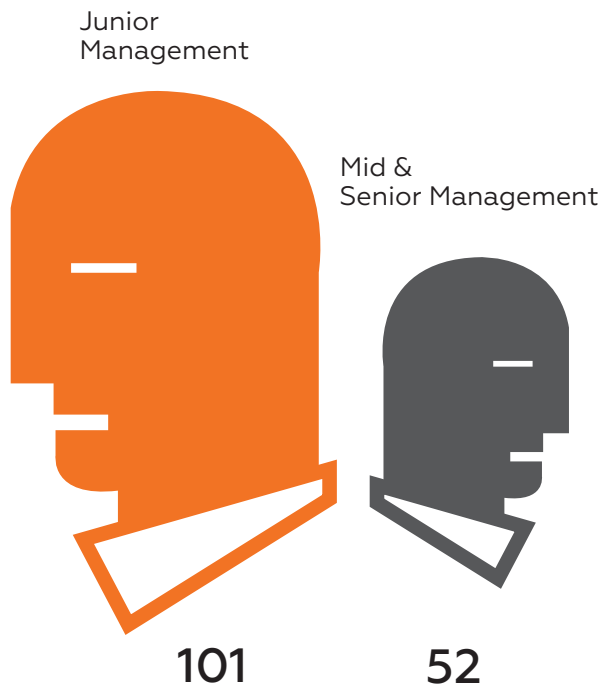
## Employee Vintage – Gender Split



In the midst of the pandemic, we ensured that there was maximum retention of jobs and created

new roles and opportunities for our people. We hired 153 people in the last financial year.

## Details on Hiring



### Hiring Outlook

We plan to hire 200 people over the course of the next two years.

#### Nurturing home-grown leaders –

- We have a strong succession plan within the franchise. Potential successors are run through developmental exercises to make them role ready. The developmental exercises include six activities like job rotation, coaching, leadership experiences, psychometric assessments among other exercises, to identify areas of development.
- At IIFLWAM, we follow a meritocratic performance appraisal process. Year on year we ensure that we meet the expectations of our performers and elevate them to the next level. Keeping that tradition alive, we elevated 282 people during the pandemic, when job security by itself was at stake for many across the industry.
- Further, we also made significant contributions to employees and their families and offered the necessary COVID-related and medical support. We also undertook vaccination drives at offices across the country. A COVID Task Force was set up to assist with priority medical treatment, quarantine, testing facilities and other emergency services for employees and outsourced staff including housekeeping and security. We partnered with a leading healthcare

service provider to setup a helpline for employees and their families for their assistance. Employees also can avail of COVID related leave over and above their current leave balance.

- We have one of the largest Employee Stock Ownership Plan in the non-banking financial services space, inculcating a culture of ownership across the firm. New ESOP policies and schemes were formulated and approved in 2021 to further substantiate this culture.
- Recognising the impact of the current environment on mental health, we launched Mindzen, our mental wellness program. It offers round-the-clock counselling and provides access to podcasts, self-help articles and webinars to help them cope with varying mental and emotional concerns apart from COVID-19 related concerns like the recovery process, pandemic related anxiety issues, grief, uncertainty and other concerns.
- IIFL WAM conducted interactions with our doctor-on-call besides online yoga and several stress-relief sessions for employees.
- Trainings conducted across designations (split across buckets – C-Suite, Senior, Middle, Junior Management)

| <b>Training Name</b>                    | <b>Description</b>   |
|---|--|
| <b>Induction</b>                        | It is an orientation program designed for new joiners to understand the organisation's history, culture, products, process and people.   |
| <b>STRM</b>                             | Strategic & Trusted RM training focuses on enhancing the ability of an RM to confidently engage with clients and prospects in a more holistic way and instil "best practices" in sales effectiveness enabling better conversion ratio, faster closure and higher AUM.  |
| <b>RACE</b>                             | Really Assured Client Experience. Through this training Service Relationship Managers get a better understanding of themselves through DISC tools and work towards being First Time Right and being empathetic   |
| <b>Beyond work side</b>                 | In this hour-long session, leaders share some personal anecdotes and reveal interesting facets about their lives.  |
| <b>Masterclass sessions</b>             | Managing Clients during pandemic, Pitching virtually, Seeking references successfully, Managing People & Prospecting were some of the masterclass sessions that were conducted.  |
| <b>Interpersonal Skills</b>             | The training focuses on Understanding Self, Dealing with Uncertainty, Understanding Emotions & Managing conflicts thus increasing the ability to influence and manage stakeholders   |
| <b>Time Management Training</b>         | Time Management Training focuses on transitioning from Time management to Self-Management, goal setting & prioritizing, mastering the art & practice of managing time in a defined way thus increasing productivity.   |
| <b>Negotiation Training</b>             | Partnered with Wilson Learning and Dr. William Ury who co-founded the Harvard Project on Negotiation. The training enables the participant to get the right fee, faster closure and possibly higher AUM.   |
| <b>Empathy</b>                          | The training focuses on the concept of empathy, how to deal with people using empathy, Difference between sympathy & empathy, why people get angry & how to manage the same thus helping in improving relationships.   |
| <b>Understanding self</b>               | The training uses the DISC tool, to better understand 'why we behave the way we behave', strengths, personality type leading to better self and others management.   |
| <b>Excel</b>                            | The training covers various advanced excel functions like V-lookup, X-lookup, multi-level custom sorting, Pivot, slicers, conditional formatting, etc.   |
| <b>MEP (Manager Excellence Program)</b> | The online learning program includes 32 hours of courses + 12 hrs of Masterclasses. Course is divided into 2 phases. Phase 1 focusing on leading self, managing teamwork, decoding other, practicing excellence and phase 2 focusing on unleashing creativity, making decisions, executing solutions & expanding network. thus, improving the ability to motivate and retain direct reports. |
| <b>Prospecting</b>                      | The training focuses on finding right suspects, Effective communication via email/WhatsApp, Elevator Pitch, Successful first messaging & meeting.  |

## Governance

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Equally important is the governance aspect, which we understand is not just about following the letter of law but also embracing the spirit of regulation. This means establishing the relevant controls to avoid violations, ensuring transparency in investment management, and keeping open channels for dialogue with the regulator.

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Corporate governance is about maximizing shareholder value legally, ethically and sustainably.

We have established a strong, independent, and diverse Board to ensure the effective deployment of robust corporate governance practices.

- Several independent board committees have been established to supervise specific areas of the business:
- The Audit Committee looks at, inter-alia, reports of statutory and internal auditors and related party transactions.
  - The Nomination and Remuneration Committee recommends the appointment of directors and key management personnel to the Board and approves their recommendation.
  - The Risk Management Committee monitors and evaluates the key risks faced by the business and recommends strategies for mitigating them. It also regularly reviews the nature and performance of products sold through the IIFL Wealth platform.
  - Further, all process exceptions, including transfer of client assets out of the firm, require approval from the Head – Risk Management.
- A Conflict Resolution Advisory Board (CRAB), consisting of senior executives, was formed under the Conflict of Interest Policy. It provides guidance on the types of transactions that could be considered as conflict of interest.
- A robust Whistle Blower Policy has been established to provide employees multiple channels (email / website / phone) managed by an external service provider (for complete independence) through which they can anonymously record complaints and grievances. Further, the policy ensures that no action will be taken against the whistleblower, thereby

empowering employees to make the right decisions. All whistleblowing complaints are tracked and investigated by a Vigilance Committee chaired by the Chief Operating Officer of the IIFL Wealth Group, with representation from Human Resources, Risk Management, Compliance and Business.

- Apart from the above, based on the requirements of each business, there are various risk governance committees/ structures that have been established:
  - Anti-Money Laundering (AML) Committees have been created to look at client onboarding where additional due diligence is required or a red flag has been raised which requires closer scrutiny. All documentation deferrals require approval from the Head - Risk Management.
  - Given the fiduciary responsibility involved and the higher level of engagement with Trust clients, a separate committee has been formed for onboarding clients in the Trust (Estate Planning) business.
  - There is also an Information Security Committee that looks at Infosec exceptions and decides on the course of action to be taken where employees have sent out confidential data.
  - IIFL Prime also has the RBI mandated Information Technology Committee, the Asset-Liability Management Committee and a separate Risk Management Committee
  - IIFLAMC has Investment and Valuation Committees for their various businesses. This framework ensures that we run a compliant and sustainable business and take risks prudently.

# Corporate Social Responsibility at IIFL WAM

## IIFLW CSR Foundation

The IIFL WAM group established the IIFLW CSR Foundation to design and execute CSR activities on behalf of the IIFL WAM group entities. Through our CSR, we implement sustainable programmes that address some of the most critical developmental challenges and deliver a multiplier effect on social impact.

We at IIFL WAM strongly believe that meaningful impact can be achieved through effective collaboration and going forward, we wish to partner with our clients and leverage their passion for philanthropy to amplify the scale of interventions that can be achieved together.

The first year of the Foundation's initiatives focused on critical and relevant thematic areas

such as Education and Healthcare including COVID relief. Our focus going forward will be to support interventions in Healthcare, Education, Livelihoods and Financial Inclusion, which will enable us to build resilience in various communities. As experts in financial sector, we would like to leverage our core competencies and expertise beyond providing mere funds as part of our responsibility to society.

As we move forward in our social impact journey, we wish to evolve towards a more strategic and impactful model for our CSR. The longer-term aim is to allow our CSR grants to be catalytic and unlock other forms of philanthropic capital.



**“Our vision is to bring about a positive change in the lives of underprivileged individuals and communities by enabling a strategic and collaborative partnership to maximise social impact.**

**We strongly believe in enabling inclusion to bridge the gap of available opportunities and equality for both - communities that have not been given an opportunity and for those whom such opportunities are unattainable due to monetary or other reasons. Through our CSR efforts, we look at collaborative efforts with existing philanthropy to move the needle on impact.”**

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### **CSR Philosophy of IIFL WAM**

We at IIFL WAM strongly believe in enabling inclusive development. The core focus of our CSR is aimed at reducing inequality by enabling access to opportunities to underserved or marginalised communities. Through our CSR, we implement sustainable programmes that address some of the most critical developmental challenges and deliver a multiplier effect on social impact. To consolidate our efforts towards CSR, the IIFL WAM group established the IIFLW CSR Foundation (“Foundation”) to design and execute CSR activities on behalf of the IIFL WAM group entities.

The first year of the Foundation’s initiatives focused on critical and relevant thematic areas such as Education and Healthcare including COVID relief. We believe that meaningful impact can be achieved through effective collaboration and going forward, we wish to partner with our clients and leverage their passion for philanthropy to amplify the scale of interventions that can be achieved together.

### **Impact Circles**

Our Flagship Programme is “IIFL WAM Impact Circles” - a platform to bring together like-minded philanthropists in specific regions to guide and support programmes in varied focus

areas. Impact Circles are strategic co-funding opportunities having one focus area and interventions tailored to the needs of the target geography. Each Impact Circle will focus on one thematic area such as Education, Healthcare, Environment among others and there may be multiple programmes under each Impact Circle across different sub-thematic areas.

IIFLW CSR Foundation is responsible for the overall design, implementation and governance of the Impact Circles, and conducts extensive due diligence to vet interventions. The core base funding for the programme is also provided by the Foundation. The themes for our Impact Circles will primarily focus on

- (i) access to quality education
- (ii) employability and livelihoods through skill development
- (iii) financial inclusion

We envision a strategic role for our clients and wish to leverage their expertise and passion for philanthropy. Going forward, we would like to collaborate with our clients from both a co-funding perspective as well as with advisory and mentoring support for our Impact Circle programmes.



## Education Impact Circles

We launched three Education Impact Circles this year and have partnered with three leading and vetted non-profits to implement these programmes on ground. The locations of these Impact Circles are in and around Mumbai in Maharashtra, Jind district in Haryana and Anekal and Nanjangud talukas in Karnataka. The Sub-focus areas for the Impact Circles launched are:

(i) Enhance access to quality STEM education

(ii) Promote improvement in learning outcomes

Our programmes have been carefully selected and designed given the challenges in the education sector in India and to ensure learning continuity keeping in mind the current disruptions in schooling due to COVID.

The scope of our Education Impact Circles include:

### **Mumbai and nearby districts, Maharashtra:**

Promote an innovation mindset in school children by developing a strong knowledge base while enhancing their interest in STEM subjects, encouraging them to pursue higher education in STEM and build skills relevant to the 21st century job work environment. As integral part of teaching, we are upgrading the teaching-learning processes to promote critical thinking,

problem-solving, innovation, creativity, collaboration skills besides creating parent awareness on STEM. This initiative covers 40 government or low-cost private schools. Our partner will help build modules for learning besides providing training for teachers and providing access to STEM equipment/ kits.

**Anekal & Nanjangud, Karnataka:** Along with our partner, we will set up school level and community level learning centres and conduct age-appropriate academic interventions with tech-enabled tools and hands-on learning experiences. These sessions would be delivered with STEM kits, numeracy kits, mini libraries to enhance learning outcomes. This initiative, which will cover 10 government high schools across two taluks will ensure continuity of school education and improvement in learning outcomes (including STEM subjects) of students in Grades 5 to 10.

**Jind, Haryana:** The project being implemented here focuses on improving early language learning of students through a community-based learning approach. It will enhance community and parental engagement in early grade literacy efforts for children in 124 government primary schools in Jind district, Haryana in Grades 1,2 & 3.

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## Collaboration And Collective Impact - Promoting Financial Inclusion And Building Resilience In Communities

Even before the COVID-19 crisis hit, India experienced slower economic growth and rising unemployment – problems that were dramatically accelerated by the pandemic and the ensuing lockdown. This severely affected the health and livelihoods of millions of Indians who are still grappling with the devastating aftermath. Over 10 million people lost their jobs in the second wave and income of 97% households declined.

Inequality has significantly increased because incomes and savings were almost completely depleted at the bottom of the distribution. From a livelihoods perspective, individuals belonging to the unorganised and informal sectors faced cuts in working hours, layoffs and reductions in incomes; bringing several families into poverty.

Vulnerable groups and communities were exposed to the economic fallout of the pandemic – lacking credit, savings or access to measures for support. The multifaceted gaps and challenges of the public healthcare system were also brought to light during this time with Indians struggling to find access to quality and affordable healthcare.

From an education standpoint too, millions of children have been severely impacted, especially children from underserved communities. In India, closure of 1.5 million schools due to the pandemic and lockdowns in 2020 has impacted 247 million children enrolled in elementary and secondary schools. In addition, there are over six million girls and boys who were already out of school even before the COVID-19 crisis began. Continuity in learning is among the topmost challenges today,

with a significant number of children dropping out of schools due to challenges exacerbated by the pandemic.

Failure to take action now will compound the long-term effects of increased poverty traps.

Our focus going forward will be to catalyse interventions in Livelihoods, Healthcare, Education,

and Financial Inclusion, which will rebuild resilience in marginalised and underserved communities that have been severely affected by the pandemic.

Sources for the commentary:

<https://bit.ly/3iOY6C7>

<https://uni.cf/3jY1sSz>

<https://bit.ly/3g4xKKq>

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## Catalytic CSR - Re-building Livelihoods Of Micro Entrepreneurs And Individuals.

**Catalyse holistic solutions:** A primary objective will be to build skills and capabilities of vulnerable communities, overlaid with financial literacy & inclusion. We wish to deliver a paradigm shift in the way micro entrepreneurs and informal workforce participate and progress by creating the necessary bridges between informal & unorganized sector and formal sources of credit, and thus nudge vulnerable communities towards formal lending/banking channels.

- Enable access to affordable capital for the marginalised and underserved
- Ensure formality in income for daily wage earners
- Build credit history and positive perception on their creditworthiness, and in the process unlocking long-term financial access
- Improving their financial acumen. Encouraging a culture of savings
- Reducing debt traps of informal lending

The need for innovation is more critical now than ever before. We need to maximise impact with fewer resources. We need to think outside the box. We need to stretch our philanthropic contributions further.

Given our expertise in financial services we rose to the challenge and leveraged our core competencies beyond providing mere funds as part of our responsibility to society.

We have developed a more strategic, impactful and outcome focused CSR model where we envision our role in mobilising both philanthropic and other capital to create more collaborative, sustainable solutions that uplift lives of underserved and underrepresented individuals and communities.

Our focus will be on outcomes and to drive efficiency and effectiveness in grants to maximize impact of funding.

The longer-term aim is to allow our CSR grants to be catalytic and unlock other forms of capital. This delivers a multiplier effect in funding and impact, and builds sustainable and scalable interventions.

We will innovate to optimize giving and invite our clients to collaborate with us and deliver collective impact.

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## Following Are Few Of The Other Programmes We Conducted Under CSR:

### Enhance quality of education for underprivileged



We have undertaken several measures to provide educational resources as well as enhance the quality of education for underprivileged students in association with NGOs. This includes the development of a strong knowledge base among students while enhancing their interest in STEM (Science, Technology, Engineering, and

Mathematics) subjects, encouraging them to pursue higher education in STEM and build skills relevant to the 21st century work environment.

Due to the COVID 19-enforced lockdown in India, millions of children have faced challenges in learning continuity due to lack of digital learning devices, especially in economically backward communities. We aim to bridge this digital divide

by providing digital devices embedded with free, interactive and engaging content to help students continue learning and thereby also increase their learning levels.

We've made information and resources accessible to parents of children in government schools, which is essential to support children at home; this in turn enables an increase in parental engagement in their children's education. With an aim to improve early language learning, we promote parent and community engagement in the early grade literacy efforts for children.

In the absence of a standardized and relevant curriculum for children with intellectual and developmental disabilities, we envisage to build, disseminate and provide training for the implementation of a multisensory curriculum to schools to aid the children. We have offered support to run the Lab on a Bike and iMobile programs, whereby the former is a resource for government school teachers to execute hands-on science activities and the iMobile program addresses the need for a blended learning of science and digital.

### Covid relief



We've contributed towards Give India's India COVID Response Fund (ICRF) and supported relief initiatives that impacted over 56 lakh lives across 115+ towns and cities with cash relief support, humanitarian aid and healthcare interventions. During the COVID crisis, we have expanded into more community-based interventions, to provide relief and support to underserved communities, migrant children and their families.

### Quality healthcare services to the rural and urban poor



Access to primary healthcare services continues to be a top challenge in India and the situation has worsened due to the pandemic. We support primary healthcare clinics that provide subsidised healthcare services such as general practitioner consultation and treatment through medicines, pathology lab tests and dental consultation and treatment.

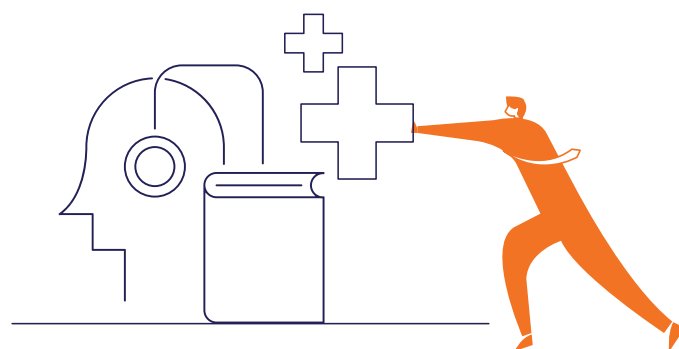
We have also helped to develop a high impact, holistic, sustainable and collaborative ecosystem that offers free/ affordable, quality dialysis services to renal patients in parts of India where there is limited dialysis infrastructure. In order to reduce avoidable blindness among the underprivileged who have minimum or no access to eye care, we helped them undergo eye operations free of cost. We have also contributed towards medical equipment to treat patients from low-income communities, without any cost.

### Other Initiatives



We aim to extend support to Tribal Area Development Department (TADD) for redevelopment of 30 Maa Baadi centers through introduction of digital learning tools, extensive learning resources, and access to hygienic water and sanitation facilities.

To create and facilitate a better world for underserved communities, our focus is on women empowerment by building capacities of women in tribal and rural geographies and enabling access to financial inclusion for these women.



## Client Events & Experiences Our Intellectual Properties

Our client events and experiences underwent a transformation to adopt to the new world order. We curated online events with an unforgettable

user experience and were overwhelmed by the participation from our clients and their families.

### Young Leaders Program



**IIFL WEALTH** **YOUNG LEADERS PROGRAM 2021**

**ONLINE INTERNSHIP @ IIFL Wealth**  
15<sup>th</sup> JUNE - 2<sup>nd</sup> JULY 2021

**ONLINE INTERNSHIP PROGRAM FOR YOUR CHILDREN - LIMITED SEATS!**  
The Young Leaders Program (YLP) organized by IIFL Wealth Management is a three week online training cum-internship program offered to children of select clients.

**Key Take-Aways:**

1. Exposure to the world of finance
2. Sessions by Industry Experts
3. Sessions by successful entrepreneurs
4. Networking opportunity
5. Certified Internship

**Who Can Apply?**  
Undergraduate to Post graduate children of clients  
*(Should have completed at least 1<sup>st</sup> year undergrad by April 2021)*

**How To Apply?**  
Apply online [yfp.iiflwealth.com](http://yfp.iiflwealth.com) by 14<sup>th</sup> May, 2021

**Venue:**  
Online and the link will be shared once application is accepted  
Session time on most days: 11am to 12:45pm  
2pm to 3:45pm

IIFL Wealth & Asset Management conducts the Young Leaders Program, which is aimed at preparing the next generation of leaders. Conducted annually, this three-week program provides participants with a unique opportunity to develop practical and professional skills while gaining an excellent insight into various businesses. Leading industrialists, corporate heads and fund managers engage with the participants and share real life experiences.

### IIFL-ONE Class Apart



**CLASS APART**

**Wealth Preservation**

Entrepreneur's Organization in partnership with IIFL Wealth presents a series on **Wealth Preservation with IIFL-ONE**. A deep dive into how we behave with money, achieve financial goals as well as the techniques used. In short, a masterclass on how to manage wealth that lasts generations. We bring together experts from different domains in this continuing series.

**MORGAN HOUSEL**  
PARTNER, THE COLLABORATIVE FUND AND FORMER COLUMNIST AT THE WALL STREET JOURNAL

In Conversation with **SHRADDH PATEL**, Sr. Managing Partner & CIO, IIFL Wealth

**SESSION 1: THE PSYCHOLOGY OF INVESTING**  
1<sup>st</sup> MAY, 2020 5:30 PM TO 7:00 PM

**ADD TO CALENDAR** **JOIN ON TEAMS**

**COMING NEXT**

**SESSION 2: GOAL BASED INVESTING**  
**SESSION 3: TOOLS AND TECHNIQUES**

**EO** Entrepreneur's Organization

**CLASS APART**  
Webinar with one of the leading global consulting firms, Bain & Company on "The Post-Covid-19 World: Implications for Business Leaders"

**24th APRIL 2020**  
12:30 TO 3:00 PM IST

**Join on TEAMS**

**JAMES ROOF**, Partner & Chairman, Bain & Company  
**ANUS DINA**, Partner & Head, Bain & Company  
**PRAGNATI SARKI**, Partner & Director, Bain & Company

IIFL Wealth presented Class Apart, a series on Wealth Preservation - a deep dive into understanding how we behave with money, set and achieve financial goals, as well as the tools and techniques required to attain desired results.

The exclusive masterclasses, featured experts from different domains including Morgan Housel, Partner at The Collaborative Fund; John Reade, Chief Market Strategist, World Gold Council and Dr. Daniel Crosby, Psychologist, Behavioural Finance Expert and Asset Manager amongst others.

## TechTalks

**IIFL WEALTH**

**TECHTALKS**  
REVISIT THE ENGAGING CONVERSATIONS.

All IIFL Wealth & Asset Management, we provide a unique opportunity to invest in the best-in-class technology focused VC Funds. The primary focus has been to provide follow on capital to top performing digital companies along with other marquee investors. We hope you had some insightful interactions with leading entrepreneurs during the recent sessions of TechTalks.

Curated to engage with an assemblage of disruptors, innovators and entrepreneurs who are harnessing the power of technology and creating an impact, TechTalks featured new age companies over the last few weeks.

**CLICK TO VIEW TECHTALKS SESSIONS**

Moderated by **UMANG PAPNEJA**  
CEO, IIFL Wealth

**1** **2** **3** **4** **5**

**SREEVATHSA PRABHAKAR**  
Founder, Servify

**KARTHIK REDDY**  
Co-Founder & Managing Partner, Blume Ventures

**FIRESIDE**

Moderated by **Umang Papneja**  
Sr Managing Partner & CIO, IIFL Wealth

**21 JANUARY | 5 PM TO 6 PM**

**TECHTALKS Session V**

**CLICK HERE TO JOIN**

An exclusively curated series for you to hear and interact with an assemblage of disruptors, innovators & entrepreneurs who are harnessing the power of technology and gradually taking over India and the rest of the world.

An exclusively curated series to engage with an assemblage of disruptors, innovators and entrepreneurs who are harnessing the power of technology and creating an impact, TechTalks featured new age companies who are gradually taking over India and the rest of the world. The exclusive sessions for clients were moderated by Umang Papneja, ED & CIO, IIFL Wealth, and featured insightful interactions with leading entrepreneurs.

## Masterclass with William E. Ford

**IIFL WEALTH & ASSET MANAGEMENT**

**Masterclass**  
**WILLIAM E. FORD**  
CHIEF EXECUTIVE OFFICER, GENERAL ATLANTIC

**9<sup>th</sup> JUNE TUESDAY 5PM IST**

In conversation with

**Sandeep Naik** **Karan Bhagat**

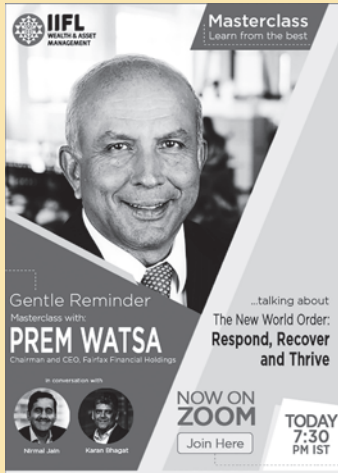
**Game changers: Invest in the future**

**BY INVITATION**

The Masterclass with William E. Ford, CEO, General Atlantic, had him discuss - Game Changers: Invest in the Future. Mr. Ford was in conversation with Sandeep Naik of General Atlantic & Karan Bhagat of IIFL Wealth. Mr. Ford has more than 25 years of experience in investing and Karan Bhagat of IIFL Wealth. Mr. Ford has more than 25 years of experience in investing and helping build leading growth companies. He joined General Atlantic in 1991 and became CEO in 2007.

## Webinars

### Masterclass with Prem Watsa



We organized a masterclass with Prem Watsa, Chairman and CEO, Fairfax Financial Holdings who talked at length about the new world order, and how businesses can recover, respond and thrive in a pandemic-induced environment. He was in conversation with Karan Bhagat and Nirmal Jain, Chairman & Founder, IIFL Finance.

### Ascent eConclave 2020



We partnered with Ascent eConclave to bring together inspiring stories and learnings from thought leaders, domain experts, and change makers who have shown true grit by embracing every challenge with courage, passion and perseverance. The theme at the eConclave was Rebuilding with Grit.

### Masterclass with Gary Mehigan



It is said, cooking with kids and family is not just about ingredients, recipes, and cooking. It's more about bonding, harnessing imagination and creativity. We at IIFL Wealth, curated a unique culinary experience, which not only involved our clients, but their kids and families too. Master Chef Gary Mehigan, who headed the kitchen in some of Melbourne's most prominent restaurants and became part of our daily viewing, when it comes to food with 12 series of MasterChef Australia, directed the interactive, virtual class to cook up some delectable dishes.

## Alliances and Partnerships

### Off The Cuff



Off The Cuff or OTC, is a series of candid talk shows organized in collaboration with ThePrint and was launched in January 2016. The event is now hosted as a virtual event anchored by eminent journalist Shekhar Gupta in conversation with a distinguished guest. After the initial dialogue between the guest and the

moderator, OTC is open to the online audience for questions. The idea is to break through the clutter and noise of existing debates on television and other platforms, and bring out an engaging, constructive discussion; while also keeping audiences involved throughout.

### IIFL Wealth Hurun India Rich List



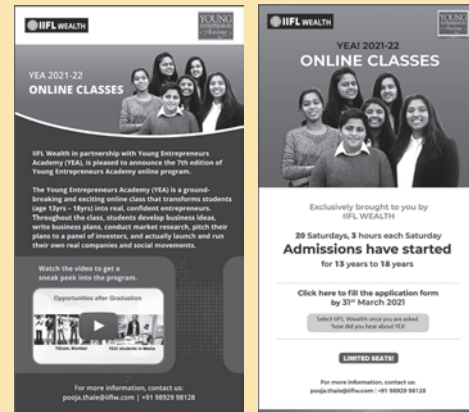
IIFL Wealth in collaboration with Hurun Report India released the IIFL Wealth Hurun India Rich List 2020 in September. The list is the most comprehensive ranking of Indian individuals by way of net worth. The purpose of this list is to try and tell the story of modern India through the stories of India's most successful entrepreneurs. With a stable mandate for the government and ambitious GDP goals, the story has just begun. The list comprises 828 individuals ranked by their net worth, empirically qualifying as the most comprehensive rich list aimed at tracking private wealth in India.

## Invest India 2020



The 'Invest India 2020' conference was organised with a focus on further strengthening business ties between India and Canada and showcase the country as an investment destination to the Canadian business community. Our Honourable Prime Minister, Narendra Modi delivered the keynote address, inviting Canadian businesses to invest in education, manufacturing and agri sectors. Our MD & CEO, Karan Bhagat was part of a panel discussion on 'Canadian Fund Perspective in India'.

## Young Entrepreneurs Academy



IIFL Wealth in partnership with Young Entrepreneurs Academy (YEA) held the 7th edition of Young Entrepreneurs Academy online program. YEA is a groundbreaking and exciting online class that transforms students into real, confident entrepreneurs. Throughout the class, students develop business ideas, write business plans, conduct market research, pitch their plan to a panel of investors, and actually launch and run their own real companies and social movements.





# In the News

## IIFL Wealth in the media



### India's top wealth manager on building a portfolio

CNBCTV18, Jul 13, 2020

**Karan Bhagat**, Founder, MD & CEO, in an exclusive interaction with CNBCTV18 on building a portfolio for HNIs and UHNIs during uncertain times.

### India Leadership Council Coffee Table Book

The Economic Times, Feb 16, 2021

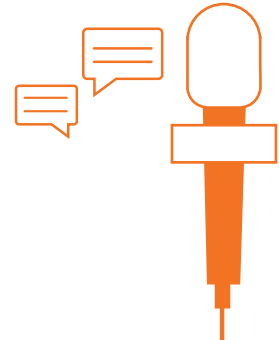
**Karan Bhagat** shares his thoughts on leadership as well as building and nurturing an excellent team in a coffee table book 'The Leadership Code'.



### Guide to getting rich vs staying rich

ET Now, Oct 8, 2020

**Yatin Shah**, Co-Founder & Joint CEO, IIFL Wealth analyses the 'wealth effect' in India, in an exclusive conversation.



Karan Bhagat, ET India Leadership Council



Yatin Shah, ET NOW



Karan Bhagat, CNBC TV18





**New-age wealth management:  
Personalised, tech-enabled and agile**  
**Forbes India, Dec 17, 2020**

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**Anirudha Taparia**, Joint CEO, IIFL Wealth writes about how new customer expectations and technology are changing the wealth management industry.

**Should homebuyers wait for prices to  
still fall further?**  
**Mint, July 20, 2021**

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There is opportunistic activity as buyers with adequate liquidity are considering investments, says **Anirudha Taparia**.



**Most mid, small-caps still trading  
below fair value**  
**Business Standard, Jan 1, 2021**

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Late-stage private equity and pre-IPO investment gaining traction among wealthy investors, shares **Umang Papneja**, ED & CIO, IIFL Wealth in an exclusive interview.



**These 9 tenets of investing have and  
will work in volatile markets**  
**Moneycontrol, Jan 31, 2021**

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**Vinay Ahuja**, Executive Director, IIFL Wealth writes that the idea is not to just beat the markets rather to preserve and protect your wealth and grow with the market.



**Assessing risk perceptions in the  
new normal**  
**Deccan Herald, Jan 17, 2021**

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Prepare to be proactive participants rather than reactive spectators, pens Executive Director, **Shaji Kumar Devakar**.



**Cautious investments and how important  
it is for an investment company**  
**ET Now, Jun 15, 2020**

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**Anu Jain**, Head - Equity Brokerage, IIFL Wealth speaks about market rallies and investment levels in the Indian market to ET Now.

Yatin Shah, ET NOW

# HOW ARE THE SUPER RICH INVESTING? ANALYSING 'WEALTH EFFECT' IN INDIA

RISE OF NEW WEALTH IN TIER-II, TIER-III CITIES

Yatin Shah, ED, IIFL Wealth & Asset Management



## 'Most mid, small-caps still trading below fair value'

Risk-on sentiment has returned, with late-stage PE and pre-IPO investment gaining traction among wealthy investors, says **UMANG PAPNEJA**, senior managing partner and chief investment officer, IIFL Wealth. In an interview with Ashley Coutinho, Papneja says credit funds offer a good investment opportunity over a three-year period but one needs to dig deeper into the constituents of the portfolio before investing. Edited excerpts:

**Indian equities are now trading at all-time highs. Has the market run ahead of fundamentals?**

The equity markets rallied sharply after the unprecedented stimulus of the central bank earlier this year. The November rally was triggered by vaccine announcements while sectors related to economic recovery have played catch-up. There seems to be a valid concern around a new fast-spreading strain of the virus, but lower interest rates and central bank action will provide strong support to the markets. We are equal weight on mid- and small-caps. Although there are a few pockets showing signs of overvaluation, a vast number are still below fair value. Some catch-up is expected and we are unlikely to go underweight here in the near future.

**Which sectors are you betting on after the pandemic?**

Tech, pharma and many growth stocks performed well in the initial up move as investors latched on to growth candidates. After the vaccine announcement, investors have started switching to value stocks and economy-related counters such as corporate lenders, real estate, and public sector undertakings. This trend is expected to continue for some more time.

**Has the risk-on sentiment returned among high net worth or wealthy investors?**

Risk-on sentiment has returned and the first product category that comes to my mind is late-stage private equity and pre-IPO investment. Over the past few months, high net worth individuals have bought into established high RoE (return on equity) businesses like stock exchanges, credit bureaus, and even gaming. Real estate investment trusts have emerged as an important class as their relatively low co-relation to mainstream asset classes has made them an excellent diversification tool.



**UMANG PAPNEJA**  
Senior Managing Partner, IIFL Wealth

Umang Papeja, Business Standard



**Are there any takers for credit risk funds, stressed asset funds, AT1 bonds, and private equity at this juncture?**

A couple of years ago, yields of AT1 bonds of public sector banks were in double digits. This mispricing offered a huge margin of safety. Today most AT1 bonds have rallied to around 7 per cent and investors have witnessed huge gains. The risk-reward here is no longer attractive as in the past. Credit funds, over a three-year investment period, offer a significant spread over conventional AAA corporate bond funds. This offers a decent cushion for any accidents or possible defaults in the future. Yet, one needs to dig deeper into the constituents of the portfolio before investing. Similar is our view on stressed asset funds.

Private equity has seen considerable interest particularly in late-stage and pre-IPO investment.

**What is the broader impact of Sebi's September circular regarding client-level segregation of advisory and distribution activities on the wealth management industry?**

It is a landmark regulation and will improve transparency while bringing down overall costs. It will enable the emergence of new types of players in the financial space like ETFs and passive product manufacturers, fintech advisory platforms, and possibly much more disruption, which we have not imagined. Clients will emerge winners. We at IIFL Wealth will continue operating both as a distributor and as an advisor with clear client segregation.

Anirudha Taparia & Yatin Shah, Mint

### ‘Covid pandemic has resulted in valuations higher than in 2008’

**ANIRUDHA TAPARIA** and **YATIN SHAH** have recently assumed the role of joint chief executive officers at IIFL Wealth. In an interview with ET NOW, they discuss the rise of new wealth in tier-II and tier-III cities, the impact of the pandemic on the market, and the challenges ahead.

**Q: How do you see the market after the pandemic?**

**AT:** The market has shown a strong recovery since the start of the year. We are seeing a shift in investor sentiment towards growth stocks. However, there is still a lot of uncertainty in the market, and we expect a period of volatility in the coming months.

**Q: How do you see the impact of the pandemic on the market?**

**YS:** The pandemic has led to a significant increase in valuations across most sectors. This is largely due to the uncertainty surrounding the future of the economy. Investors are looking for growth opportunities, and this has led to a rise in stock prices.

**Q: How do you see the challenges ahead?**

**AT:** One of the main challenges is the uncertainty surrounding the future of the economy. There is a lot of speculation about when the economy will fully recover, and this is leading to a period of volatility in the market. Another challenge is the impact of the pandemic on the global supply chain, which is leading to a rise in inflation.

**Q: How do you see the rise of new wealth in tier-II and tier-III cities?**

**YS:** We are seeing a significant increase in the number of high net worth individuals in tier-II and tier-III cities. This is largely due to the rise in stock prices and the growth of the economy. We expect this trend to continue in the coming years.

### ‘The lockdown has helped us use technology better’

**ANUP MAHESHWARI**, CEO and Joint-CEO of IIFL Mutual Fund, discusses the impact of the lockdown on the mutual fund industry and the role of technology in improving investor experience.

**Q: How do you see the impact of the lockdown on the mutual fund industry?**

**AM:** The lockdown has had a significant impact on the mutual fund industry. There has been a shift in investor sentiment towards equity funds, and this has led to a rise in the assets under management. However, there is still a lot of uncertainty in the market, and we expect a period of volatility in the coming months.

**Q: How do you see the role of technology in improving investor experience?**

**AM:** Technology has played a key role in improving investor experience during the lockdown. We have invested heavily in digital onboarding for investors, and this has led to a significant increase in the number of new investors. We also use technology to provide personalized advice to our investors, and this has helped us to build a strong relationship with our clients.

**Q: How do you see the challenges ahead?**

**AM:** One of the main challenges is the uncertainty surrounding the future of the economy. There is a lot of speculation about when the economy will fully recover, and this is leading to a period of volatility in the market. Another challenge is the impact of the pandemic on the global supply chain, which is leading to a rise in inflation.

Anup Maheshwari, Mutual Fund Insight



## IIFL AMC in the media

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### The Importance Of Research For Investing

**Bloomberg Quint, Sep 29, 2020**

How important is research & process when you want to invest in stock market?  
**Anup Maheshwari**, CIO, IIFL AMC shares his views.

### Adoption of tech amid COVID-19

**Value Research Mutual Fund Insight, Oct 2020**

We rolled out digital onboarding for investors across products and enabled work from home for all employees, shares **Anup Maheshwari**.

### The do's and don'ts for first-time millennial equity investors

**Moneycontrol, Aug 31, 2020**

To try and time the market is bad. Take a three to five-year view. Otherwise, equity investing doesn't make sense **Mayur Patel**, Senior Executive Vice President, Fund Manager, IIFL AMC.

### Outlook for Indian Market, Economy & IIFL Multicap PMS

**PMS Bazaar webinar, Nov 20, 2020**

There are signs of revival in the economy, while government policy action too has been supportive, **Mitul Patel**, Senior EVP, Fund Manager, IIFL AMC.

### 2020: A big deal year for PE & VCs

**Forbes India, Jan 14, 2021**

Due to the uncertain and tepid economic environment, valuation of some of the assets dropped significantly. This presents PEs and VCs with an opportunity to invest in high potential assets, says **Amit Mehta**, Senior EVP, Fund Manager, IIFL AMC.

### IVCA Conclave 2021: IPO markets are hot but you can't always time it

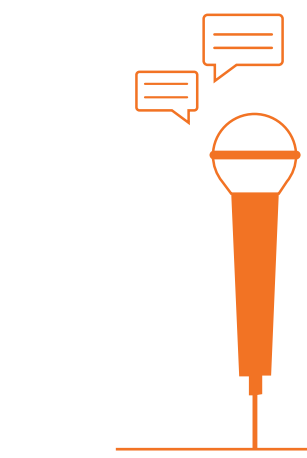
**Moneycontrol, Mar 18, 2021**

In the last quarter, India has seen more than 15 IPOs. The market is more accepting of PE-backed professionally run companies, rather than wondering about promoter shareholding, opines **Amit Mehta**.

### IIFL AMC launches Rs 1,500-crore fund to tap IPO-bound tech startups

**The Economic Times, Mar 23, 2021**

The fund will partner tech startups - leaders in monopolistic or duopolistic play - headed for IPOs or those in late stage of growth: **Chetan Naik**, EVP, Fund Manager, IIFL AMC.



# Presence on social media

## Followers



43.6k



20.6k



13.5k



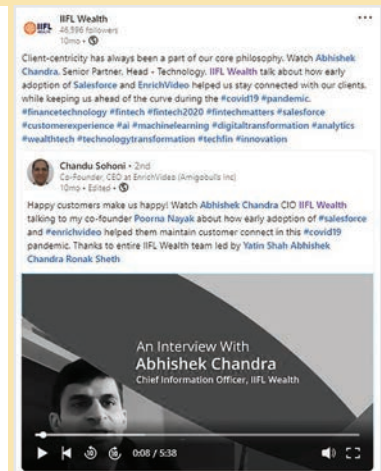
1.3k



Anirudha Taparia shares unique investment strategies in Forbes India.



Yatin Shah featured in Asian Private Banker



Abhishek Chandra speaks about early adoption of the latest tech amid Covid19.



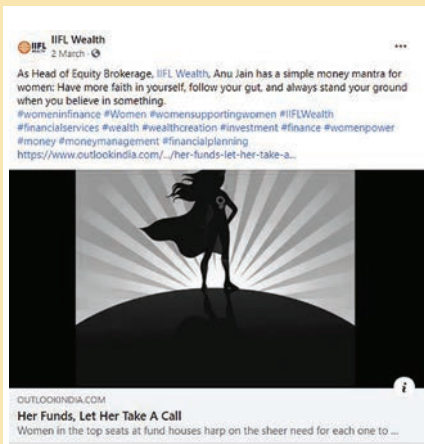
Exclusive webinar with Morgan House as part of our IIFL-ONE Class Apart series.



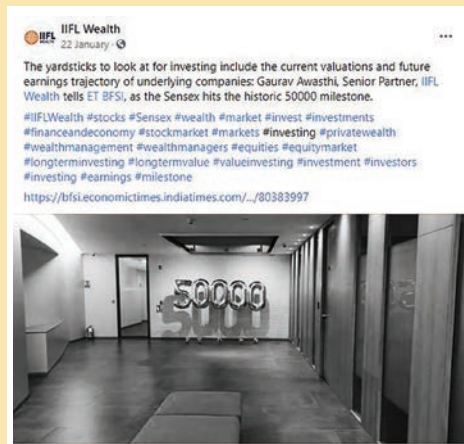
Karan Bhagat in an interaction with ET Now.



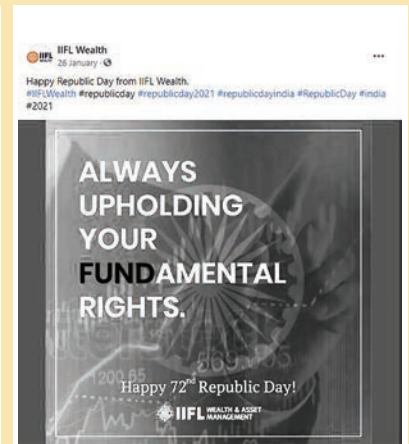
Umang Papeja discusses the opportunities in the commodity markets with CNBCTV18.



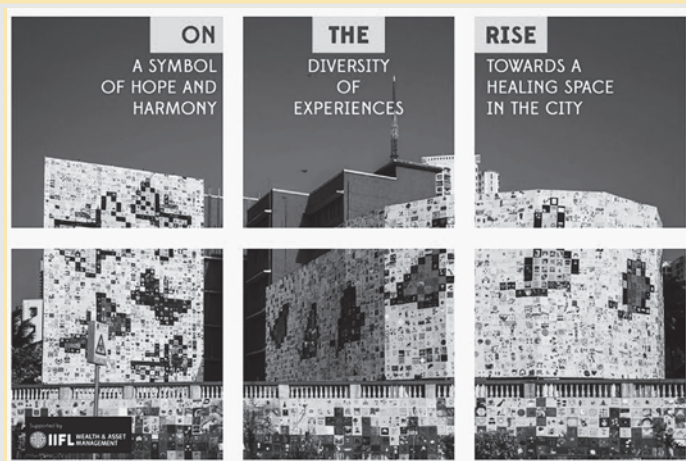
Anu Jain shares a money mantra for women in Outlook India.



The historic milestone of the Sensex seen around the IIFL Wealth office, as Gaurav Awasthi shares his views in The Economic Times.



Republic Day greetings



Displayed on the facade of the BMC school at Worli, Mumbai, this installation, "On The Rise", was born out of a collaboration with The Corona Quilt Project. The inspiring presentation symbolises hope and positivity with over 5000 individual narratives coming together from across the world. It has managed to unite people through the pandemic by stitching together their stories.



## Awards and accolades



Proud  
recipient of  
**115+** Awards  
in 13 years

## Wealth Awards

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### 2021

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#### **Euromoney Private Banking and Wealth Management Survey**

Best Technology -  
Innovative or Emerging Technology Adoption  
Best Services - Investment Management

#### **Global Private Banking Innovation Awards**

Most Innovative Wealth Management Service  
Outstanding Estate Planning Advisory  
Outstanding Thematic Investment Proposition  
By a Private Bank

### 2020

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#### **Euromoney Private Banking and Wealth Management Survey**

Best Private Banking Services Overall  
Best Mega High Net Worth Clients (US\$ 250m+)  
Best Ultra High Net Worth Clients (US\$ 30m - 250m)  
Best High Net Worth Clients (US\$ 5mn - 30mn)  
Best Super Affluent Clients (US\$ 1mn - 5mn)  
Best Family Office Services  
Best Investment Management  
Best Next Generation  
Best Serving Business Owners  
Best Research and Asset Allocation Advice  
Best Capital Markets and Advisory  
Best International Clients  
Best Philanthropic Advice  
Best ESG / Impact Investing  
Best Data Management and Security  
Best Innovative or Emerging Technology Adoption

#### **Global Private Banking Innovation Awards**

Best PB for Wealth Creation & Preservation  
Best Private Bank for Succession Planning  
Best Wealth Management for \$1.5million – 5million  
Most Innovative Wealth Management Service

#### **The Asset Triple A Private Capital Awards**

Best Private Bank - India

### 2019

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#### **Association of International Wealth Management of India (AIWMI)**

Best Wealth Management App  
Special Jury Award for Outstanding Contribution to Wealth Management

#### **Private Banker International Global Wealth Award**

Outstanding Wealth Management Technology Initiative-Front End

#### **The Asset Triple A Private Banking Wealth Management, Investment and ETF Awards**

Best Private Bank, India

#### **VCCircle Awards**

Financial Services Company of the Year

### 2018

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#### **Euromoney Private Banking and Wealth Management Survey**

Succession Planning Advice and Trusts  
Best Family Office Services, India  
Research and Asset Allocation Advice, India  
Best Succession Planning Advice and Trusts, India

#### **NSDL Star Performer Award**

Best Performer in Account Growth Rate

#### **Asian Private Banker Awards for Distinction**

Excellence in Wealth Management - India Domestic  
Best Wealth Manager - India Domestic

#### **DMAASIA ECHO AWARDS**

Financial Services Company of the Year

#### **People in Business India Pvt Ltd**

Shaji Kumar - Team Effectiveness  
Company with Great Managers

#### **The Economic Times**

BFSI Innovation Tribe Awards (Video Statements)  
BFSI Best Brands

#### **The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards**

Best Private Bank, India

#### **URS Asia One**

India's Greatest Brands  
Global Indian of the Year



### **The India Wealth Awards**

Best Wealth Management Company  
Wealth Management Thought Leader  
Outstanding Initiative (CSR)

### **Employee Engagement Leadership Awards**

Best Employee Engagement in Non-Banking Sector  
Best-in-Class Talent Management Award

### **The Asset Triple A Digital Awards**

Best Digital Wealth Management Experience, India

### **Global Finance Best Private Bank Awards**

Best Private Bank in India

## **2017**

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### **Euromoney Private Banking and Wealth Management Survey**

Best private banking services overall  
Best Net-worth-specific services (US\$ 5 mn to 30 mn)  
Best Family Office Services  
Best Research and Asset Allocation Advice  
Best Succession Planning Advice and Trusts  
Best Innovative Technology - Back Office Systems

### **The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards**

Best Private Bank, India

### **Asiamoney Best Bank Awards: India**

Best Private Bank, India

### **Global Finance Best Private Bank Awards**

Best Private Bank, India

## **2016**

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### **Euromoney Private Banking and Wealth Management Survey**

Best Private Banking Services Overall, India  
Best Research and Asset Allocation Advice, India  
Best Net-worth-specific services, India  
Best Family Office Services, India

### **Alternative Investment Awards**

Best Private Wealth Manager, India  
Best India Start-Up Fund: Seed Venture Fund

### **Asian Private Banker Awards for Distinction**

Best Wealth Manager - India Domestic  
Best Domestic Private Bank, India

### **The Asset Triple A Digital Awards**

Best Online Wealth Management Experience, India

### **The Asset Triple A Banking, Wealth Management and Investment Awards**

Best Private Bank, India

### **UTI MF & CNBC-TV18 Financial Advisor Awards**

Best Performing National Financial Advisor  
Wealth Distributor

### **The Asset Triple A Banking, Wealth Management and Investment Awards**

Best Private Bank, India

### **Capital Finance International Awards**

Best Independent Wealth Management Team, India

## **2015**

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### **Euromoney Private Banking and Wealth Management Survey**

Best Private Banking Services Overall, India  
Best Relationship Management  
Range of Investment Products  
Specialized Services - For Entrepreneurs  
Fixed Income Portfolio Management  
Real Estate Investment  
Corporate Advisory for Private Banking Clients  
Managed Futures  
Hedge Fund Investment

### **The Asset Triple A Digital Enterprise Awards**

Best Wealth Management Specialist - Asia  
Best Wealth Manager, India

### **Euromoney Innovations in Wealth Management Technology Awards**

Best Private Bank for Innovation in Technology in Asia

### **UTI & CNBC, TV18 Financial Advisor Awards**

Best Performing National Financial Wealth Distributor

## **2014**

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### **Euromoney Private Banking and Wealth Management Survey**

Best Commodities Investment in India  
Best Real Estate Investment in India  
Best Equity Portfolio Management in India

### **Wealth Forum Advisors Awards**

Distributor of the Year  
Highest Asset Growth Champion  
Net Sales Champion - Fixed Income Investments

### **Wealth Briefing Asia Awards**

Best Wealth Management Company, India  
Highly Commended Private Bank, India

### **The Asset Triple A Digital Enterprise Awards**

The Best Wealth Management House, India

### **UTI MF & CNBC-TV18 Financial Advisor Awards**

Fastest Growing Wealth Management Company  
in India

## **2013**

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### **Euromoney Private Banking and Wealth Management Survey**

Best Fixed Income Portfolio Management, India  
Best Commodities Investment in India

### **The Asset Triple A Digital Enterprise Awards**

Best Fixed Income Portfolio Management, India

### **Private Banker International**

Outstanding Private Bank - South Asia

## **AMC Awards**

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## **2018**

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### **The India Wealth Awards**

Best Product Category:  
Alternative Investment Fund - IIFL AMC

### **International Finance Awards**

Fastest Growing Asset Management  
Company - India

## **2017**

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### **The Asset Triple A Asset Servicing, Fund Management and Investors Awards 2017**

Asset Management Company of the Year -  
Rising Star - India



## Directors' Report

To the Members of

### IIFL WEALTH MANAGEMENT LIMITED

Your Directors have pleasure in presenting the **Fourteenth Annual Report** of IIFL Wealth Management Limited ("the Company") together with the Audited Financial Statements for the year ended March 31, 2021.

#### 1 FINANCIAL RESULTS - THE HIGHLIGHTS OF THE FINANCIAL RESULTS FOR THE YEAR UNDER REVIEW ARE AS UNDER:

##### Consolidated Financial Results

| Particulars  | (INR. in Millions) |                 |
|--|--------------------|-----------------|
|  | 2020-21            | 2019-20         |
| Gross Total Income   | 16,590.20          | 15,274.76       |
| Less: Expenditure  | 11,740.96          | 12,410.55       |
| Profit / (Loss) Before Taxation  | 4,849.24           | 2,864.21        |
| Less: Taxation – Current   | 1,239.61           | 693.56          |
| – Deferred   | (82.29)            | 159.01          |
| <b>Net Profit / (Loss) After Tax</b>   | <b>3,691.92</b>    | <b>2,011.64</b> |
| Other Comprehensive Income   | 1.18               | 52.82           |
| <b>Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)</b> | <b>3,693.10</b>    | <b>2,064.46</b> |

##### Standalone Financial Results

| Particulars  | (INR. in Millions) |                 |
|--|--------------------|-----------------|
|  | 2020-21            | 2019-20*        |
| Gross Total Income   | 7,667.61           | 5,684.07        |
| Less: Expenditure  | 1,011.43           | 3,741.22        |
| Profit / (Loss) Before Taxation  | 6,656.18           | 1,942.85        |
| Less: Taxation - Current   | 211.46             | 51.04           |
| - Deferred   | 41.02              | (42.95)         |
| <b>Net Profit / (Loss) After Tax</b>   | <b>6,403.70</b>    | <b>1,934.76</b> |
| Other Comprehensive Income   | 0.48               | (5.68)          |
| <b>Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)</b> | <b>6,404.18</b>    | <b>1,929.08</b> |

\*The Results includes results from discontinued operations. For details Refer Note 32 of the Standalone Financial Statements.

## 2 REVIEW OF BUSINESS AND OPERATIONS

Total Assets under management including custody assets are ₹ 2,46,083 Crs as on March '21.

The wealth management business has client assets of ₹ 208,711 Crs, including custody assets, while the Asset Management business has ₹ 37,372 Crs of assets under management as on March '21 of which ₹ 23,700 Crs are AIF Assets, ₹ 11,196 Crs are PMS Assets and ₹ 2,476 Crs are Mutual Fund assets.

Continuing focus on increasing Recurring Revenues has resulted in an increase in ARR generating assets by 62.9% to ₹ 1,01,969 Crs and an increase in Recurring revenues by 9.1% YoY to ₹ 583 Crs. The mix between ARR Assets and TBR Assets is now almost equal (50:50).

IIFL-One has been well received by clients with Assets Under Management increasing by 57.7% YoY to ₹ 27,940 Crs and Revenues increasing 58.6% YoY to ₹ 55 Crs.

Total Net flows during the year were ₹ 24,096 Crs, despite lockdowns constraining new account opening for almost 6 months of the year. Net Flows in Wealth Management were ₹ 15,138 Crs (including ₹ 9,919 Crs on account of acquisition of L&T Capital Markets) and ₹ 8,957 Crs in Asset Management.

Total Consolidated Revenue for the year was up 23.4% YoY at ₹ 1,053 Crs, as compared to ₹ 851 Crs for FY 20, while Revenue from Operations remained largely flat, down 0.5% YoY at ₹ 915 Crs.

Total Retention on Assets basis Revenue from Operations stood at 0.50 bps. Retention on Wealth Management Assets was 0.46 bps and Retention on Asset Management Assets was 0.70 bps.

Overall Costs for the year remained flattish, up 0.6% to ₹ 568 Crs.

Employee Costs were up 8.5% overall YoY at ₹ 417 Crs, of which Fixed Employee costs reduced by 12.8% YoY to ₹ 261 Crs and Variable cost, including ESOP cost increased 83.5% YoY to ₹ 156 Crs.

On account of remote operations, Admin and Other expenses reduced 16.3% YoY to ₹ 150 Crs.

Operating PBT (OPBT) was down 2.2% YoY to ₹ 348 Crs.

Profit before tax (PBT) for the year was up 69.3% YoY to ₹ 485 Crs.

Profit After Tax (PAT) for FY21 was up 78.9% at ₹ 369 Crs from ₹ 206 Crs in FY20.

Consolidated Net worth stood at ₹ 2,828 Crs as against ₹ 2,992 Crs in FY20. This was largely on account of a Dividend payout of ₹ 70 during the year (₹ 40 special dividend).

During the year, the Company has obtained the Merchant Banking License from SEBI and the Company intends to pursue Merchant Banking business on going forward basis.

Return on Equity (ROE) for the year was at 12.5% and RoE Ex-Goodwill & Intangibles was 15%, up 94% YoY.

## 3 MACROECONOMIC OVERVIEW

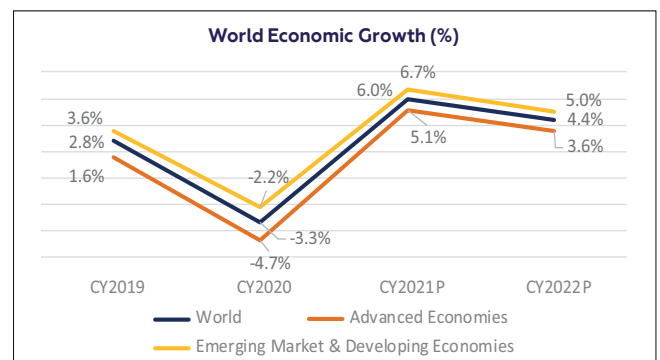
### Year in review

2020 has been by far one of the most challenging years for the global economy, with the onset and continued evolution of the COVID 19 pandemic resulting in a -3.3% degrowth in global real GDP as per IMF the first such decline in over 10 years.

However, aided by massive fiscal packages, ultra-supportive monetary policies, and the creation and deployment of vaccines by major economies, we have witnessed a V-shaped recovery in global equities with global markets amazingly closing the year in the green, a situation that 12 months ago seemed almost impossible. Many global equity indices not only regained their previous highs, some have gone on to scale new peaks as well.

A fresh surge in Covid 19 related infections, rising US treasury yields, and increased mobility curbs to rein in infections by a few major economies has since reigned in investor and market exuberance, however with the continued roll out of vaccines the global economic turnaround appears to be a factor of "when", rather than "if".

Recently, under the new leadership of Joe Biden the United States approved a \$1.9TN fiscal stimulus bill, this being in addition to the fiscal stimulus package announced in 2020 of \$3 TN. These financial stimulus packages are expected to aid the US economy and in turn, also assist the global economies, including Asian economies in supporting global recoveries and consequent economic growth.

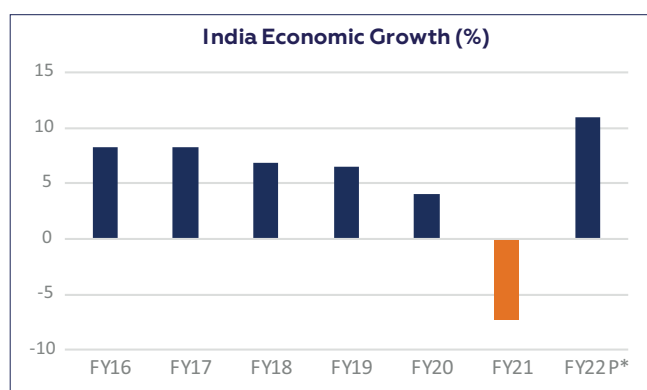


Source: IMF World Economic Outlook Report, April 2021

P: Projected

The Indian Economy also faced severe disruptions on account of the pandemic, with fiscal strains, along with sector wide lower demand and operational stresses. The country saw its worst ever GDP contraction of 23.9% YoY in the first quarter of FY 2021, primarily on account of the stringent lockdowns imposed on account of the widespread pandemic. These restrictions were slowly eased second quarter onwards and the economy commenced its journey towards recovery.

According to estimates of the provisional Annual National Income in 20-21 by the National Statistical Office (NSO), Indian GDP was estimated to contract by 7.3% in FY21, compared to the growth it had seen in the preceding year of 4%. However, the Economic survey 2020-21, also a primary source for the NSO, estimated a sharp V-shaped recovery of the Indian economy, with the real GDP estimated to record a 11% growth in FY 2021-22 – the highest ever since independence.



Source: National Statistics Office, FY21 Provisional Estimates dated May 31, 2021

\* Economic Survey - 2020-21

P: Projected

The sharp recovery in Indian equity markets in FY 21 was supported by all-time high foreign inflows. Factors like favorable monetary policy stance from RBI, declining COVID cases over the second half of the financial year, vaccine inoculations and procurement, attractive valuations and the prospect of a sharp increase in earnings growth over the next few years and upbeat cues from global markets upheld investor sentiments. The World Bank (WB) elevated its forecast of India's GDP growth for FY22 to 10.1%, noticeably higher than the 5.4% it had projected in January.

While the new wave of COVID-19 and the resultant lockdown in certain parts of countries will act as an overhang on the headline numbers, most state governments pushing for higher vaccination inoculations are expected to normalize the curve of patients with serious complications thereby reducing the burden on existing medical infrastructure. We believe the volatility could increase in the near term

owing to inflationary pressures at global and domestic levels, however, pick up in earnings growth may auger well for Indian equities, albeit the pace could be slower than anticipated. The market polarization is likely to reverse as the recovery becomes more broad-based and hence provide ample room for wealth creation.

There are obvious risks to this recovery in the near term that need to be monitored:

- (1) Return to normalcy could take longer than anticipated given the unprecedented rise in the COVID-19 cases across the country
- (2) Lockdown / strict restrictions in certain states may remain for longer than anticipated.

Going forward, implementation of various measures announced during the Union budget and the efficiency and pace of vaccination along with global cues and capital flows would be amongst the key events to monitor.

## FUTURE BUSINESS OUTLOOK

Our conscious focus on driving cost and productivity enhancements at a firm level have now begun to reap benefits. These measures have been taken using a combination of cost reduction initiatives, deployment of technology to improve productivity as well as taking judicious calls on outsourcing of select activities to derive scale benefits. The benefits are beginning to reflect in our Cost to Income ratios, which have been steadily declining. We expect going forward that these efforts will generate positive operating leverage, thereby enhancing firmwide productivity metrics. Investments will continue in strengthening key organizational areas of Digital, Compliance and Risk.

We intend to further grow and consolidate our overall market position and to enhance our platform and proposition via differentiated product offerings, as well as continuously evaluating inorganic opportunities to expand growth trajectory.

We will continue to find the right intersections between wealth creation and wealth preservation, between our expertise and client's level of involvement, between old age values and new-age technology, between client's needs for today and our client's family's needs for tomorrow. We continue to invest in building a high-quality team and imbibe a culture which encourages innovation and strong orientation towards knowledge-based service.

India has seen a strong economic bounce and investment sentiment remains buoyant on the back of

excess liquidity and savings. There are strong tail winds across the Wealth Management and Asset Management businesses as evidenced by sustained growth in HNI/UHNI clients driven by large number of monetization events and continued growth in next tier locations along with strong traction on institutional mandates in the Asset Management business and strong momentum across our Unlisted Differentiated strategies.

## EQUITY MARKETS

Growing optimism around the global economic recovery, persistent drop in new cases and the progress of vaccination drives supported the global equity markets in the latter half of FY 21. Vaccination roll-outs across the globe, continued economic recovery, strengthened expectations of a fiscal stimulus in the US and dollar weakness kept investor sentiments strong for EM equities. This was further aided by strong portfolio inflows amid supportive surplus liquidity across the globe. The Hang Seng Index (Hong Kong) and Nikkei 225 Index (Japan) shot up by 20.2% and 54.3%, last year. Japan's Nikkei 225 crossed the 30,000 mark for the first time in more than three decades. This surge can mainly be attributed to Japan's economy growing by 12.7% in October-December quarter FY 2020-21 on a YoY basis. European equities suffered from a relatively slow roll-out of COVID-19 vaccines, political uncertainty in Italy and slower economic recovery amid lockdown restrictions. Brexit uncertainty along with second wave of virus infections have battered the UK, with the FTSE 100 Index being the slowest performing regional equity market.

Meanwhile, Indian equity markets outperformed the broader EM indices, with the Nifty 50 increasing by 70.9% and Nifty 500 by 76.0% in 12 months ending March 2021. Persistent traction in foreign flows and brighter domestic economic outlook as reflected through steady improvement in several high frequency indicators and better than expected Q4 FY 2020-21 corporate earnings also kept investor sentiments buoyant. This was further supported by stimulus measures announced by the Government and liquidity measures adopted by RBI.

Despite COVID-induced turbulence, Indian equity markets showed their best performance in a decade in FY 2020-21. Surge in trading by retail investors and Foreign Institutional Investors (FIIs) fuelled a rally in equity markets post the sharp correction of March 2020. FII's net investment recorded an all-time high in FY 2020-21 at USD 37.1 billion which is approximately 14 times higher than that of USD 2.6 billion in FY 2019-20, owing to continuous rally in equity prices. Unlike FIIs, Domestic Institutional Investors (DIIs) remained strong

sellers of Indian equities with net outflows of USD 19.0 billion in FY 2020-21. Net investment by DIIs remained negative due to redemption pressures and profit-booking as equity valuations touched lifetime highs.

An exponential rise in COVID infections in the second half of March 2021 compelled re-imposition of restrictive measures and raised concerns on the ongoing economic recovery, however markets seem unperturbed by the rising number of infections in the ongoing second wave of COVID-19. The likely reason is that markets see the same as a temporary bump in the course of recovery and expect activities to normalise over time. Further, the impact on the earnings of majority of the NIFTY50 sectors is likely to be temporary and limited.

## Debt Market Outlook

FY 20-21 was an action-packed year for Indian fixed income markets. 10-year G-sec yields, which spiked in early April 2020 on the back of massive FPI selling and the fear of a significant rise in fiscal deficit, reversed its course soon and started trending lower. The yield fell below 6%, driven by aggressive monetary easing, but inched up again and hovered around 6% throughout the year. The 10-year yield ended only 3 bps higher than last year despite the central government's fiscal deficit rising sharply from the budgeted 3.8% to 9.2% of GDP. This was mainly due to the RBI's intervention through open market operations (OMOs). Term spread however, jumped in March 2020 from ~1% to over 2% and remained at elevated levels as the shorter end of the yield curve was firmly anchored due to ample liquidity. Domestic liquidity remained in ample surplus supported by liquidity infusion by the RBI and the further rise in government spending and the muted credit growth also added to the surplus.

FPI flows into Indian debt markets in FY 20-21 were weak, albeit better than the previous year. The net FPI outflow amounted to ~\$2.2 bn in FY 20-21 (FY 19-20: \$5.4 bn).

Going forward, the outlook on yields remains uncertain as rise in international crude prices, increase in 10-year US treasury yields, elevated fiscal deficit and CPI, especially core CPI, pose an upside risk to yields. The high statutory liquidity ratio (SLR) investment holdings of banks and signs of a broad-based improvement in economic activity can also push yields higher. However, the RBI has been consistently intervening to stem any significant rise in yields and may continue to do so in the foreseeable future. Also, muted credit growth, low global rates and ample liquidity bode well for yields in India.

During the year, credit markets faced heightened volatility, resulting in the widening of spreads. This followed from Yes Bank AT1 bonds being written off (in February 2020), imposition of the lockdown, announcement of the winding up of six debt schemes by Franklin Templeton, etc. The spreads normalised from Q2FY 21 onwards, supported by the RBI's monetary and regulatory easing measures, recovery in economic activity, lower than expected impact of the pandemic on financial institutions, improvement in collection efficiency of banks and NBFCs, and other such factors.

#### 4 DIVIDEND

During the period under review, your Company has declared interim dividends of ₹ 40/- and ₹ 30/- per share on August 19, 2020 and February 2, 2021, respectively, for shares having face value ₹ 2/- each, involving a total outlay of ₹ 612.72 Crs.

The dividend payout for the year under review is in accordance with the Company's policy to pay sustainable dividend linked to long-term growth objectives of the Company, to be met by internal cash accruals.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has adopted a Dividend Distribution Policy which is annexed as **Annexure IV** and is available on the Company's website at <https://www.iiflwealth.com>.

#### 5 SHARE CAPITAL

The total paid-up share capital of the Company as on March 31, 2021, was increased to ₹ 17,57,65,540 divided into 8,78,82,770 equity shares, increased from ₹ 17,43,62,084 divided into 8,71,81,042 equity shares as on March 31, 2020, of ₹ 2/- each. The increase in share capital was due to issue of equity shares pursuant to exercise of stock options during the year.

#### 6 TRANSFER TO RESERVES

During FY21, the Company has transferred ₹ 0.16 million to general reserve.

#### 7 DEPOSITS

During the period under review, your Company has not accepted/ renewed any deposit within the meaning of Section 73 of the Companies Act, 2013, read with applicable rules thereto.

#### 8 MERGER AND ACQUISITIONS

During the year under review, IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited) a wholly-owned subsidiary Company, had acquired IIFL Wealth Capital Markets Limited (formerly known as L&T Capital Markets Limited) on April 24, 2020.

#### 9 DETAILS OF SUBSIDIARIES

In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report, have been prepared and are also available on the website of the Company. You may refer to the annexure to the consolidated financial statements of the Company, which contains the statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1.

As per the provisions of Section 129, 134 and 136 of the Companies Act, 2013, read with applicable Rules, Regulation 33 of SEBI Listing Regulations, 2015 and applicable Indian Accounting Standards ("Ind AS"), the Board of Directors at its meeting held on May 18, 2021, approved the Consolidated Financial Statements of the Company and its subsidiaries. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of each of the subsidiary companies are not attached to the accounts of the Company for the financial year 2020-21. The Company will make these documents/ details available upon request by any Member of the Company. These documents/details will also be available for inspection by any Member of the Company at its registered office and at the registered offices of the concerned subsidiaries during business hours on working days and through electronic means. Members can request the same by sending an email to [secretarial@iiflw.com](mailto:secretarial@iiflw.com) till the Annual General Meeting. The audited financials of all the subsidiaries are available on the website of the Company at <https://www.iiflwealth.com>. The Company's financial statements including the accounts of its subsidiaries, which form part of this Annual Report are prepared in accordance with the Companies Act, 2013 and Ind AS 110.

As at date of report, your Company has following subsidiaries:

##### Domestic Subsidiaries:

- i. IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited)

- ii. IIFL Wealth Distribution Services Limited (formerly known as IIFL Distribution Services Limited)
- iii. IIFL Asset Management Limited
- iv. IIFL Investment Adviser and Trustee Services Limited
- v. IIFL Wealth Portfolio Managers Limited (formerly known as IIFL Portfolio Managers Limited)
- vi. IIFL Trustee Limited
- vii. IIFL Wealth Securities IFSC Limited
- viii. IIFL Wealth Altiore Limited (formerly known as Altiore Advisors Private Limited)
- ix. IIFL Wealth Capital Markets Limited (formerly known as L&T Capital Markets Limited)
- x. IIFLW CSR Foundation

#### **International Subsidiaries:**

- i. IIFL Asset Management (Mauritius) Limited
- ii. IIFL Private Wealth Management (Dubai) Limited
- iii. IIFL (Asia) Pte. Limited
- iv. IIFL Inc.
- v. IIFL Capital (Canada) Limited
- vi. IIFL Capital Pte. Limited
- vii. IIFL Securities Pte. Limited

IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited) and IIFL Asset Management Limited, are the material subsidiaries of the Company during the period under review.

During the year under review, the Company has invested USD 10 Million into the step-down subsidiary IIFL Capital Pte. Ltd., Singapore.

The Company does not have any associate/joint venture company.

The Annual Report which consists of the financial statements of your Company on standalone basis as well as consolidated financial statements of the group for the year ended March 31, 2021, is being sent to all the members of your Company.

The policy on determining the material subsidiary is available on the website of the Company.

## **10 CORPORATE GOVERNANCE**

Pursuant to SEBI Listing Regulations, 2015 a separate section 'Report on Corporate Governance' has been included in this Annual Report. The Report of Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

## **11 ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2021, is available on the Company's website: [www.iiflwealth.com](http://www.iiflwealth.com).

## **12 DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **a. Directors**

The Board of your Company consists of Mr. Karan Bhagat, Managing Director, Mr. Nilesh Vikamsey (Chairman of the Board), Ms. Geeta Mathur, Dr. S. Narayan and Mr. Pankaj Vaish who are Independent Directors, Mr. Nirmal Jain, Mr. R. Venkataraman, Mr. Gopalakrishnan Soundarajan and Mr. Yatin Shah who are Non-Executive Directors and Mr. Sandeep Naik and Mr. Shantanu Rastogi who are Nominee Directors (nominated by General Atlantic Singapore Fund Pte Ltd) of the Company.

Mr. Nilesh Vikamsey, Dr. S. Narayan, Mr. Pankaj Vaish and Ms. Geeta Mathur have submitted their declaration of independence under Section 149(6) of the Companies Act, 2013.

### **Directors retiring by rotation**

Mr. Nirmal Jain and Mr. Venkataraman Rajamani shall retire by rotation at the Fourteenth Annual General Meeting (AGM) of the Company and are eligible for re-appointment.

### **Independent Director's Data Base & Proficiency Test**

Pursuant to a notification dated October 22, 2019, issued by the Ministry of Corporate Affairs, name of every Independent Director should be registered in the database of Independent Directors maintained by Indian Institute of Corporate Affairs, Manesar ("IICA").

Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

The opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of Independent Directors is complied with.



### **i. Meetings of the Board of Directors**

The Board of Directors have met seven (7) times during the period under review to discuss and approve various matters including financials, declaration of interim dividend, review of audit reports and other board businesses. For further details kindly refer the Corporate Governance Report.

### **ii. Committees of the Board**

In accordance with the Companies Act, 2013, the Board has constituted following Committees as per the applicable provision of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Corporate Social Responsibility Committee;
- (iv) Stakeholders' Relationship Committee;
- (v) Risk Management Committee.

#### **(i) Audit Committee**

The Audit Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur, Mr. Pankaj Vaish and Mr. Shantanu Rastogi. Ms. Geeta Mathur is the Chairperson of the Committee. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013, the SEBI Listing Regulations, 2015 and the internal policies. The Committee met seven (7) times during the year under review and discussed financials, audit issues and appointment of auditors. During the period under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

The details including the meetings, role, terms of reference etc. of the Audit Committee are provided in the Corporate Governance Report.

#### **(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") comprises Mr. Nilesh Vikamsey, Ms. Geeta Mathur, Mr. Nirmal Jain and Mr. Sandeep Naik. Ms. Geeta Mathur is the Chairperson of the Committee. As per the provisions of Section 178 of the Companies Act, 2013, the NRC had formulated a Nomination and Remuneration policy. The same is annexed as an **Annexure I** to this Report.

The details including the frequency of meetings, role, terms of reference, etc. of the Nomination and Remuneration Committee are provided in the Corporate Governance Report.

### **(iii) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Nilesh Vikamsey, Mr. Nirmal Jain, Mr. Karan Bhagat and Mr. Sandeep Naik. Mr. Karan Bhagat is the Chairman of the Committee.

The Company has also incorporated IIFLW CSR foundation, under Section 8 of the Companies Act, 2013, to execute IIFL Wealth group CSR activities.

The details including the meetings, role, terms of reference etc. of the CSR Committee are provided in the Corporate Governance Report.

#### **(iv) Stakeholders' Relationship Committee**

Stakeholders' Relationship Committee comprises of Mr. Venkataraman Rajamani, Mr. Pankaj Vaish and Mr. Yatin Shah.

The details including the frequency of meetings, role, terms of reference etc. of the Stakeholders' Relationship Committee are provided in the Corporate Governance Report.

#### **(v) Risk Management Committee**

Risk Management Committee comprises of Mr. Venkataraman Rajamani, Ms. Geeta Mathur, Mr. Karan Bhagat, Mr. Shantanu Rastogi and Mr. Nilesh Vikamsey.

The objective of the Risk Management Committee is to oversee the risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The details including the role, objectives/ terms of reference of the Risk Management Committee are provided in the Corporate Governance Report.

### **iii. Separate meeting of Independent Directors**

In compliance with provisions of the Companies Act, 2013, a separate meeting of Independent Directors was held on March 23, 2021, inter alia, to discuss the following:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- Assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

#### iv. Annual Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated January 05, 2017, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee ("NRC").

The Board noted the key improvement areas emerging from the exercise in 2020-21 and action plans to address these are in progress.

The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions given earlier.

#### v. Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independent laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015.

There has been no change in the circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact the ability of Independent Directors to discharge their duties with an objective of independent judgment and without any external influence.

#### b. Key Managerial Personnel

The following officials are the "Key Managerial Personnel" of the Company, pursuant to the provisions of Section 203 of the Companies Act, 2013:

- Mr. Karan Bhagat, Managing Director,
- Mr. Mihir Nanavati, Chief Financial Officer and

- Mr. Amit Bhandari, Company Secretary and Compliance Officer (with effect from February 2, 2021).

During the year Mr. Ashutosh Naik has resigned as Company Secretary and Compliance Officer of the Company with effect from October 14, 2020 and Mr. Amit Bhandari was appointed as Company Secretary and Compliance Officer with effect from February 2, 2021.

## 13 BOARD EFFECTIVENESS

### Familiarisation Program for the Independent Directors

In compliance with the requirements of SEBI Listing Regulations, 2015, the Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates and business model etc.

On a quarterly basis, presentations are made at the meeting of Board and Committees, on business, operations and performance updates of the Company and the group, important developments in the subsidiaries, relevant statutory and regulatory changes applicable to the Company, update on important legal matters pertaining to the Company and its subsidiaries.

Details of the Familiarisation Programme are provided in the Corporate Governance Report and are also available on the website of the Company.

## 14 CORPORATE SOCIAL RESPONSIBILITY (CSR)

We at IIFL Wealth Management Limited strongly believe in enabling inclusive development. The core focus of our CSR is aimed at reducing inequality by enabling access to opportunities to underserved or marginalised communities. Through our CSR, we wish to implement sustainable programmes that move the needle on social impact by addressing some of the most critical developmental challenges. To consolidate our efforts towards catalytic CSR, we established the IIFLW CSR Foundation ("Foundation") to design and deliver CSR activities on behalf of the IIFL Wealth Management Limited group entities.

Our vision for the Foundation is to bring about a positive change in the lives of underprivileged individuals and communities by enabling a strategic and collaborative partnership to maximise social impact. We believe that meaningful impact can be achieved through effective collaboration. We wish to partner with our clients and leverage their passion for social impact to amplify the scale of our CSR programmes.

The first year of the Foundation's initiatives focused on critical and relevant thematic areas such as Education and Healthcare including COVID relief. Our focus going forward will be to support interventions in Healthcare, Education, Livelihoods and Financial Inclusion, which will enable us to build resilience in various communities. As experts in financial sector, we would like to leverage our core competencies and expertise beyond providing mere funds as part of our responsibility to society.

As we move forward in our social impact journey, we wish to evolve towards a more strategic and impactful model for our CSR where we envision our role in mobilising both philanthropic capital and other types of capital to create more collaborative, meaningful, sustainable solutions that uplift lives of underserved and under-represented individuals and communities. This will also enable a multiplier effect of our funds and make our programmes sustainable in the longer run.

The Annual Report on CSR activities by the Company is annexed as **Annexure II**.

## 15 PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure III" to this report.

Further, a statement showing names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and through electronic means, up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at [secretarial@iiflw.com](mailto:secretarial@iiflw.com), whereupon a copy would be sent.

## 16 EMPLOYEE STOCK OPTION SCHEME

The stock options granted to the employees of the Company and its subsidiaries currently operate under the following Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

- IIFL Wealth Employee Stock Option Scheme – 2012
- IIFL Wealth Employee Stock Option Scheme – 2015
- IIFL Wealth Employee Stock Option Scheme – 2019
- IIFL Wealth Employee Stock Option Scheme- Demerger Scheme
- IIFL Wealth Employee Stock Option Scheme – 2021

During the year, the Company has implemented IIFL Wealth Employee Stock Option Scheme- 2021 for the employees of the Company and its subsidiaries.

| Sr. no. | Heading  | Particulars   |
|---------|--|---|
| A       | Number of options granted during the year                    | 1,17,530  |
| B       | Exercise Price (per share)                                   | 831 shares @ ₹ 417<br>4,300 shares @ ₹ 16<br>83,725 shares @ ₹ 282<br>2,62,936 shares @ ₹ 339<br>1,98,416 shares @ ₹ 417<br>1,25,026 shares @ ₹ 861<br>25,265 shares @ ₹ 82.02<br>372 shares @ ₹ 82.73<br>857 shares @ ₹ 218.71 |
| C       | Options Vested during the year                               | 12,25,953   |
| D       | Options Exercised during the year                            | 7,01,728  |
| E       | Total no. of shares arising as result of exercise of Options | 7,01,728  |
| F       | Options lapsed (Re-allocable)*                               | 1,25,735  |
| E       | Variation in terms of Options                                | Nil   |
| G       | Money realised by exercise of Options (In ₹)                 | 30,58,38,384.33   |

| Sr. no. | Heading  | Particulars   |
|---------|--|---|
| H       | Total number of options in force   | 29,67,520   |
| I       | Employee-wise details of options granted to:   |   |
|         | - Key Managerial Personnel   | NIL   |
|         | - any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year   | Name (ESOP Scheme 2019)<br>Options<br><ul style="list-style-type: none"> <li>- Amit Kumar (Principal)<br/>7,500 @ ₹ 900.00</li> <li>- Anshuman Maheshwary (Chief Operating Officer)<br/>10,000 @ ₹ 1147.00</li> <li>- Kevin Chen Jong Woei (Senior Vice President)<br/>10,000 @ ₹ 900.00</li> <li>- Kunal Haria (Principal)<br/>9,000 @ ₹ 900.00</li> <li>- Manoj Shenoy (Executive Director)<br/>24,967 @ ₹ 900.00</li> <li>- Sugat Dhara (Senior Vice President)<br/>10,000 @ ₹ 900.00</li> <li>- Sugat Dhara (Senior Vice President)<br/>10,000 @ ₹ 1147.00</li> </ul> |
|         | - identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant | Nil   |

\*Options Lapsed for 2012 Scheme, 2015 Scheme and Demerger Scheme are not re-allocable.

A certificate from the Auditors of the Company that the Schemes have been implemented in accordance with the SBEB Regulations would be placed at the ensuing Annual General Meeting ("AGM") for inspection by Members through electronic means.

The disclosure requirements under the Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP Schemes, in respect of the year ended March 31, 2021, are disclosed on the Company's website: [www.iiflwealth.com](http://www.iiflwealth.com).

## **17 RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee, Risk Management Committee and Board of Directors of the Company.

The internal processes have been designed to ensure adequate checks and balances and regulatory compliances at every stage. Authority matrices have

been defined going down from the Board of Directors, to provide authority to approve various transactions.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. These are encapsulated in the Risks & Controls Matrix (RCM). The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the Design and Implementation (D&I) of controls and testing of operating effectiveness of controls for material class of transactions, account balances and disclosures and have confirmed that they do not have any significant or material observations in relation of deficiencies in design and controls.

## **18 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND THE COMPANY'S FUTURE OPERATIONS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

## 19 STATUTORY AUDITORS

At the 13<sup>th</sup> Annual General Meeting held on September 11, 2020, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W100018), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 18<sup>th</sup> Annual General Meeting to be held in the year 2025.

## 20 AUDITORS' REPORT

The Reports of the Statutory Auditors on Standalone and Consolidated Financial Statements of the Company form part of this Annual Report.

There are no qualifications, reservations or observations by the Statutory Auditors in their reports for the financial year ended March 31, 2021.

The Notes to the financial statements referred in the Auditors Reports are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors have not reported any incident of fraud committed in the Company by its officers or employees to the Audit Committee under Section 143 (12) of the Companies Act, 2013, in the year under review.

## 21 SECRETARIAL AUDIT

During the year under review, the Secretarial Audit was conducted by M/s. Mehta & Mehta, Practicing Company Secretaries. The report of the Secretarial Audit is annexed herewith as **Annexure V**. There are no qualifications contained, during the said Report.

As per Regulation 24A of the SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Directors Report. The secretarial audit reports of Material subsidiaries of the Company i.e. IIFL Asset Management Limited and IIFL Wealth Prime Limited for FY 2020-21 are annexed herewith.

## 22 FEMA COMPLIANCE

With reference to Circular No. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 ("FDI Policy") relating to Foreign Direct Investment Policy, the Company complied with FDI Policy and various circulars issued by Reserve Bank of India from time to time.

## 23 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of loans, guarantees or investments made are provided in the standalone financial statement.

## 24 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The Policy provides for identification of Related Party Transactions (RPTs), necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company, and the transactions were on arms' length basis.

No contract/ arrangement has been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. The transactions with related party are disclosed by way of notes to accounts in the standalone financial results of the Company for the financial year ended March 31, 2021.

The Company's policy on dealing with the Related Party Transactions is available on the Company's website: [www.iiflwealth.com](http://www.iiflwealth.com).

## 25 MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, 2015 the Management's discussion and analysis is set out in this Annual Report.

## 26 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is appended below:

### Conservation of energy:

The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption.

However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power,

- Installed Thin Film Transistor (TFT) monitors that saves power,
- Light Emitting Diode (LED) lights,
- Automatic power shutdown of idle monitors,
- Restricted access to printers at central hub besides removal of earlier printers.

Environmental awareness communication:

- Minimizing air-conditioning usage,
- Avoiding disposable cups and plates by encouraging employees to carry their own cups and cutlery,
- Shutting off all the lights and air-conditioner when not in use, and
- Education and awareness programs for employees. The management frequently puts circulars on corporate intranet, and digital boards in common area for the employees educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

#### Technology absorption and innovation :

The management understands the importance of technology in the business segments. It operates and lays utmost emphasis on system development and use of best technology available in the industry. The management keeps itself abreast of technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

The management invested considerable resources in deploying the latest technologies in the areas of wide area networking using MPLS, video communications, VoIP, automated dialers and other customer relationship management (CRM) tools and software. The Company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or down of capacity in line with business requirements.

The management is aware of increasing threats in the Information Security domain and has taken several steps to ensure that the Company is safe guarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

#### Research and Development (R & D):

The Company is engaged in distribution of various financial products and advising clients on wealth management through mutual fund and alternative investment fund platform, which entails internal research of investment products, sectors and markets.

#### FOREIGN EXCHANGE EARNING AND OUTGO:

- a) The foreign exchange earnings: ₹ 10.87 Million;
- b) The foreign exchange expenditure: ₹ 62.45 Million.

#### 27 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. Your Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. Your Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment.

Your Directors further state that your Company has formulated and adopted a 'Policy for Prevention / Prohibition / Redressal of Sexual Harassment of Women at the Workplace', and that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### 28 DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets

of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **29 COMPLIANCE WITH THE SECRETARIAL STANDARDS**

The Board of Directors affirms that the Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### **30 BUSINESS RESPONSIBILITY REPORT**

A Business Responsibility Report as per Regulation 34 of the SEBI Listing Regulations, 2015 detailing the various initiatives taken by your Company on the environmental, social and governance front, forms an integral part of this report.

### **31 RISK MANAGEMENT REPORT**

In terms of the provisions of Section 134 of the Companies Act, 2013 a Risk Management Report is set out in the Management Discussion and Analysis Report.

### **ACKNOWLEDGEMENTS**

Your Directors would like to place on record their gratitude for the valuable guidance and support received from regulatory agencies. Your Directors acknowledge the support of the members and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism.

### **For and on behalf of the Board of Directors**

-Sd-

**Karan Bhagat**  
**Managing Director**  
**DIN: 03247753**

-Sd-

**Yatin Shah**  
**Non-Executive Director**  
**DIN: 03231090**

Date: May 18, 2021

Place: Mumbai

# Annexures to the Directors' Report

## ANNEXURE I

### NOMINATION AND REMUNERATION POLICY

#### I. OBJECTIVE:

This policy on nomination and remuneration of Directors, and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Directors.

#### II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
3. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### III. ROLE OF COMMITTEE:

- To guide the Board in relation to appointment and removal of Directors, and Senior Management.
- To recommend to the Board on policy on Remuneration payable to the Directors, and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- Recommend to the board, all remuneration, in whatever form, payable to senior Management

- Administration and superintendence of the ESOP Scheme(s).

#### IV. APPOINTMENT AND REMOVAL OF DIRECTOR AND SENIOR MANAGEMENT:

##### 1. Appointment Criteria and Qualifications:

- a) A person being appointed as director or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

##### b) Independent Director:

###### (i) Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

###### (ii) Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### 2. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



### 3. Retirement:

The Director, and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## V. REMUNERATION:

### A. Directors:

#### a. Executive Directors (Managing Director, Manager or Whole Time Director):

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
  - the relationship of remuneration and performance benchmark;
  - balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals;
  - responsibility required to be shouldered, the industry benchmarks and the current trends;
  - the Company's performance vis-à-vis the annual budget achievement and individual performance.

### b. Non-Executive Director:

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- (ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- (iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- (iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- (v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- (vi) The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

### B. Senior Managerial Personnel:

The remuneration to the Senior Management Personnel will be based on following guidelines:

- a. maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company;
- b. compensation should be reasonable and sufficient to attract retain and motivate and senior management;
- c. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the company;

- d. Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**C. Research Analysts:**

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee.
- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and
  - b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

**VI. EVALUATION:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

**VII. OTHER DETAILS:**

**Membership**

The Committee shall consist of minimum 3 non-executive directors, majority of them being independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

**Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. An Annual Meeting will be held to review the performance of Directors / Senior Management and approve re-appointment of Director(s).

**Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

## ANNEXURE – II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

[Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. Outline of CSR Policy

- a. Our vision for the Foundation is to bring about a positive change in the lives of underprivileged individuals and communities by enabling a strategic and collaborative partnership.
- b. In order to consolidate our efforts towards impactful CSR, the IIFLWAM group established the IIFLW CSR Foundation ("Foundation") to design and implement CSR activities on behalf of the IIFLWAM group entities.
- c. We strongly believe in enabling inclusion to bridge the gap of available opportunities and equality for both - communities that have not been given an opportunity and for those whom such opportunities are unattainable due to monetary or other reasons.
- d. Through our CSR efforts, we look at collaborative efforts with existing philanthropy to move the needle on impact.

#### 2. Composition of CSR Committee:

| Sl. No. | Name of Director    | Designation / Nature of Directorship        | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|---|--|--|
| 1       | Mr. Karan Bhagat    | Managing Director- Chairperson              | 3  | 2  |
| 2       | Mr. Nirmal Jain     | Non-Executive Director- Member              | 3  | 2  |
| 3       | Mr. Nilesh Vikamsey | Non-Executive, Independent Director- Member | 3  | 3  |
| 4       | Mr. Sandeep Naik    | Non-Executive Director- Member              | 3  | 3  |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: **www.iiflwealth.com**
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **Not Applicable**
6. Average net profit of the company as per section 135(5): ₹ **1,38,25,35,883**
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **2,76,50,718**  
(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**  
(c) Amount required to be set off for the financial year, if any: **Nil**  
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **2,76,50,718**

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹)  |                   |  |         |                   |
|---|--|-------------------|--|---------|-------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|   | Amount.  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| 2,76,50,718.00                                    | NA   | NA                |  | NA      |                   |

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

| (1)          | (2)  | (3)  | (4)                  | (5)   |   | (6)               | (7)                                      | (8)  | (9)   | (10)                                      | (11)   |             |
|--------------|--|--|----------------------|---|---|-------------------|--|--|---|---|--|-------------|
| Sl. No.      | Name of the Project.   | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project.  |   | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing agency - Name CSR Registration number. |             |
|              |  |  |                      | State.  | District.   |                   |  |  |   |   |  |             |
| 1.           | iMobile and Lab on bike programme (via Agastya International Foundation) | (ii)   | Yes                  | Maharashtra   | Mumbai  | 1 year            | 20,00,000                                | 0  | NA  | No  | IIFLW CSR Foundation   | CSR00001897 |
| 2.           | Enabling entrepreneurship in tribal communities (via Raah Foundation)    | (ii)   | No                   | Maharashtra   | Palghar   | 1 year            | 1,00,00,000                              | 0  | NA  | No  | IIFLW CSR Foundation   | CSR00001897 |
| 3.           | Development of Maa Baadi centres (via IIFL Foundation)                   | (i), (ii)  | No                   | Rajasthan   | Udaipur   | 1 year            | 50,00,000                                | 0  | NA  | No  | IIFLW CSR Foundation   | CSR00001897 |
| 4.           | Learning outcomes for underprivileged student                            | (ii)   | Yes                  | Maharashtra, Delhi, Karnataka, West Bengal, Telangana, Tamil Nadu | Mumbai, Delhi, Bangalore, Kolkata, Hyderabad, Chennai | 1 year            | 11,11,071                                | 0  | NA  | No  | IIFLW CSR Foundation   | CSR00001897 |
| <b>TOTAL</b> |  |  |                      |   |   |                   | <b>1,81,11,071</b>                       |  |   |   |  |             |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1)          | (2)   | (3)  | (4)                  | (5)                      |                    | (6)                                  | (7)                                       | (8)   |                          |
|--------------|---|--|----------------------|--------------------------|--------------------|--------------------------------------|---|---|--------------------------|
| Sl. No.      | Name of the Project   | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. |                    | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. |                          |
|              |   |  |                      | State.                   | District.          |                                      |   | Name.   | CSR registration number. |
| 1.           | Give India Foundation   | (i)  | Yes                  | Maharashtra              | Mumbai             | 10,00,000                            | No  |   |                          |
| 2.           | Scholarships to students / working graduates in rural and urban India (via Swades Foundation)             | (ii)   | Yes                  | Multiple State           | Multiple districts | 39,91,000                            | No  |   |                          |
| 3.           | Medical equipment for treatment of underprivileged individuals (via Lata Mangeshkar Medical Foundation)   | (ii)   | No                   | Maharashtra              | Pune               | 16,00,000                            | No  |   |                          |
| 4.           | Community development and mental health project (via Shri Ayurved Prachar Sanstha)                        | (i)  | Yes                  | Maharashtra              | Mumbai             | 6,50,000                             | No  |   |                          |
| 5.           | Support towards running of Ekal Vidyalayas in tribal and rural villages (via Bharat Lok Shiksha Parishad) | (ii)   | No                   | Uttar Pradesh            | Kanpur Nagar       | 5,00,000                             | No  | IIFLW CSR Foundation                                  | CSR00001897              |
| 6.           | COVID Relief (via Vathsalya Charitable Trust)   | (ii)   | No                   | Karnataka                | Bangalore          | 1,50,000                             | No  |   |                          |
| 7.           | Fueladream  | (i), (ii)  | Yes                  | Maharashtra              | Mumbai             | 1,00,000                             | No  |   |                          |
| 8.           | Project Rashtriya Netra Yagna (via Vision Foundation of India)  | (i)  | Yes                  | Multiple State           | Multiple district  | 1,00,000                             | No  |   |                          |
| 9.           | Health and nutrition for the underprivileged (via ISKCON)   | (i)  | Yes                  | New Delhi                | South Delhi        | 50,000                               | No  |   |                          |
| 10.          | Nutrition project (via Ashwini Charitable Trust)  | (i)  | Yes                  | Karnataka                | Bangalore          | 20,000                               | No  |   |                          |
| 11.          | Give Foundation   | (ii)   | Yes                  | Maharashtra              | Mumbai             | 1,000                                | No  |   |                          |
| <b>TOTAL</b> |   |  |                      |                          |                    | <b>81,62,000</b>                     |   |   |                          |

- (d) Amount spent in Administrative Overheads: ₹ 13,77,646
- (e) Amount spent on Impact Assessment, if applicable: **Not applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2,76,50,718
- (g) Excess amount for set off, if any: **Not applicable**

| Sl. No. | Particular  | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | ₹ 2,76,50,718 |
| (ii)    | Total amount spent for the Financial Year   | ₹ 2,76,50,718 |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 0.0           |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.0           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 0.0           |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                |                   | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|--|--|--|----------------|-------------------|--|
|         |                           |  |  | Name of the Fund   | Amount (in ₹). | Date of transfer. |  |
| 1.      | FY 19-20                  | 97,15,483  | 97,15,483  | NA   | NA             | NA                | 0  |

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

| (1)<br>Sl. No. | (2)<br>Project ID. | (3)<br>Name of the Project.                       | (4)<br>Financial Year in which the project was commenced. | (5)<br>Project duration | (6)<br>Total amount allocated for the project (in ₹). | (7)<br>Amount spent on the project in the reporting Financial Year (in ₹). | (8)<br>Cumulative amount spent at the end of reporting Financial Year. (in ₹) | (9)<br>Status of the project - Completed /Ongoing. |
|----------------|--------------------|---|---|-------------------------|---|--|---|--|
| 1.             | 0001               | Learning outcomes for underprivileged students    | FY 20-21  | 3 years                 | 88,88,929   | -  | 88,88,929   | Ongoing  |
| 2.             | 0002               | Skill Development for underprivileged individuals | FY 20-21  | 3 years                 | 8,26,554  | -  | 8,26,554  | Ongoing  |
| TOTAL          |                    |   |   |                         | <b>97,15,483</b>                                      |  | <b>97,15,483</b>  |  |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**): **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital assets.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable.**

**For and on behalf of the Board of Directors**

-Sd-

**Karan Bhagat**  
Chairman - CSR Committee  
DIN: 03247753

Date: May 18, 2021  
Place: Mumbai

-Sd-

**Nilesh Vikamsey**  
Director  
DIN: 00031213

## ANNEXURE III

### Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

| S/n. | Name of Director              | Designation            | Ratio |
|------|-------------------------------|------------------------|-------|
| 1.   | Mr. Karan Bhagat              | Managing Director      | 36    |
| 2.   | Mr. Venkataraman Rajamani     | Non-Executive Director | NA    |
| 3.   | Mr. Nirmal Jain               | Non-Executive Director | NA    |
| 4.   | Mr. Yatin Shah                | Non-Executive Director | NA    |
| 5.   | Mr. Shantanu Rastogi          | Non-Executive Director | NA    |
| 6.   | Mr. Sandeep Naik              | Non-Executive Director | NA    |
| 7.   | Mr. Gopalkrishana Soundarajan | Non-Executive Director | NA    |
| 8.   | Mr. Nilesh Vikamsey           | Independent Director   | NA    |
| 9.   | Ms. Geeta Mathur              | Independent Director   | NA    |
| 10   | Mr. Pankaj Vaish              | Independent Director   | NA    |
| 11   | Dr. S. Narayan                | Independent Director   | NA    |

2. **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

| S/n. | Name of Director   | Designation             | % increase in Remuneration |
|------|--------------------|-------------------------|----------------------------|
| 1.   | Mr. Karan Bhagat   | Managing Director       | -1%                        |
| 2.   | Mr. Mihir Nanavati | Chief Financial Officer | -24%                       |
| 3.   | Mr. Amit Bhandari  | Company Secretary       | NA                         |

3. **Percentage increase in the median remuneration of employees in the financial year:**

For employees who were in employment for the whole of FY 2019-20 and FY 2020-21, increase in median remuneration is -9%.

4. **Number of permanent employees on the rolls of company at the end of the year :** 94 employees.
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

For employees other than managerial personnel who were in employment for the whole of FY 2019-20 and 2020-21 the average percentile increase is 31% and managerial personnel 0% excluding ESOPs.

6. **Affirmation that the remuneration is as per remuneration policy of the Company:**

The Company is in compliance with its Nomination and Remuneration Policy.

#### For and on behalf of the Board of Directors

-Sd-

**Karan Bhagat**  
**Managing Director**  
**DIN: 03247753**

-Sd-

**Yatin Shah**  
**Non-Executive Director**  
**DIN: 03231090**

Date: May 18, 2021

Place: Mumbai

## ANNEXURE IV

### DIVIDEND DISTRIBUTION POLICY

Clause 43A of SEBI Listing Obligations & Disclosure Requirements, 2015 mandates that top 500 Companies (in terms of market capitalization) need to have a Dividend Distribution Policy in place.

The Board of Directors of the Company at its meeting held in October 2016 had adopted the policy of IIFL Group, IIFL Holdings Limited being then the holding company.

This is the updated policy for IIFL Wealth Management Limited (Company) and its subsidiaries (IIFL Wealth & Asset Management Group), the Company being a listed company and in top 500 list of companies.

This policy is to put into place the norms for the determination and declaration of dividend on equity capital by IIFL Wealth & Asset Management Group. While considering distribution and payment of dividend, the Company will ensure compliance with all the applicable provisions of the law including provisions of the Companies Act, SEBI, RBI, and Income Tax Rules and Regulations.

#### Policy on Total Dividend

**While the declaration and rate of dividend will be subject to approval of Board and Shareholders, as the case may be, the general policy which will be followed for declaration of dividend will be as follows:**

1. For IIFL Wealth Management Limited, the total dividend payout for any financial year will generally be between 50 % and 75% (including applicable taxes on distribution of Dividend) of the consolidated profit after tax of the Company after Minority Interest.
2. At the Subsidiary level, the total dividend payout can be up to 100% of the respective consolidated /standalone profit after tax of the respective subsidiary.

The Board / Shareholders, as the case may be, may declare dividend in percentage range mentioned above or in variance to above, depending on factors and parameters as detailed below.

#### Factors/ parameters that would be considered while declaring Dividend

- I. The financial parameters that shall be considered while declaring dividend

While considering the total dividend at Holding Company and at each of the Subsidiaries the following will be taken into account:

- a) The business plan and actual performance, the capital requirements, free cash flow, debt equity ratio (considering new capital, ESOPs, retained earnings, minimum net worth requirements as per respective regulatory requirements etc.)
- b) Adequacy of profits including the accumulated balance in Profit & Loss account and
- c) Taxes on dividend.

The Board may consider a higher distribution with adequate justification or on special occasions.

- II. The circumstances under which the shareholders:
  - i) May expect dividend:
    - a. Surplus in Profit & loss (P&L) Statement
    - b. Profits in any Financial Year are more than 10% of the equity capital of the Company.
  - ii) May not expect dividend:
    - a. If there are losses as per P&L Statement (including accumulated balance in P&L account)
    - b. Profit in the any Financial Year is less than 10% of the equity capital
    - c. If the total income from business/PAT from its ordinary activities in any Financial Year declines by more than 75% from the previous year
    - d. If the business is seriously affected and visibility is uncertain.
- III. Internal and external factors that shall be considered for declaration of dividend:
  - i. Internal Factors:
    - a. Projected investment in business/new business
    - b. Projected investments in Subsidiaries/ Associates in the year and next year
    - c. Networth/Capital adequacy as required under respective Regulatory requirements

- ii. External Factors:
  - i) State of Economy/Industry/business
  - ii) Statutory Taxes/levies – Changes in income tax rates, DDT etc.
- IV. The retained earnings shall be utilized for:
  - i) Proposed Capital expenditure
  - ii) Investments/acquisitions
  - iii) General corporate purposes including contingencies
  - iv) Capital restructuring
- V. Parameters that shall be adopted with regard to various classes of shares:

The Company has only one class of equity shareholders at present.

#### **Periodicity of distribution**

On a yearly basis, the Holding and Subsidiary Companies may distribute dividend by way of Interim Dividend/s in one or more tranches and may also declare final dividend by considering the full year's accounts, after taking approval of shareholders.

#### **Disclosures**

- a. This policy will be made available on the Company's website.
- b. The policy will also be disclosed in the Company's annual report.

#### **Amendments to the Policy**

The Board shall review and amend this Policy as and when required. Any subsequent amendment/modification in the regulation and/or other applicable laws in this regard shall automatically apply to this policy.



## ANNEXURE V

### FORM MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**IIFL Wealth Management Limited**  
**IIFL Centre, Kamala City,**  
**Senapati Bapat Marg, Lower Parel,**  
**Mumbai - 400013**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IIFL Wealth Management Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance' and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and ~~External Commercial Borrowings~~;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (During the year under review not applicable to the company);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (During the year under review not applicable to the company);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (During the year under review not applicable to the company);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (During the year under review not applicable to the company); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (During the year under review not applicable to the company);
- (vi) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
- (viii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1993;
- (ix) The Securities and Exchange Board of India (Stock brokers and Sub Brokers) Regulations, 1992;

- (x) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 (applicable to Company w.e.f. January 28, 2021);

We have examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, the Company has given necessary intimations to the Ministry of Corporate Affairs ("MCA") with respect to all the ordinary and special resolutions passed at the Annual General Meeting ("AGM") held on September 11, 2020 under e-form MGT-15 within the prescribed timelines.

**We further report that** during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) During the period under review the Board of Directors at their meeting held on August 19, 2020 declared an interim dividend at the rate of ₹ 40/- per share;

- b) The Nomination and remuneration allotted the following shares under the applicable ESOP Schemes of the Company:

| Sr No. | Date of Allotment  | Number of shares allotted |
|--------|--------------------|---------------------------|
| 1.     | April 29, 2020     | 963                       |
| 2.     | May 22, 2020       | 4,711                     |
| 3.     | June 22, 2020      | 18,141                    |
| 4.     | July 23, 2020      | 13,157                    |
| 5.     | August 15, 2020    | 77,027                    |
| 6.     | September 21, 2020 | 68,315                    |
| 7.     | October 17, 2020   | 40,568                    |
| 8.     | November 23, 2020  | 28,755                    |
| 9.     | November 23, 2020  | 1,66,300                  |
| 10.    | December 14, 2020  | 59,180                    |
| 11.    | January 20, 2021   | 24,925                    |
| 12.    | February 10, 2021  | 1,64,212                  |
| 13.    | March 17, 2021     | 35,474                    |

- c) During the period under review Board of Directors have approved issuance of listed, secured / unsecured, redeemable non-convertible debentures amounting up to ₹ 2,50,00,00,000/- (Two Hundred and Fifty Crores Only) on a private placement basis, in one or more tranches / series in the Board Meeting held on October 28, 2020;

- d) During the period under review the Board of Directors at their meeting held on February 02, 2021 declared an interim dividend at the rate of ₹ 30/- per share.

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

For **Mehta & Mehta,**  
**Company Secretaries**  
**(ICSI Unique Code P1996MH007500)**

**Dipti Mehta**  
**Partner**  
**FCS No : 3776**  
**CP No. : 23905**  
**UDIN : F003667C000340795**

**Place: Mumbai**  
**Date: May 18, 2021**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

## ANNEXURE A

To,

**IIFL Wealth Management Limited**  
**IIFL Centre, Kamala City, Senapati Bapat Marg,**  
**Lower Parel, Mumbai - 400013**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the SEBI regulations referred to in points vi to x, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**  
**Company Secretaries**  
**(ICSI Unique Code P1996MH007500)**

**Dipti Mehta**  
**Partner**  
**FCS No : 3776**  
**CP No. : 23905**  
**UDIN : F003667C000340795**

**Place: Mumbai**  
**Date: May 18, 2021**

## MR-3

### SECRETARIAL AUDIT REPORT OF UNLISTED MATERIAL SUBSIDIARY

#### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021 (Pursuant to Section 204 (1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

To,

The Members,  
IIFL Asset Management Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Asset Management Limited, having CIN: U74900MH2010PLC201113 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any overseas investment and External Commercial Borrowings during the financial year.
- v. Other Acts, Laws, Regulations or Guidelines specifically applicable to the Company:
  - a) The Securities And Exchange Board of India (Mutual Fund) Regulations, 1996 as amended.
  - b) The Securities And Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended
  - c) The Securities And Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.

During the year under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

- (a) The company is wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Decisions at the Board Meetings were taken with requisite majority.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no significant events/ actions have taken place in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For J. U. Poojari & Associates**

Company Secretaries

Place: Mumbai

Date: May 15, 2021

**Jayaram U Poojari**

FCS No: 8102 CP No: 8187

UDIN: F008102C000335088

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## 'ANNEXURE A'

To,  
The Members  
of IIFL Asset Management Ltd.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For J. U. Poojari & Associates**

Company Secretaries

Place: Mumbai

Date: May 15, 2021

**Jayaram U Poojari**

FCS No: 8102 CP No: 8187

UDIN: F008102C000335088

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
IIFL Wealth Prime Limited  
(Formerly: IIFL Wealth Finance Ltd.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Wealth Prime Limited, having CIN: U65990MH1994PLC080646 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Name of the Company was changed from IIFL Wealth Finance Limited to IIFL Wealth Prime Limited effective from December 7, 2020 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by IIFL Wealth Finance Limited for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
  - b) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- vi. Other Laws specifically applicable to the Company
  - a) The Reserve Bank of India Act, 1934, as applicable to Non- Banking Financial Companies,
  - b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016,

- c) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016,
- d) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016,
- e) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016,
- f) Master Direction - Know Your Customer (KYC) Direction, 2016,
- g) IRDA (Registration of Corporate Agents) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.
- ii) The Listing Agreements entered into by the Company with BSE Limited.

During the year under review and as per the explanations given and the representations made by the Management, the Company has complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

We further report that:

- (a) The company is wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013 effective from 13.02.2016. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken with requisite majority.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We further report that during the audit year the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

- (a) Change of name of the Company from IIFL Wealth Finance Limited to IIFL Wealth Prime Limited effective from 7<sup>th</sup> December, 2020 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.
- (b) The Company made allotment of Redeemable Non-Convertible Debentures in different series on private placement/right basis amounting to ₹ 1326.03 Crs during FY 2020-21.
- (c) The Company issued Commercial Papers and outstanding balance was ₹ 200 Crs as on 31<sup>st</sup> March, 2021.
- (d) Redeemable Non-Convertible Debentures of ₹ 1326.03 Crs issued in different series were listed on BSE Limited during FY21.
- (e) The Company acquired 100% paid up share capital of L&T Capital Markets Limited ("L&T") by the Company, at a lump sum consideration of ₹ 230 Crs and w.e.f. April 24, 2020 and consequently, L&T became the subsidiary of the Company. Further, the name of L&T Capital Markets Limited was changed to IIFL Wealth Capital Markets Limited vide fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.
- (f) The company has passed the Resolutions for the following matters:
  - (i) Resolutions u/s 13 & 14 of the Act passed at the Extra Ordinary General Meeting (EGM) held on 03.11.2020 for alteration of name clause of Memorandum & Articles of Association consequent to change of Name

- (ii) Board Resolution passed u/s 42 of Act for issue of Non-Convertible Debentures (NCD) aggregating up to ₹ 5,000 Crs on private placement basis during financial year 2021-22 (iii) Special Resolution u/s 42 of the Act passed at EGM held on 02.02.2021 for issue of Non-Convertible Debentures (NCD) aggregating up to ₹ 5,000 Crs on private placement basis during financial year 2021-22.

**For J. U. Poojari & Associates**  
Company Secretaries

Place: Mumbai  
Date: May 17, 2021

**Jayaram U Poojari**  
FCS No: 8102 CP No: 8187  
UDIN: F008102C000335759

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## **'ANNEXURE A'**

To,  
The Members  
of IIFL Wealth Prime Limited  
(Formerly: IIFL Wealth Finance Ltd.)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For J. U. Poojari & Associates**  
Company Secretaries

Place: Mumbai  
Date: May 17, 2021

**Jayaram U Poojari**  
FCS No: 8102 CP No: 8187  
UDIN: F008102C000335759



# Management Discussion & Analysis

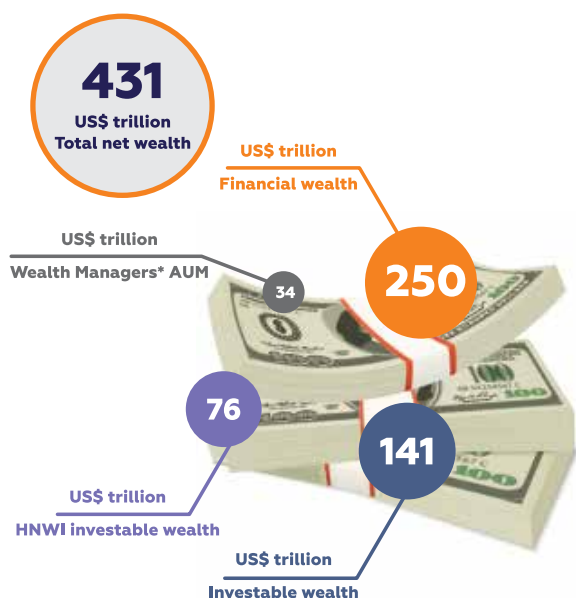
## Industry structure and developments

### Global Wealth Landscape

Total Global Wealth has clocked 6.7% CAGR over the last five years, from US\$312 trillion in 2015 to US\$431 trillion in 2020. Despite the pandemic, investor bullishness, fuelled by government stimulus and a volatile global economy, has boosted worldwide financial markets to record

levels. The financial wealth of the world stood at US\$250 trillion (52%) of global wealth in 2020. Real assets - led primarily by real estate ownership, stood at US\$235 trillion, or 48% of total global wealth.

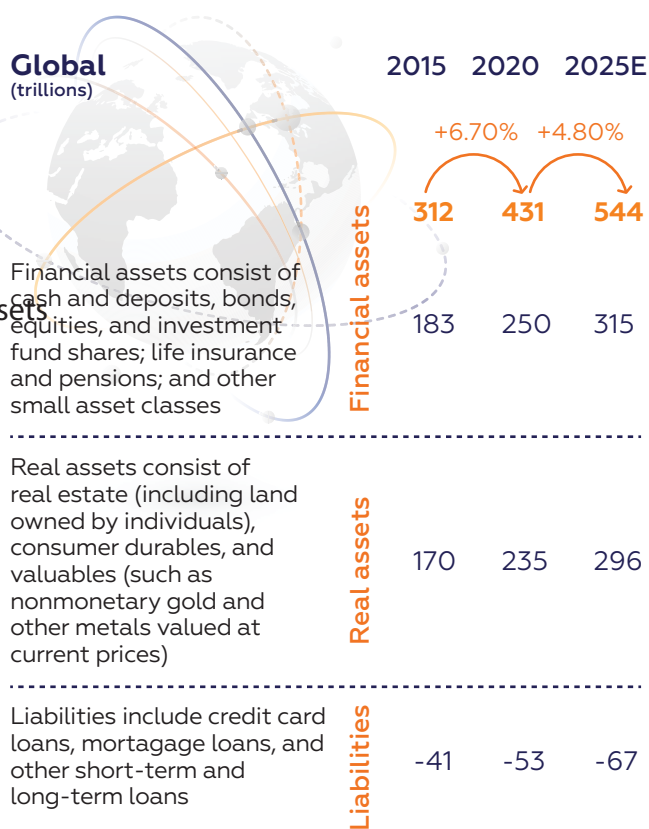
### Lenses for looking at wealth



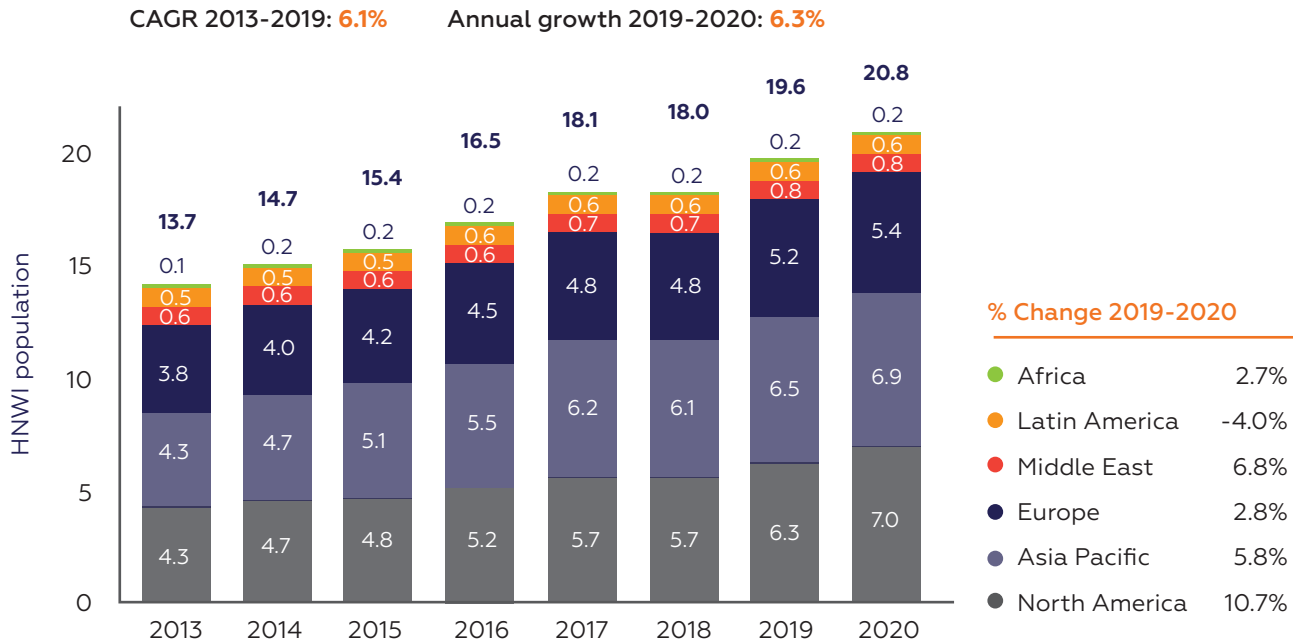
\*Total net wealth - Financial wealth + Real assets - Liabilities

Total net wealth = Financial wealth + Real assets - Liabilities  
Source: BCG Global Wealth 2021 Jun 2021

Rising equity markets drove a 6.3% rise in the global high-net-worth-individual (HNWI) population and a 7.6% jump in global HNWI wealth in 2020. After five years of Asian leadership, North America again overtook Asia-Pacific to lead the total HNWI population and wealth, with 10.7% and 11.9% growth in 2020. The US equity market benefited from US\$2 trillion

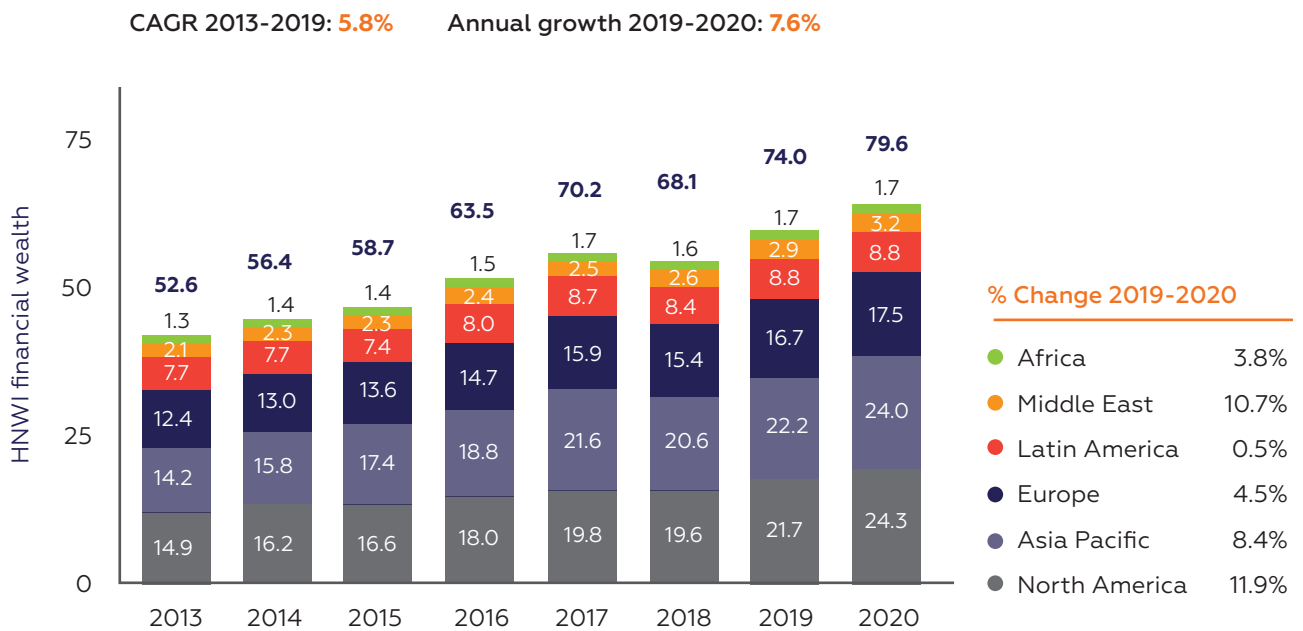


**Figure 1. Number of HNWI's by region (millions), 2013-2020**



Note: Chart numbers and quoted percentages may not add up due to rounding  
 Source: Capgemini Financial Services Analysis 2021

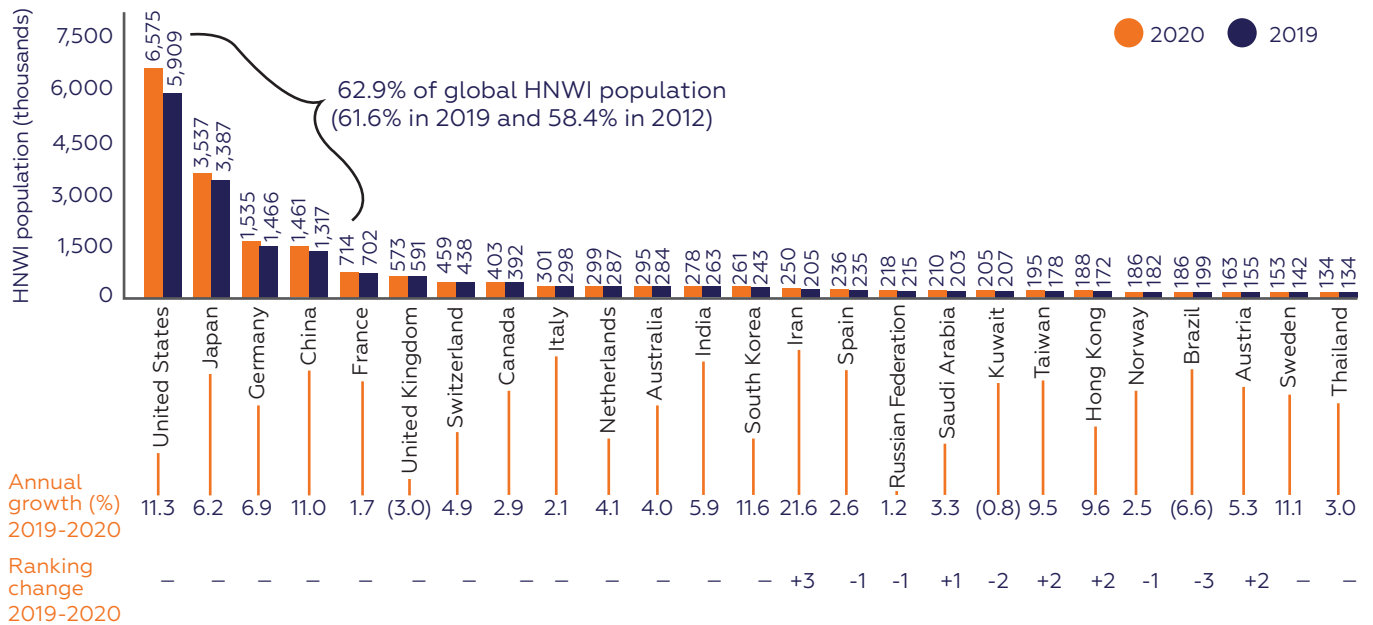
**Figure 2. HNWI financial wealth by region (USD trillions), 2013-2020**



Note: Chart numbers and quoted percentages may not add up due to rounding  
 Source: Capgemini Financial Services Analysis 2021

With a 5.9% HNWI population increase, India performed marginally better than Asia-Pacific's average population growth.

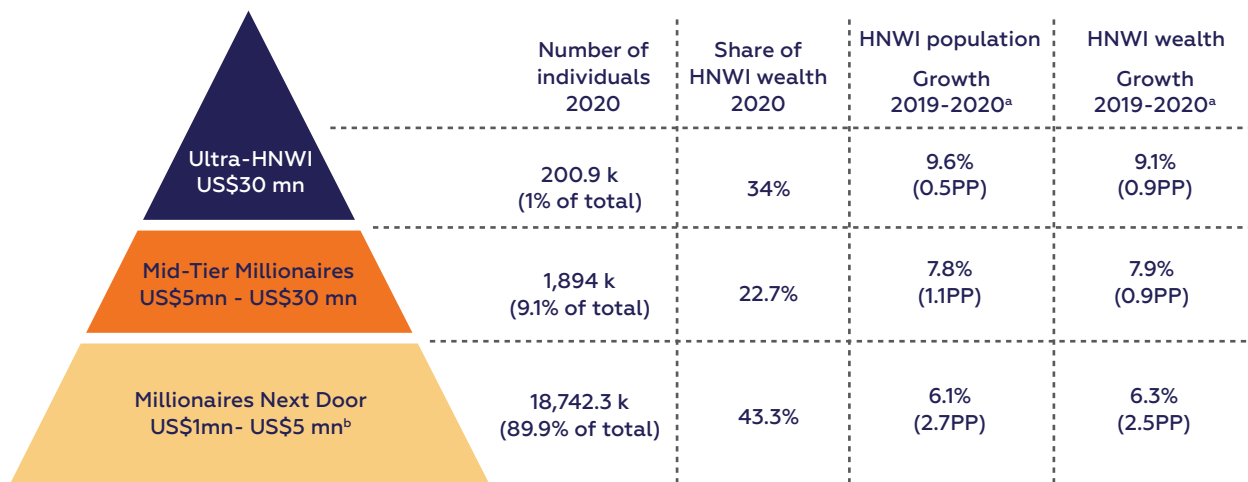
**Figure 3. Top 25 markets by HNWI population, 2019-2020**



Source: Capgemini Financial Services Analysis 2021

The ultra-HNWI segment led overall HNWI population and wealth growth during a positive year for financial markets with overall HNWI population growing 9.6% and wealth growing 9.1%, respectively.

**Figure 4. Global number of individuals per wealth band (2020) and growth (2019-2020)**



a. PP in parentheses denotes the changes in 2019-2020 over 2018-2019.

b. The wealth bands are based on HNWI's investable assets, excluding primary residence, collectibles, consumables, and consumer durables.

Note: Chart numbers and quoted percentages may not add up due to rounding

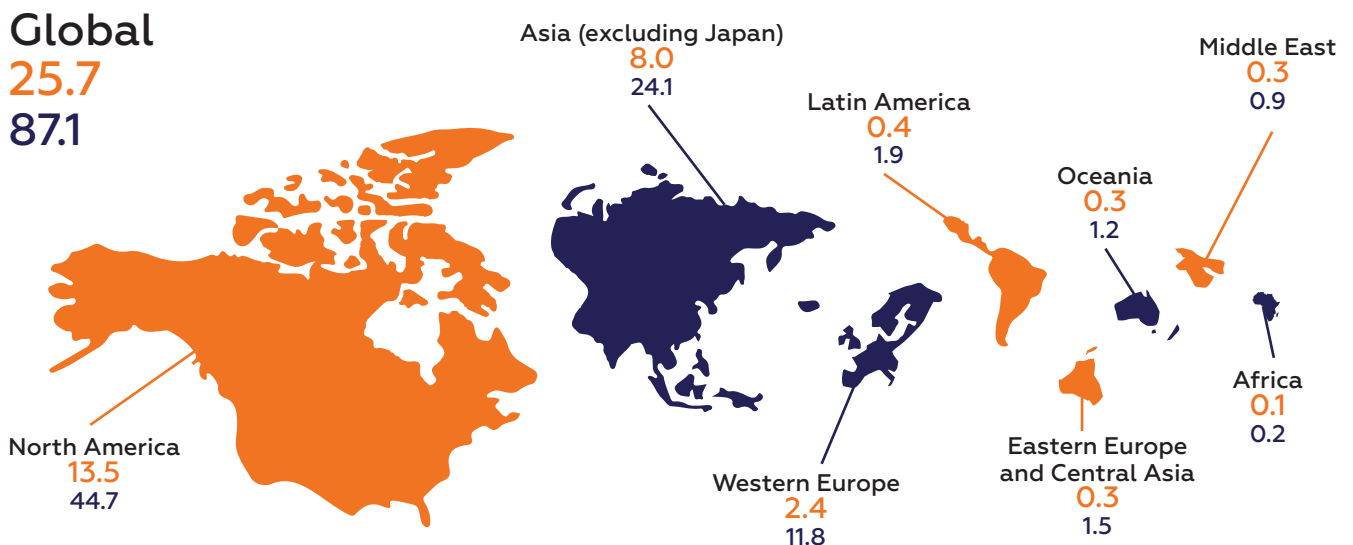
Source: Capgemini Financial Services Analysis 2021

As per global reports, North America and Asia (ex-Japan) are anticipated to lead the financial wealth generation in absolute terms over the next five years. These, followed by Western Europe, are expected to account for more than 85% of the new financial wealth growth – until 2025.

If we review the same data with a revenue lens, North America dominates the share of worldwide wealth management revenues (US\$235 bn) - having generated US\$150 bn in revenues in 2020,

which is 64% of the global total. This is followed by Western Europe in second place (US\$ 43 bn in revenues, 18%), and Asia comes in a distant third, at US\$28 bn (12%) due to the fact that today Asia still remains relatively under-penetrated in terms of wealth management. Forecasts suggest that wealth management assets under management (AUM) in Asia are expected to clock a CAGR of 11.6% till 2025, outpacing the growth in investable wealth of high net worth individuals (HNWIs), which will be approximately 10.4%.

### Absolute HNWI Investable Assets and Revenue Growth, 2020–2025



### Absolute Δ in HNWI investable wealth 2020-2025 (US\$ trillion)

### Absolute Δ in WM revenues 2020-2025 (US\$trillion)

Source: Global Wealth Report 2021; BCG global wealth market sizing benchmarking database.

Note: Wealth in local currency was converted to US dollars at the 2020 year-end and exchange rate across all time periods.

Source: BCG Global Wealth 2021

## Wealth Management Landscape - India

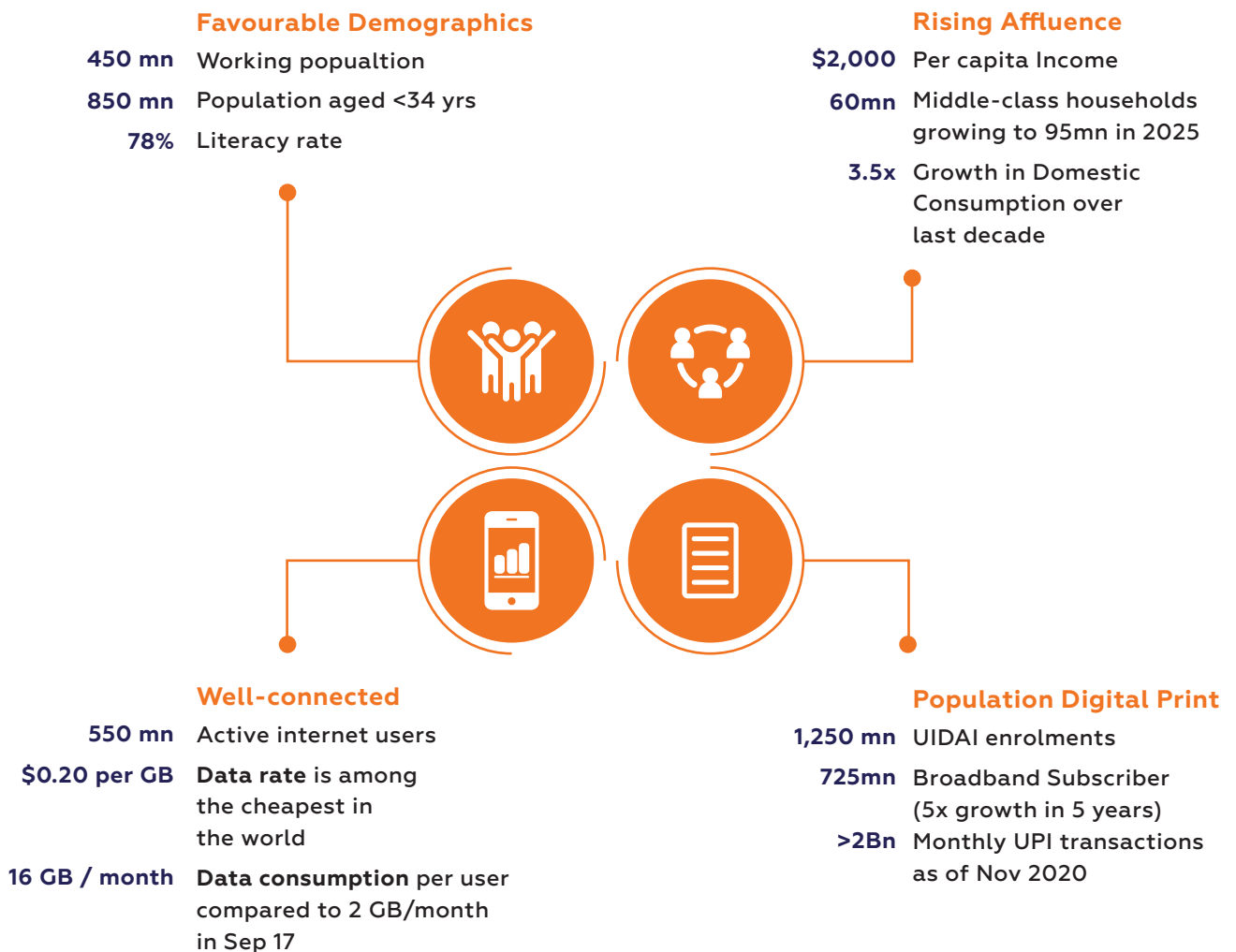
2020 was a momentous year, with Covid-19 upending some forecasts and trends whilst reinforcing and accelerating others. The economic impact of the coronavirus pandemic in India has been significant, causing GDP contraction of more than 10% and leading to the highest-ever annual fiscal deficit at 9.5% for fiscal year 2021. However, things have turned a corner in 2021, with unprecedented stock market gains on the back of sooner-than-expected business recovery, strong foreign institutional investor (FII) inflows, and Covid-19 vaccine approval and administration. The latest forecasts by the IMF expect strong rebound in 2021, with growth returning to the long-term trend of 7%–8% from 2022 to 2025.

A quick U-shaped recovery driven by a sector led growth has led to the sharp recovery of key indices. Covid-19 played a pivotal role in

accelerating multiple trends, including the increase of online touchpoints, emergence of direct-to-consumer (D2C) players, adoption of remote working, and focus on healthier living. Additionally, government initiatives to bolster the economy and strengthen the investment ecosystem in India, augurs well for the economy. With a large set Private Equity (PE) deal pipeline, an accelerating interest building in the Unlisted Equities space and the plethora of IPOs lined up, India seems at present, a lucrative investment opportunity, garnering significant interest from FIIs and Domestic Institutional Investors (DIIs) alike. India continues to have an incredible growth story.

The Indian wealth landscape is now at the cusp of transformation. To assess the wealth potential of our nation is to understand the opportunities accessible to our diverse people.

## A Large And Growing Consumer Economy Is Unfolding



The thriving startup ecosystem, coupled with the large deals and monetization events, make India an exciting place to be in. The opportunities for wealth creation remain unparalleled and the

valuations continue to be lucrative on account of buoyant equity markets. In 2020, a whopping 12 Indian startups achieved Unicorn status, which is the second highest in the world.

### The Unicorn Story - India Has The 2nd Highest Number Of Unicorns In 2020

|                               | China | USA | India      | UK  | Germany | S Korea |
|-------------------------------|-------|-----|------------|-----|---------|---------|
| Total # of Unicorns           | 227   | 243 | <b>38</b>  | 24  | 12      | 11      |
| Avg. Time to Unicorn (Yrs)    | 5-7   | 6-8 | <b>7-8</b> | 7-9 | 6-8     | 9-11    |
| No. of Unicorns added in 2020 | 8     | 66  | <b>12</b>  | 2   | 1       | 1       |

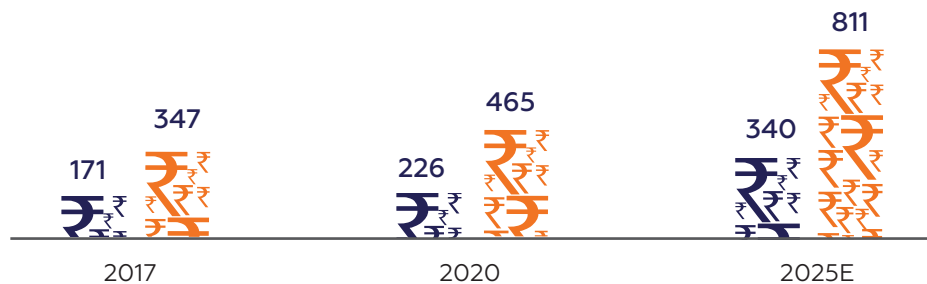
Source: Media reports

Growth in individual wealth in India has a higher elasticity as compared to GDP growth. Recent studies have laid emphasis to the fact that individual wealth tends to grow at a much rapid pace as compared to the nominal GDP. As reported by Karvy, total individual wealth in India currently is at ₹465 trillion, which is expected to rise by ~75% to ₹811 trillion by 2025. Within the same time frame, nominal GDP numbers are

expected to grow by 50% to ₹340 trillion.

This is on the backdrop of accelerated growth, fueled by the fast-paced normalization in economic activity, rise in savings and low leverage of households, continued monetary and fiscal support along with return of consumer confidence, thereby propelling a strong growth rebound in 2021 and beyond.

- Nominal India - GDP (₹TN)
- Individual Wealth (₹TN)



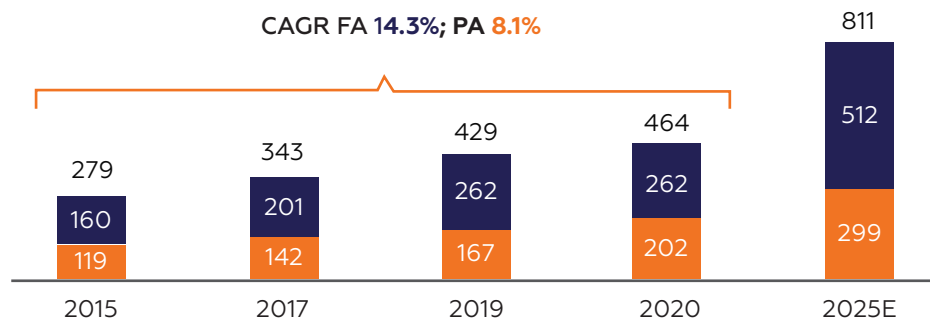
Source: Karvy Wealth Reports 2019, 2020

## The Big Shift – Financial Assets Set To Grow At A Rapid Pace

Financial assets have shown a continuous trend of having a greater share in the savings of Indian households. In the current growing trajectory, except for 2020, which was an anomaly, we see strong financialization of assets, and expect financial assets to increase from the mid 50% range to an estimated 63% in FY25.

In 2015, financial assets were at ₹160 trillion or 57% of the total Individual wealth in India. Over the last five years, the number has sharply moved at a CAGR of 14.3% to ₹300 trillion in 2020 or 60% of total wealth. We expect this to increase to more than ₹500 trillion in 2025, at a CAGR of 11.5%, with financial assets comprising more than 63% of the total wealth.

- Financial Assets
- Physical Assets



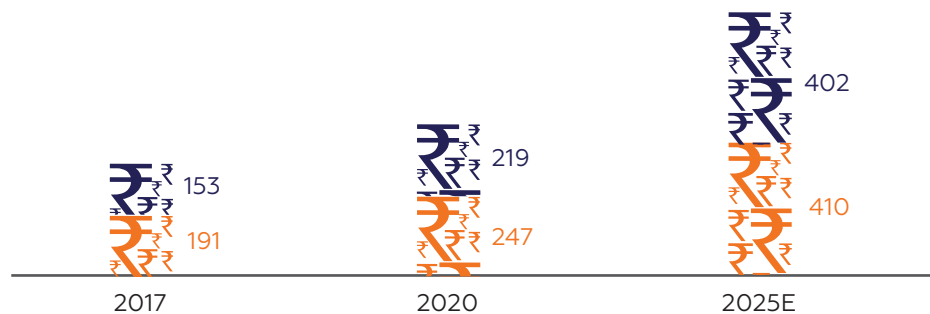
Source: Karvy Wealth Reports 2019, 2020

Of the Total Individual Wealth of ₹465 Trillion, HNI Wealth is ₹219 Trillion, and has clocked at a CAGR of ~13% from 2017 to 2020, as against Non-HNI wealth which has clocked at a CAGR of ~9% over

the same period. Going forward, we expect HNI Wealth to continue growing at a faster pace, at 13% CAGR, as compared to Non-HNI Wealth, which is expected to grow at 10% CAGR.

- HNI Wealth
- Non-HNI Wealth

CAGR 8.9 % 12.8%

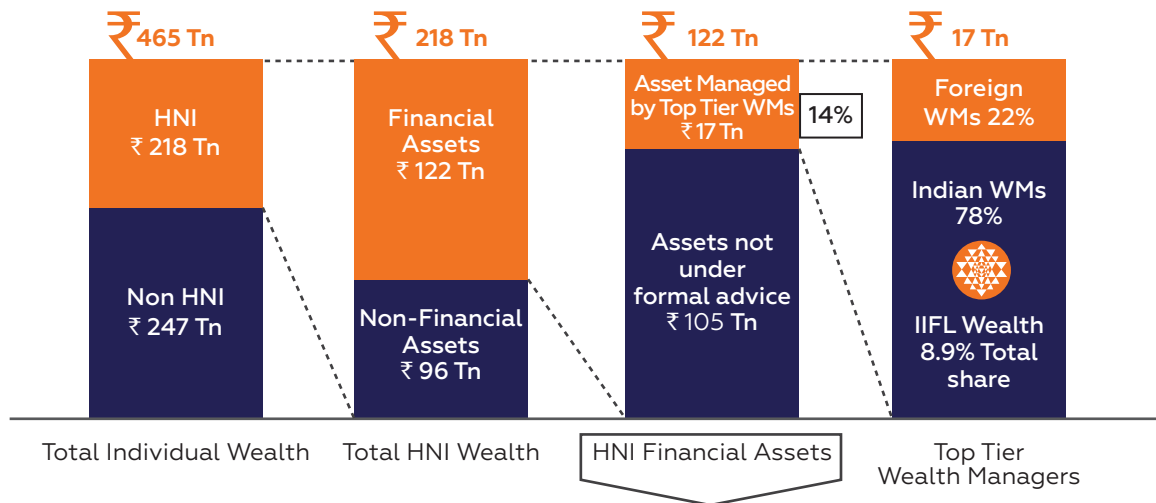


Source: Credit Suisse Data book, Karvy 2017-2020, Extrapolation

HNI Wealth continues to be under-penetrated by the established wealth managers. Only 14% (or ₹17 trillion) of the ₹218 trillion of estimated HNI financial assets are managed by the top 25 wealth managers in India. Majority of the estimated financial assets are still either self-managed or

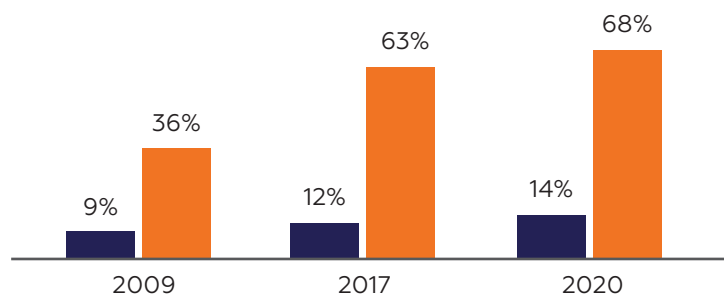
held as promoter stock. With foreign wealth managers significantly reducing their presence, Indian wealth managers have gained significant share. IIFL Wealth has a 9% market share of assets under formal advice and management.

## Assets under advice are less than 10% of the total estimated HNI wealth in 2020-21



Source: Karvy Wealth Report 2019-20, Credit Suisse World Wealth Report, Asian Private Banker India League Tables and IIFLW estimates and triangulations

## Wealth under professional management set to increase



Source: Credit Suisse Global Wealth Reports – 2020

In comparison, in China, almost 68% of HNI Wealth is under formal advice and management, as against only 14% in India. Over the next five years, we expect this number to show a

substantial increase as more assets come under formal advice and penetration of wealth management services improve across the country.



## New wealth creation and expansion of Tier 2, Tier 3 cities

Monetization of businesses by new age entrepreneurs has resulted in tremendous wealth creation, specifically in Tier 2 and Tier 3 cities. Many of these cities are not covered by the large

wealth managers. IIFL Wealth has majority of its clients and assets in the Top 10 cities and therefore the opportunity to garner new assets in Tier 2 and Tier 3 cities is immense.

| HNI FINANCIAL ASSETS BY CITIES – 2020               |          |               |                   |        |          |
|---|----------|---------------|-------------------|--------|----------|
|   | TOP 4    | Next 6 Cities | Next 11-20 Cities | Others | Total    |
| Total HNI Count                                     | 1,54,275 | 56,100        | 30,855            | 39,270 | 2,80,500 |
| HNI Financial Assets (₹ trillion)                   | 67       | 25            | 13                | 17     | 122      |
| IIFLW AUM as % of HNI Financial Assets              | 1.12%    | 0.38%         | 0.04%             | 0.03%  | 1.57%    |
| IIFLW Relevant Client Count as % of Total HNI Count | 1.31%    | 0.48%         | 0.26%             | 0.33%  | 2.39%    |
| IIFLW AUM % Split by City                           | 71.20%   | 24.43%        | 2.39%             | 1.98%  | 100%     |

Source: IIFL Wealth Analysis and Triangulations – Kotak Wealth Report, 2017-18; Karvy Wealth Report 2020; Asian Private Banker 2019. Cities - Top 4: Mumbai, Delhi, Chennai, Kolkata. Next 6 Cities: Bengaluru, Ahmedabad, Pune, Hyderabad, Nagpur, Ludhiana. Next 11-20 Cities: Chandigarh, Surat, Jaipur, Lucknow, Kanpur, Jamshedpur, Amritsar, Raipur, Indore, Aurangabad

Another barometer to judge the speed of wealth creation in India is the growth of mutual funds assets across geographies. From FY19 to FY21, AUM in MFs has seen a 32% increase – indicating increasing wealth creation, specifically in Tier 2

and Tier 3 cities. The Top 20 cities account for 75-80% of overall MF assets, in which, the Tier 2 cities, which are the next 10 cities after the 5 Metro cities have a CAGR of ~12%.

## The IIFL Wealth-Hurun India Rich List

IIFL Wealth in conjunction with Hurun India published the IIFL Wealth-Hurun India Rich List for 2020. The List is a barometer of the health of the Indian economy, helping us to understand, which industries have gone up, innovated, or gone down. With rising new wealth creators via innovative startups, family businesses with strong professional management, investors who believe in the India story, and a demographic advantage that is inferior to none, the wealth creation story of India is still yet to reach the half-way mark. The stories of these entrepreneurs tell the stories of India's modern businesses.

The List identified 827 individuals – a three-fold increase over the past five years; including 40 women with at least ₹1,000 Crs spread across 111 cities, up from 94 last year. The average wealth in the list is ₹7,300 Crs and the average age is 63. The list features self-made founders, professional managers, inheritors, CEOs, NRIs, investors and cashed-out entrepreneurs.

The combined wealth of the individuals identified in the List is a staggering US\$ 823 bn, equating to 1/3rd of India's GDP and more than the combined GDP of Pakistan, Bangladesh, Sri Lanka, Afghanistan and Bhutan.

The Rich Listers' wealth has grown twice as fast as the net market capitalization growth of all the companies listed in the Bombay Stock Exchange despite a number of headwinds. The List added 161 new faces, from 31 industries and 50 cities, recording a cumulative wealth growth of 20% or ₹1 trillion compared to last year.

Half of the new additions are contributed by the Top 3 cities and the List features entrepreneurs from 111 cities across the length and breadth of India – a testimony to the geographical spread of India's wealth creation story. More than 70% of the new entrants are self-made – depicting the rising first-generation wealth creation in India.

## Asset Management Landscape

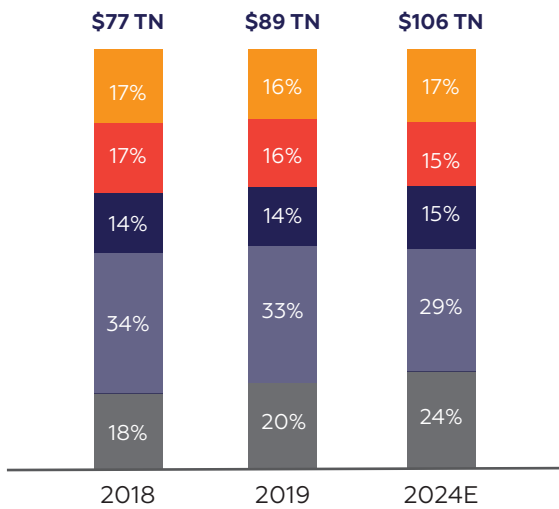
### Alternates

Global Asset Management AUMs are at US\$89 trillion in 2020 and are expected to grow to US\$106 trillion by 2024. Alternates currently form 16% of the AUM at US\$15 trillion but account for 46% of the revenues due to the substantially

higher retentions. Alternates are expected to maintain their share of the total AUM, however, the share of revenues is expected to further increase to nearly 50% by 2025.

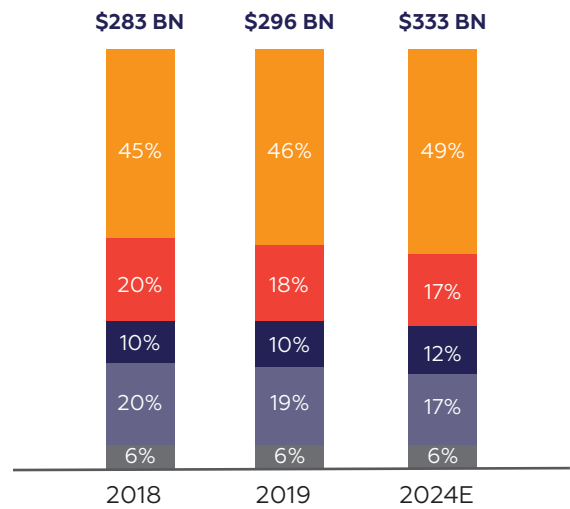
### Global Asset Management AUM & Revenue split – Alternates dominate Revenue share

● Passive ● Active Core ● Solutions ● Active Speciality ● Alternatives



Source: BCG Global Asset Management Report 2020

● Passive ● Active Core ● Solutions ● Active Speciality ● Alternatives



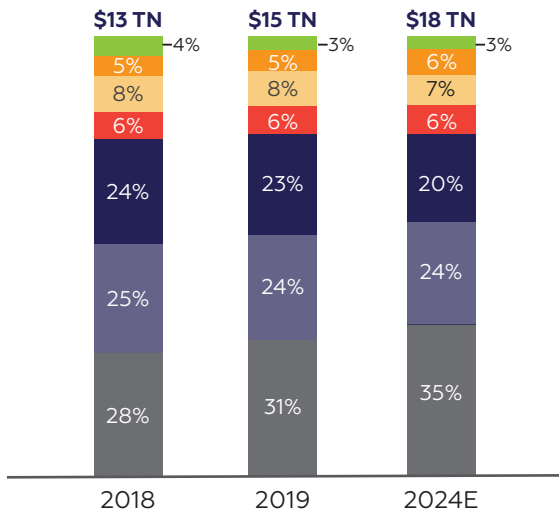
Source: BCG Global Asset Management Report 2020

Globally, Alternates are dominated by three strategies – namely Private Equity, Hedge Funds and Real Estate/Credit that on a cumulative basis account for ~80% of AUMs and Revenues.

Private Equity and Hedge Funds currently have the highest retentions and are expected to continue to dominate the Alternates space.

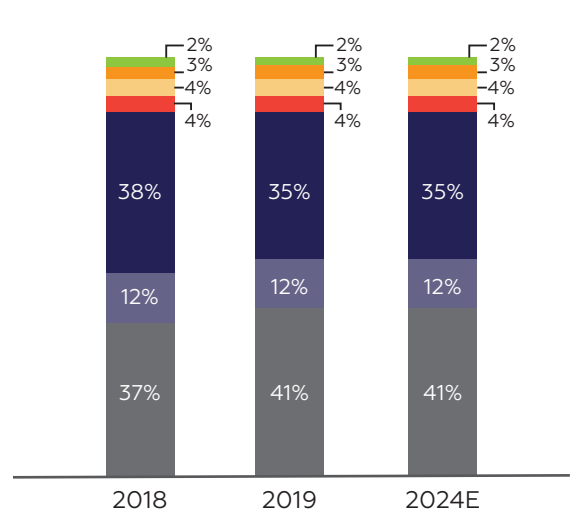
### Alternates AUM & Revenue split – Dominated by PE and Hedge Funds

● Private Equity ● Real Estate and REITs ● Hedge Funds ● Private Debt ● Commodities ● Infrastructure ● Liquid Alternatives



Source: BCG Global Asset Management Report 2020

● Private Equity ● Real Estate and REITs ● Hedge Funds ● Private Debt ● Commodities ● Infrastructure ● Liquid Alternatives



Source: BCG Global Asset Management Report 2020

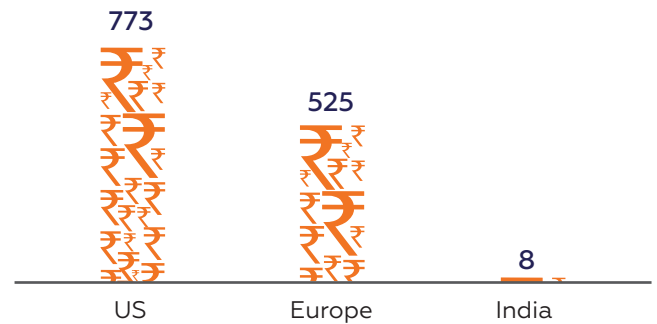
## In India, the Alternates space is relatively nascent

In India, the Alternates space has been dominated by pure play Private Equity / Venture Capital investments in various strategies. Most of the capital has historically been sourced from global funds and Limited Partners (LPs).

Introduction of the AIF platform in 2015-16 opened up avenues to broad base these investments and allowed managers to access domestic pools of capital from UHNIs / HNIs therefore allowing to also invest into the unlisted Equity, Debt and Credit space.

As compared to the size of the Alternates market in the US and Europe, India is still very nascent, and the Assets are relatively small

● Size of AIF Market - 2021 (₹ Trillion)



IIFL Asset Management has a leadership position in the AIF space with almost 10% market share across Cat 2 & Cat 3 AIFs. However, the overall penetration is still low and there is high potential for growth.

| (₹CrS) | Overall AUM (Mar 2021) | IIFLW AUM | IIFLW Market share |
|--------|------------------------|-----------|--------------------|
| AIF    | 2,30,015               | 22,147    | 9.63%              |
| PMS    | 5,85,720               | 4,013     | 0.69%              |

Source - SEBI, Company Data

## About IIFL Wealth & Asset Management

**IIFL Wealth Management & Asset Management Ltd** (IIFL WAM) is one of the leading wealth management companies in India. Started 13 years ago, IIFL WAM has catapulted itself to become financial advisors to over 6,700+ influential families in the UHNI / HNI segment, with more than ₹2.46 trillion of assets under management.

Headquartered in Mumbai, IIFL WAM has more than 850 employees and a presence in 6 major global financial hubs and 23 locations in India and is the only pure wealth management company to be listed on the Indian stock exchanges with a market cap of ~ ₹11,000 Crs as on 31st March 2021. IIFL Wealth Management Ltd is listed on the NSE (Symbol: IIFL WAM) and BSE (Scrip code: 542772).



**6700+**  
Relevant high Net Worth Families Investing with us<sup>1</sup>



**\$33 Billion**  
Assets Under Management<sup>2</sup>



**27 Offices**  
Across Major Countries and Indian Cities



**115+ Awards**  
Awarded by Industry, Peers and Clients



**The Capital Code**  
People, Platform, Principles and Product



**Values**  
Simplicity, Modesty and Client-Centricity

WEALTH MANAGEMENT

ASSET MANAGEMENT

LENDING SOLUTIONS

SUCCESSION & ESTATE PLANNING

<sup>1</sup> Relevant Families: Basis number of families with AUM in excess of ₹ 1 Cr.  
<sup>2</sup> AUM as on March 31, 2021. Wealth AUM excludes custody assets.

## KEY DIFFERENTIATORS

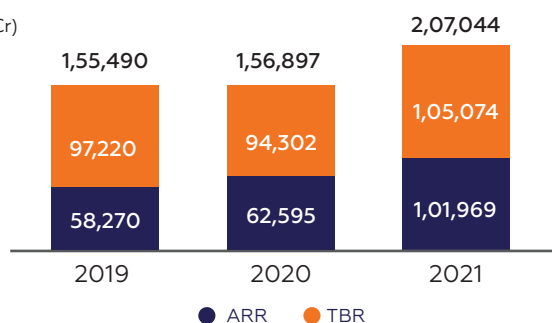
- One of the Largest Wealth Managers, and one of the largest Alternate asset managers in India today
- Ensuring our clients get first mover advantage to unique themes and ideas ahead of the market, with preferential access for sourcing / customizing investments with fund houses, institutional brokers, boutique managers etc.
- Best in class Product Platform, supported by advanced analytics to ensure portfolios managed in line with objectives
- In-house Asset Management and NBFC helps in holistically managing our discerning clients' needs.
- Robust and continuously evolving Technology platform enables ease of reporting with high accuracy

## KEY REPORTING METRICS

### IIFL WAM

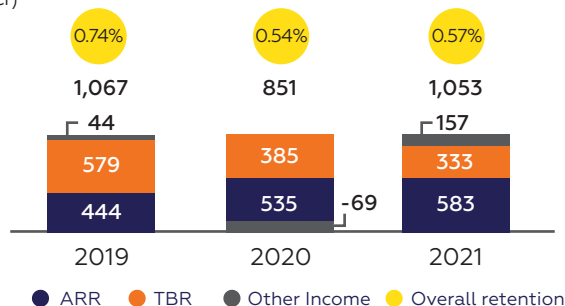
AUM - ARR, TBR

(₹Cr)



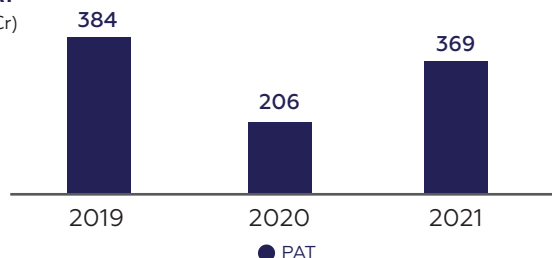
### Revenue – ARR, TBR

(₹Cr)



### PAT

(₹Cr)



## Sustained progress on business model change – Key milestones crossed

IIFL WAM undertook an ambitious program to pivot its Revenue recognition model from a transaction driven / upfront commission-based model to a sustainable management Fee / Annuity distribution Commissions model. This change resulted in a fall in overall revenues and profitability in FY20. However, despite the pandemic and all the resulting challenges, the company has significantly grown its Annual Recurring Revenue (ARR) assets and its recurring revenues to a point where in FY21, the overall revenues and profitability have come back to the pre-transition levels.

In FY2021, Total Revenue stood at ₹1053 Crs and PAT was ₹ 369 Crs, as against a total Revenue of ₹1,067 Crs and a PAT of ₹384 Crs in FY19. While the numbers look similar, the underlying business today is at a far firmer footing and resilient to market volatility and shocks because of the significant increase in recurring revenues.

In FY21, Recurring Revenues constituted 55% of Total Revenues at ₹583 Crs, and ARR assets constituted 49% of Total AUM, at ₹ 1,01,969 Crs. As against FY19, wherein Recurring Revenues constituted 41% of Total Revenues at ₹444 Crs, and ARR assets constituted 37% of Total AUM, at ₹58,270 Crs. Of our overall Net Flows for FY21, of ~₹ 24,000 Crs, 63% was towards ARR Assets.

## Other Highlights

During the year, we have declared and paid a total of ₹70 per share as dividend, ₹40 of which constitutes a special dividend and ₹30, a regular dividend; which is in line with our policy of paying out 70-75% of our annual profits as dividend to our shareholders. This is in accordance with our stated aim of efficiently managing our capital and net worth and moving towards our Target RoE of 20%.

In April 2020, we have seamlessly completed the acquisition and integration process of L&T Capital Markets, and their clients and RMs. Assets onboarded on account of the acquisition were ₹9,919 Crs.

**Areas of Business:** The two key areas of business are Wealth Management and Asset Management.

## Segment-wise and product-wise performance

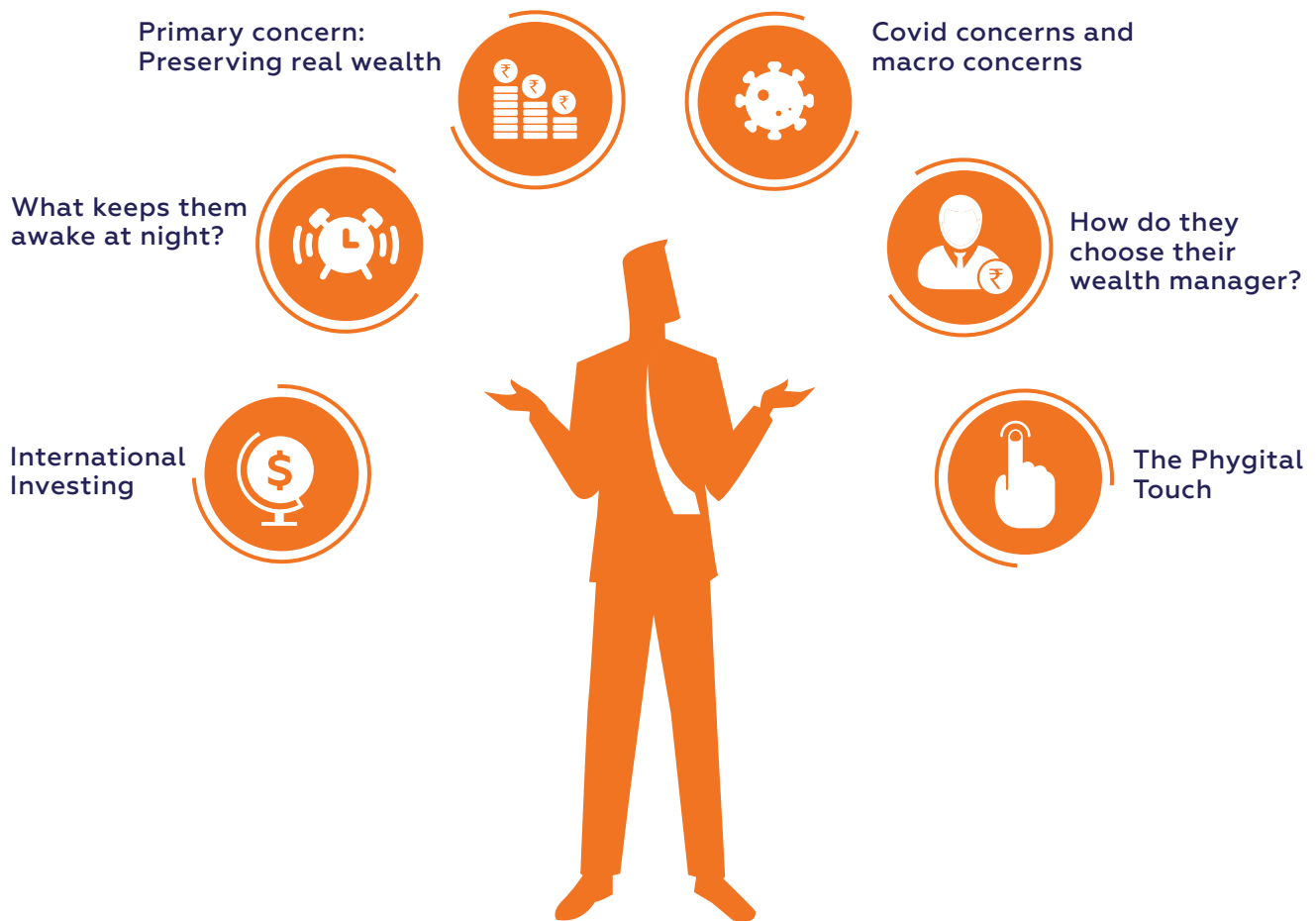
### Wealth Management

The wealth management business is an open architecture advisory-based offering with the objective of wealth preservation while providing optimal returns relative to the client's risk appetite. While Indian firms have significantly gained market share, most existing players in India offer wealth management as a non-core extension to their core business (banking/broking/ investment banking). IIFL Wealth on the other hand, is a pure play wealth management firm with a deep focus on managing UHNI wealth.

This focus has enabled us to offer full-fledged services including an evolving advisory platform, building allied services like estate planning, broking, lending and corporate advisory. Clients

benefit from professional and unbiased advice, a scientific investment process, consolidated reporting across advisors, and cutting-edge portfolio analytics.

We maintain a healthy balance between Fixed Income, Equity and Alternatives Investments thereby keeping returns consistent and not too volatile during turbulent times. This approach has ensured our clients' portfolio grow steadily on a compounded basis over long periods of time. Our unique approach in wealth management has resulted in high retention of clients and assets. We continue to invest in our people, products, technology and compliance to give clients the best platform to preserve and grow wealth.



IIFL Wealth's Role - Understanding Behavior Of Wealthy & Innovating To Serve Them

## Key Client Segments



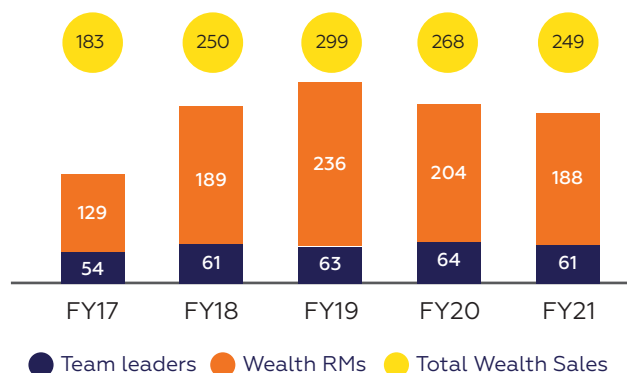
- **Entrepreneurs:** Who have sold their businesses either partly or wholly
- **Senior executives:** Who have exercised their stock options, or sold equity in their firms
- **Professionals:** Including doctors, corporate lawyers, actors
- **Medium to large industrialists:** Marquee families with substantial liquidity in their personal books
- **Corporate Treasuries:** Our expertise in Fixed Income and Debt and our capability to synthetically structure products give us access to some large corporate treasuries
- **Funds, Endowments and Family Offices:** Account for 70% of the International assets under FII sub accounts
- **Large traders:** Our focus is on utilization of platform (funding limits, speed of execution and service levels)

Our culture thrives achieving and maintaining alignment of interests between employees, clients and shareholders and has been the cornerstone of our success over the years. Our 850+ People remain the core focus of our business and their development continues to be of paramount importance for the continuing growth of our business. To this end, our processes, performance plan, skill development and a high level of employee ownership has ensured low attrition, especially, at the team leader levels. This has resulted in a virtuous cycle where client retention is amongst the highest in the industry

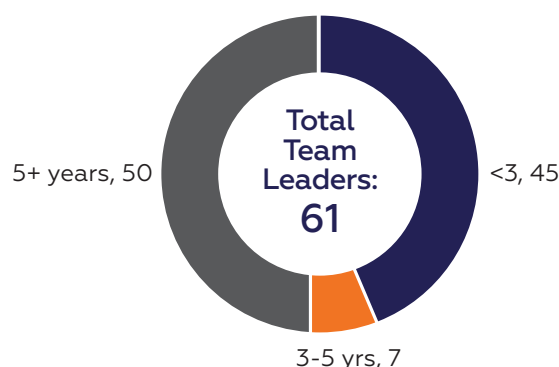
and average AUM per client continues to increase as the Team Leader vintage increases.

During the year, despite the pandemic and a 5-month lockdown, we added more than 1,850 new relevant families, of which ~900 were a part of the L&T Capital Markets acquisition. As part of our continuous efforts to increase efficiency, the Average AUM as well as the number of families managed per Team Leader has been continuously increasing and has almost Doubled over a 5-year period. We continue to deploy technology to increase and drive productivity enhancements

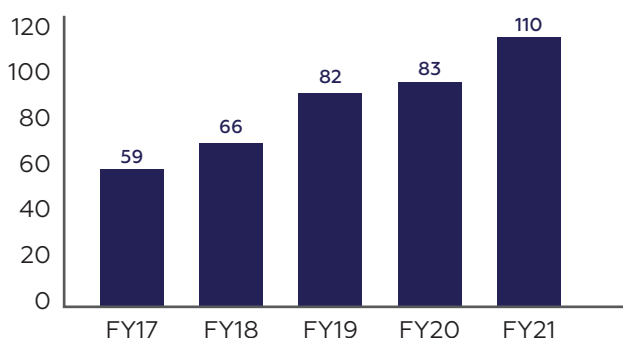
## Team Leaders and Relationship Managers



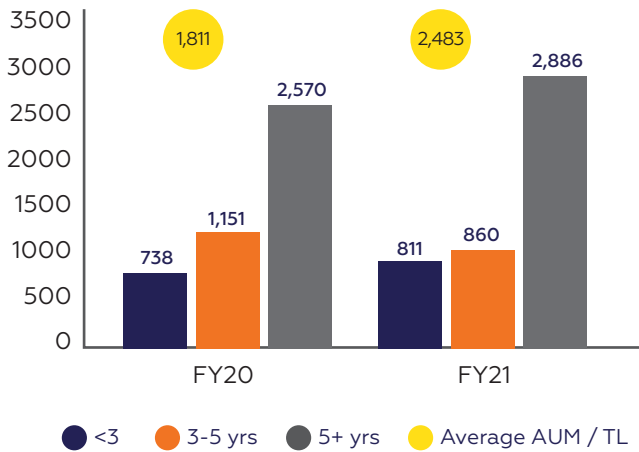
## Team Leaders Vintage Bucket



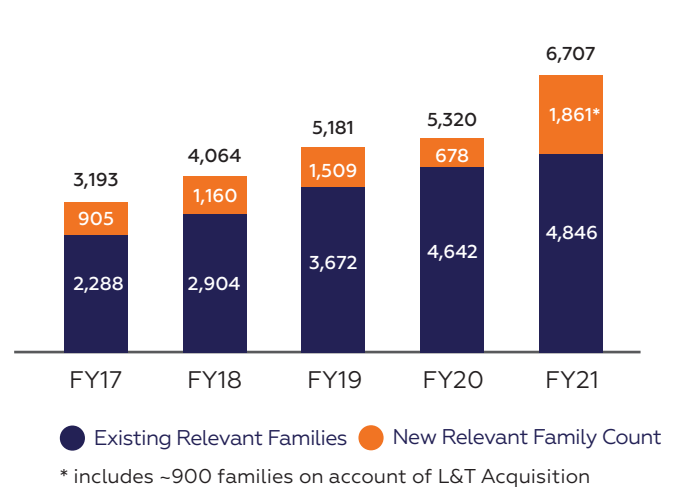
## Average no of relevant families per Team Leader



### Vintage Bucket of Team Leader (Average AUM)



### Count of relevant families over years

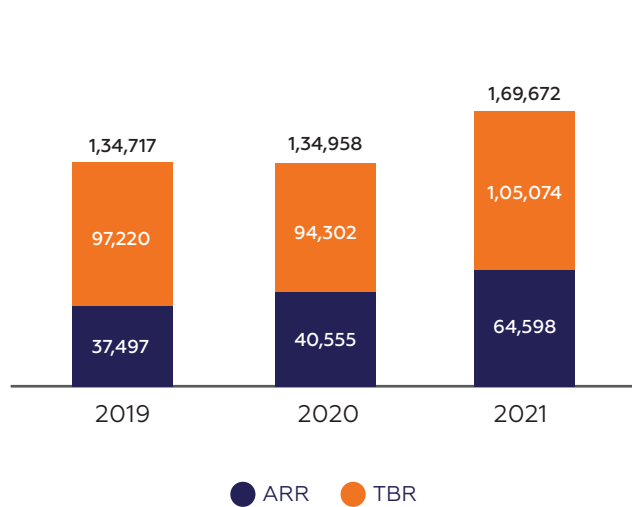


Our flagship proposition IIFL-ONE continues to grow and gain acceptance across Client Segments. AUM under IIFL-ONE has grown more than three-fold over the last two years from

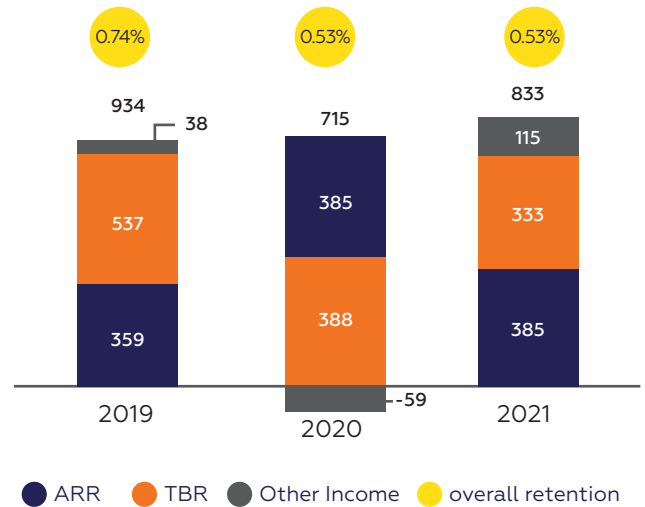
~₹8,700 Crs in FY19 to almost ₹28,000 Crs in FY21, further strengthening our belief that a transparent fee driven model is the future of the Wealth Management industry.

### Wealth Management snapshot

#### Total AUM



#### Total Revenue



**Asset Management - 'Innovation is the change that unlocks new value'**

The Asset Management business (IIFL AMC) focuses on creating niche alternative India focused strategies for the UHNI / HNI space. A disciplined and active investment management approach combined with intensive research and innovative strategies creates avenues for investors to tap into India's potential to facilitate long-term wealth creation. The distinctive and diversified product suite of mutual funds, portfolio management schemes and alternative investment funds span across public and private equities, fixed income securities, Credit & Real Estate and enable investors across the world to participate in India's unique growth story.

IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India and continues to be one of the largest AIF Managers in the country.

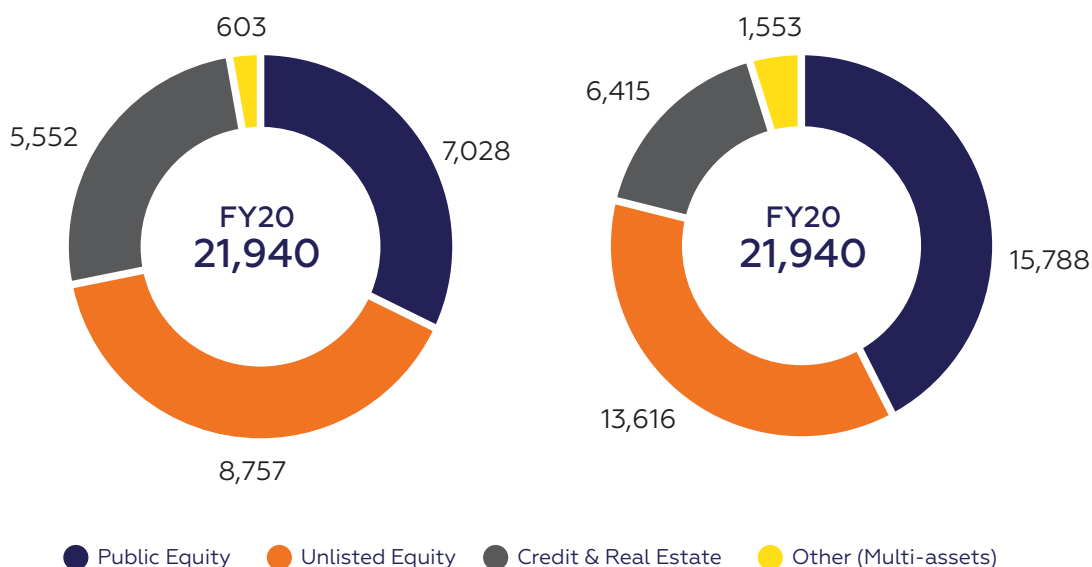
We continue to invest in technology, people, and processes. We holistically embraced digitisation to ensure that our investors have seamless access to all our funds and can efficiently manage their investments. Some of the initiatives on this front included the introduction of digital onboarding and automated factsheet generation, IIFL AMC is

among the first AMCs to launch online PMS and AIF applications.

Despite the pandemic and changed working dynamics during FY21, the Assets Under Management grew by 70%. With a focus on increasing the products suite, several new funds were launched during the year including late-stage consumer technology fund, and a fund of funds, which aims to provide unique opportunities to invest in the best-in-class technology-focused Venture Capital Funds. In the listed equity space, under our Portfolio Management Services, we added a new strategy to create a portfolio of businesses with established track record and have the potential to see sharp improvements in their fundamentals. Over the year, we continued to onboard new distribution partners and achieve scale across our existing products (Multicap and Multicap Advantage PMS).

In FY21, the AMC's overall Assets Under Management have grown by more than 70% to ₹37,372 Crs. A split across Strategies showcase that this growth was primarily fueled by the Listed Equities space, growing by more than 100%; and the Unlisted Equities growing at more than 50% during the year.

**Strategy-wise AUM snapshot (₹ Cr)**

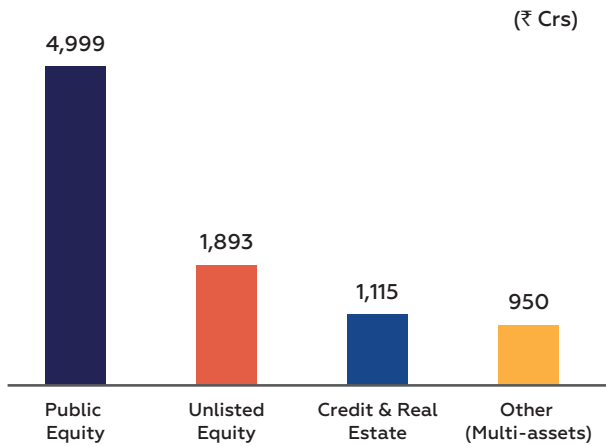




A view on the Net Flows for FY21 across Strategies in the AMC segment showcase the growing trend of inflows across the Public Equities business, and the gaining popularity within the Unlisted space.

### Product Category-wise net sales

#### Strategy-wise Net Flows



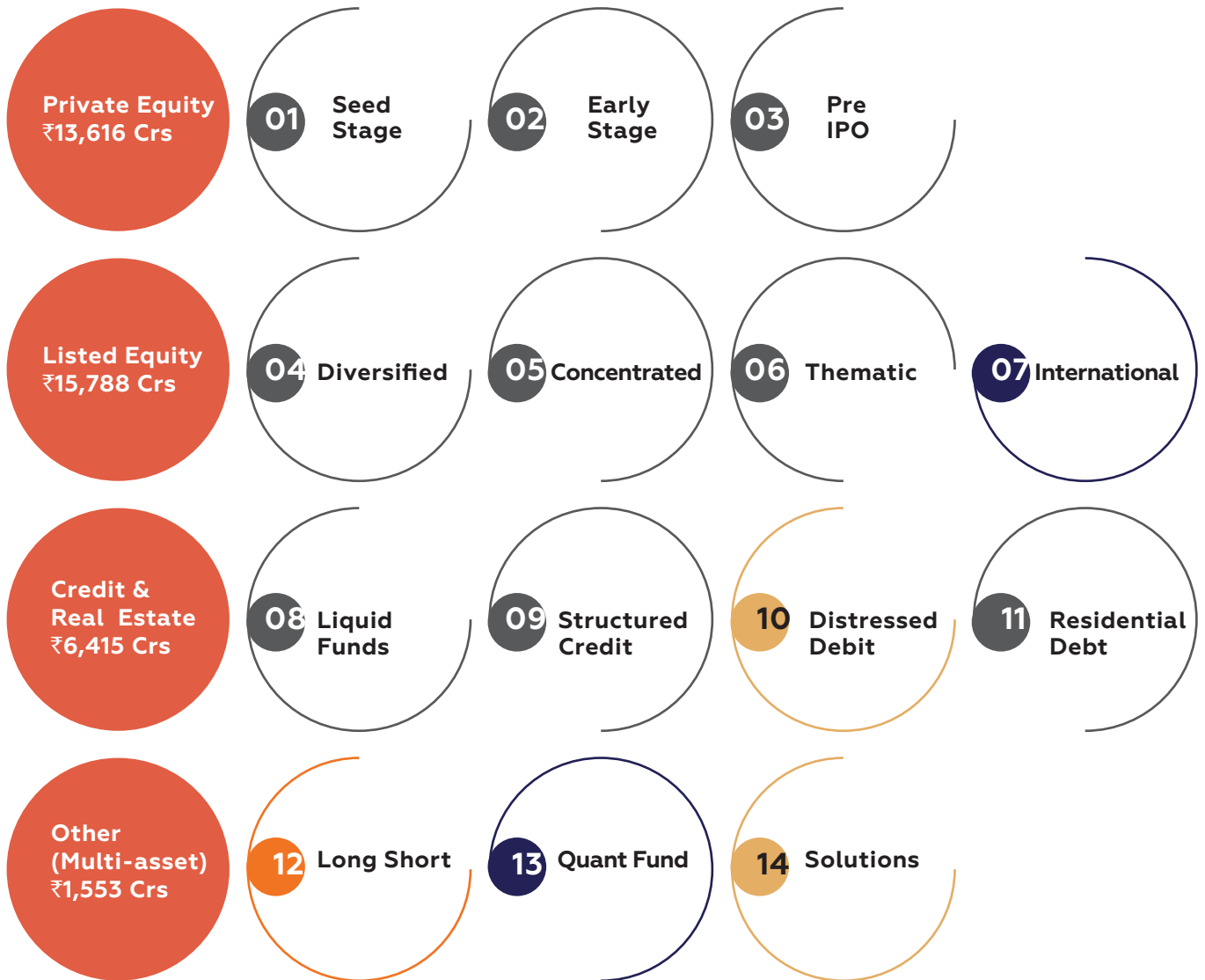
Data as of March 2021

The year was particularly successful from institutional mandates' perspective as we established connects with many offshore institutions and family offices and onboarded a Sovereign Wealth Fund; the largest mandate received by IIFL AMC till date. The company now manages an AUM of ₹7,133 Crs across offshore institutions and expects this to be an important driver of growth going forward.

Thanks to the efforts of our people, despite disruptions, net inflows for the year were almost ₹9,000 Crs , spread across various asset classes and geographies the highest ever for a single year in the short history of the AMC.

Both listed equity and private equity remain scale strategies with ₹15,738 Crs AUM in listed equity and ₹13,616 Crs AUM in private equity in FY21. Fixed income investment categories comprising liquid mutual funds and structured credit products contributed ₹2,851 Crs to overall AUM while real estate funds contributed ₹5,118 Crs.

## AMC Strategy-wise split



## Total AUM ₹37,372 Crs



In the coming year we will continue to explore opportunities to enhance our product offering across our four asset classes i.e. listed equities, private equities, credit and real estate. We aim to

maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes.

Summary of developments across key platforms is as below:

### **Alternative Investment Funds (AIFs)**

During the first couple of quarters, our focus was primarily on raising commitments in already launched schemes viz. High Conviction Fund - Series 1, India Housing Fund - Series 2 and IIFL Seed Ventures Fund – Series.

In Q2, on unlisted equity side, AMC launched a new fund during the quarter - IIFL India Private Equity Fund Series 1A, which intended to invest in financial intermediaries that are dominant players in their segments. The scheme raised over ₹1,522 Crs and has proved to be a successful launch.

In Q3, we launched IIFL Equity Opportunities Fund, a fund of fund, which aims to provide a unique opportunity to invest in the best-in-class technology focused VC Funds primarily focused at providing follow on capital to top performing digital companies along with other marquee investors. It garnered a commitment of ₹620 Crs.

In Q4, we launched another fund on unlisted equity side, IIFL Special Opportunities Fund Series 8, which would invest in late stage consumer tech deals. The fund received a fantastic response garnering over ₹1,300 Crs by end of April 2021.

### **Portfolio Management Services (PMS)**

On listed equity front, we continued to onboard new distribution partners and achieve scale across our existing products - Multicap and

Multicap Advantage PMS. Despite disruptions due to the Pandemic, multiple communication channels were opened up with investors informing about product performance and offering easy one click top-ups. We leveraged technology to enable editable forms for client onboarding to enable business continuity. In Q4, we added a new strategy, IIFL Phoenix Portfolio, which intends to create a portfolio of such businesses with an established track record, which have the potential to see a sharp improvement in fundamentals in the future.

### **Mutual Funds (MFs)**

Given our continued focus on scaling up IIFL Focused Equity Fund, we were able to add net inflows of ₹379 Crs during the year. For most of the year, the fund was amongst the best performing fund in its category. Additionally, in order to increase its reach across platforms, we laid emphasis on increasing SIPs in the scheme from online channels. Towards the end of the year, we also filed for quant-based funds with SEBI (IIFL Smart Fund). We are awaiting approvals from the regulator on the same.

### **Offshore / Institutions**

In terms of client coverage, we have established connect with many offshore institutions, wealth funds and family offices over the past year. During the year, we received an additional investment from one of our existing advisory mandates. We also received a new mandate from an institutional investor.

## Outlook

The year gone by was really a story of two parts. The first half was when the pandemic first struck resulting in complete lock downs and an almost complete stall of economic activity sending global markets into a dizzying fall. The second half saw coordinated actions of governments and central banks worldwide resulting in global markets and indices rising to record highs by the year end. We expect this growth to continue into the current year as well aided by favorable macro-economic conditions and enabling policies.

Global financial wealth soared to reach an all-time high of US\$ 250 trillion in FY21. Flush with cash and encouraged by the prospect of robust returns, individuals directed more wealth into equities and investment funds and away from lower-yielding debt securities, continuing pre-crisis trends. Many also embraced alternative investments such as private equity, private debt, and real estate in the quest for even higher yields.

Having adapted to extraordinary challenges, the events of the last 12 months have strengthened our belief that it continues to be prudent to think long term and not be swayed by the short-term. The key pillars of our business - our people, our clients and our proposition continue to be our key focus areas on an ongoing basis. However, a fourth pillar is now being added – Digital. The key behavioral transformation due to the pandemic has been the widespread increase in the use of digital tools and technologies in our daily lives, and this impact is sharpest in the way we interact with people and how we consume various services.

We presently find ourselves at an interesting intersection between the agility of a start-up and stability of an over 12-year-old company. As with all businesses, the COVID 19 pandemic has ensured a significant degree of adoption to digital activities. All our clients are now actively engaging with our relationship teams via digital interfaces. We have also seen some shift to self-directed transactions, particularly in stocks, as clients become more active in managing parts of their portfolio themselves. We have been at the forefront of adoption of new technologies to sharpen our proposition and improve the delivery of our services, therefore our focus on using technology to upscale our infrastructure and improve the delivery of services to clients is absolute and continuous. Over the last year, we have seen the benefits of client proximity, delivery speed, and efficiency and we will continue to strive to better leverage technology as an enabler to deliver a smoother and sharper client experience.

From a financial perspective, FY21 has seen our financial performance return to the levels attained before we made the change in our business model and adopted an annuity focused revenue model. Our reported PAT in FY21 of ₹369 Crs is almost equal to the PAT in FY19 of ₹385 Crs. However, while the profits have almost equalized we are today in a far stronger position with annuity assets now forming 50% of our total assets vs 37% in FY19. We intend to continue this trajectory in the coming years and focus on building annuity assets.

Our conscious focus on driving cost and productivity enhancements at a firm level have now begun to reap benefits. These measures have been taken using a combination of cost reduction initiatives, deployment of technology to improve productivity as well as taking judicious calls on outsourcing of select activities to derive scale benefits. The benefits are beginning to reflect in our Cost to Income ratios, which have been steadily declining. We expect going forward that these efforts will generate positive operating leverage, thereby enhancing firmwide productivity metrics. Investments will continue in strengthening key organizational areas of Digital, Compliance and Risk.

We intend to further grow and consolidate our overall market position and to enhance our platform and proposition via differentiated product offerings, as well as continuously evaluating inorganic opportunities to expand growth trajectory.

We will continue to find the right intersections between wealth creation and wealth preservation, between our expertise and client's level of involvement, between old age values and new-age technology, between clients' needs for today and our clients' family's needs for tomorrow. We continue to invest in building a high-quality team and imbibe a culture which encourages innovation and strong orientation towards knowledge-based service.

India has seen a strong economic bounce and investment sentiment remains buoyant on the back of excess liquidity and savings. There are strong tail winds across the Wealth Management and Asset Management businesses as evidenced by sustained growth in HNI/UHNI clients driven by large number of monetization events and continued growth in next tier locations along with strong traction on institutional mandates in the Asset Management business and strong momentum across our Unlisted Differentiated strategies.

## Equity Markets

Growing optimism around the global economic recovery, persistent drop in new cases and the progress of vaccination drives supported the global equity markets in the latter half of FY21. Vaccination roll-outs across the globe, continued economic recovery, strengthened expectations of a fiscal stimulus in the US and dollar weakness kept investor sentiments strong for EM equities. This was further aided by strong portfolio inflows amid supportive surplus liquidity across the globe. The Hang Seng Index (Hong Kong) and Nikkei 225 Index (Japan) shot up by 20.2% and 54.3%, last year. Japan's Nikkei 225 crossed the 30,000 mark for the first time in more than three decades. This surge can mainly be attributed to Japan's economy growing by 12.7% in October-December quarter FY 2020-21 on a YoY basis. European equities suffered from a relatively slow roll-out of COVID-19 vaccines, political uncertainty in Italy and slower economic recovery amid lockdown restrictions. Brexit uncertainty along with second wave of virus infections have battered the UK, with the FTSE 100 Index being the slowest performing regional equity market.

Meanwhile, Indian equity markets outperformed the broader EM indices, with the Nifty 50 increasing by 70.9% and Nifty 500 by 76.0% in 12 months ending March 2021. Persistent traction in foreign flows and brighter domestic economic outlook as reflected through steady improvement in several high frequency indicators and better than expected Q4 FY 2020-21 corporate earnings

## Debt Markets

FY20-21 was an action-packed year for Indian fixed income markets. 10-year G-sec yields, which spiked in early April 2020 on the back of massive FPI selling and the fear of a significant rise in fiscal deficit, reversed its course soon and started trending lower. The yield fell below 6%, driven by aggressive monetary easing, but inched up again and hovered around 6% throughout the year. The 10-year yield ended only 3 bps higher than last year despite the central government's fiscal deficit rising sharply from the budgeted 3.8% to 9.2% of GDP. This was mainly due to the RBI's intervention through open market operations (OMOs). Term spread however, jumped in March 2020 from ~1% to over 2% and remained at elevated levels as the shorter end of the yield curve was firmly anchored due to ample liquidity. Domestic liquidity remained in ample surplus supported by liquidity infusion by the RBI and the further rise in government spending and the muted credit growth also added to the surplus.

also kept investor sentiments buoyant. This was further supported by stimulus measures announced by the Government and liquidity measures adopted by RBI.

Despite COVID-induced turbulence, Indian equity markets showed their best performance in a decade in FY 2020-21. Surge in trading by retail investors and Foreign Institutional Investors (FIIs) fuelled a rally in equity markets post the sharp correction of March 2020. FIIs net investment recorded an all-time high in FY 2020-21 at US\$ 37.1 bn, which is approximately 14 times higher than that of US\$ 2.6 bn in FY 2019-20, owing to continuous rally in equity prices. Unlike FIIs, Domestic Institutional Investors (DIIs) remained strong sellers of Indian equities with net outflows of US\$ 19.0 bn in FY 2020-21. Net investment by DIIs remained negative due to redemption pressures and profit-booking as equity valuations touched lifetime highs.

An exponential rise in COVID infections in the second half of March 2021 compelled re-imposition of restrictive measures and raised concerns on the ongoing economic recovery, however markets seem unperturbed by the rising number of infections in the ongoing second wave of COVID-19. The likely reason is that markets see the same as a temporary bump in the course of recovery and expect activities to normalise over time. Further, the impact on the earnings of majority of the NIFTY50 sectors is likely to be temporary and limited.

FPI flows into Indian debt markets in FY20-21 were weak, albeit better than the previous year. The net FPI outflow amounted to ~US\$ 2.2 bn in FY20-21 (FY 19-20: US\$ 5.4 bn).

Going forward, the outlook on yields remains uncertain as rise in international crude prices, increase in 10-year US treasury yields, elevated fiscal deficit and CPI, especially core CPI, pose an upside risk to yields. The high statutory liquidity ratio (SLR) investment holdings of banks and signs of a broad-based improvement in economic activity can also push yields higher. However, the RBI has been consistently intervening to stem any significant rise in yields and may continue to do so in the foreseeable future. Also, muted credit growth, low global rates and ample liquidity bode well for yields in India.

During the year, credit markets faced heightened volatility, resulting in the widening of spreads.

This followed from Yes Bank AT1 bonds being written off (in February 2020), imposition of the lockdown, announcement of the winding up of six debt schemes by Franklin Templeton, etc. The spreads normalised from Q2FY 21 onwards, supported by the RBI's monetary and regulatory

easing measures, recovery in economic activity, lower than expected impact of the pandemic on financial institutions, improvement in collection efficiency of banks and NBFCs, and other such factors.

## Awards

IIFL Wealth & Asset Management won 7 awards during the year. At The Asset Triple A Private Capital Awards, 2020, IIFL Wealth won the Best Private Bank – India award for the 10th year in a row. At the Euromoney Private Banking and

Wealth Management Survey, 2021, we won awards for the Best Services - Investment Management and Best Technology - Innovative or Emerging Technology Adoption.

The other awards include Global Private Banking Innovation Awards, 2020 for the following:



## Change in Regulatory Policies

### Broking and DP

- New margin rules requiring upfront margins (of 20% of trade value) and peak margin regime was implemented from 1st September 2020 in Stock and Commodities broking.
- It was made mandatory that margin collateral of securities was to be accepted only in pledged form.

- Changes were made to the regulations pertaining to Alternative Investment Funds (AIFs): investment concentration limits are to be computed for both direct and indirect exposures where the AIF has invested into other AIFs; and leverage of 200% for Category III AIFs was to be computed after reducing exposure to other AIFs.

### AMC

- Criteria for Product labelling in MF Schemes was laid down by SEBI.
- Regulations were issued to align the interest of investors in MF with the asset manager, which require 20% of gross annual cost-to-company (CTC) remuneration paid to Key Managerial Personnel to be paid in units of schemes managed of the AMC, with a lock-in for 3 years and clawback applicable in case of gross negligence or fraud.

### NBFC

- Statutory Audit - The period of appointment for statutory auditors was changed to three years and a rotation requirement was introduced by the RBI: an audit firm would not be eligible for reappointment in the same entity for six years (two tenures) after completion of full or part of one term.

## Risks and Governance

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review and may continue to do so in the future.

**Our Assets under Management:** Our results of operations are materially affected by our AUM. Accordingly, our growth and success significantly depend upon the appropriateness of investment options provided and the performance of our client portfolios and funds. Good investment performance increases the attractiveness of our products with clients resulting in higher inflows and a consequent increase in our revenues. Hence, events adversely impacting such investment performance (relating to stocks, bonds, commodities or real estate related investments) may adversely affect our business.

To mitigate these risks, we have a Product team that shortlists products, which are offered to clients. We also have a Product Approval Committee for complex / structured products. That apart, we do a detailed Risk Appetite assessment of the client, and accordingly prepare an Investment Policy Statement (IPS) for the client. Hence, actual asset allocation can be checked against this and corrective action can accordingly be taken. That apart, our Internal Auditors specifically check that investment rationales are maintained and regularly updated. We also have Investment and Valuation Committees and a Risk Management team that monitor portfolios that are managed by us internally within the group.

**General economic and financial services industry conditions in India:** Our Company is engaged in the business of providing wealth management services and with a majority of our operations within the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including the GDP growth rate, inflation rate, change in demographic profile, wealth levels, the economic cycle, prevalent interest rate regime, securities markets performance, and the increased usage of technology-based channels.

The Indian economy has grown rapidly over the past decade and is expected to continue to grow at a healthy rate (leaving apart blips like 2019 and 2020), which, together with the increasing financialization of savings, could in turn, drive the underlying demand for investment products and services.

However, if the general economic conditions in India deteriorate or are not in line with our

expectations, or unforeseen events adversely affect our client investment portfolios, our financial condition and results of operations may be materially and adversely affected.

**Competition and Market:** We face significant competition in all aspects of our business from other established Indian and multi-national companies. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them a competitive advantage.

Mergers and acquisitions involving our competitors may create entities with even greater competitive advantages. We also face competition from several players who offer financial advisory services purely on technology platforms, in a highly cost-competitive manner ('Robo-advisors'). These competitive factors could reduce our market share and profitability.

There is also a fundamental change that is happening in the distribution of financial products, as the industry is moving gradually from a commission-based model to a fee-based model, that is having an effect on the revenues of asset allocators like our Company. The IIFL-ONE product platform has been launched to address this change and clients are gradually moving to this platform.

We believe our wide product offering, our relationships with clients, industry and product knowledge, and brand image will allow us to face such competition. We have a dedicated technology team, which has both domain and technology experts, and we are leveraging technology to deliver insights and interact with clients through different platforms.

**Regulatory supervision:** We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and RBI and the various stock / currency / commodity exchanges.

In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented, which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies affecting the financial services industry may require changes to our business operations, products and pricing, and technological processes and thus may

involve additional costs and management time.

While it may be possible that certain regulatory changes would be positive for some of our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

We have a dedicated Compliance team to interpret regulations, submit regulatory returns and interface with Regulators. We also have Anti-Money Laundering (AML) Policies and AML Committees for our various businesses to deliberate on client onboarding.

**Personnel and operating costs:** We function in a highly competitive industry and accordingly, our ability to manage our expenses directly affects our business and results of operations. These expenses may be impacted by macroeconomic conditions including increases in inflation, changes in laws and regulations, increased competition, personnel expenses and other factors.

Personnel-related expenses constitute a significant proportion of our total expense. However, it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, and expand into new business products.

As we grow our business, we will require additional human resources including Relationship Managers, investment professionals, dealers and operational, management and technology staff. Changes affecting our expenses may impact our financial condition and results of operations.

**Operations and Technology:** Any complex set of operations creates the possibility of frauds and errors. To mitigate against these risks, we have written procedures, maker-checker controls and approval of all exception requests by Risk Management. The efficacy of these controls is checked by Internal Audit.

Information Technology systems are crucial to the success of our business operations and help us to improve our overall productivity. They also pose a key risk in terms of failure of systems, information security failures and the possibility of cyber-attacks.

Our Technology team has deployed multiple defences to mitigate the risk of cyber-attacks and prevent unauthorised access to, and leakage of, sensitive information. We have network security in the form of a firewall, and Intrusion Prevention Systems; we also have a strict perimeter device security policy, where we have blocked access to personal email, social networking and data sharing websites, USB and local drives and forced users to save working files on a company administered OneDrive. While access to emails is accessible on mobile phones, no files / attachments can be saved on these devices.

We also have a Business Continuity and Disaster Recovery plan, with data being stored on a cloud server, which we have tested. During the Covid-19 induced nation-wide lockdown in 2020 and in 2021 during the second wave we tested our ability to support operations in a work from home (WFH) environment and we managed to execute this in a stable manner, with users logging in through a virtual private network (VPN) to access their office-based applications, thereby ensuring that no information security controls were compromised.

**Inflation risk:** Of late, India has experienced relatively benign rates of inflation, though inflation has been above the RBI's 'tolerance level of 4%+/- 2%' for a couple of months in 2021. Inflation affects interest rates and hence, higher inflationary expectations lead to rise in borrowing costs and slowdown in credit offtake, which may affect our profitability. Adverse changes in credit offtake and savings caused by inflation also impacts the overall economy and business environment, as also sectors that depend on leveraged purchases like real estate and automobiles, and hence could affect us.

### **Development and Implementation of Risk Management System:**

We have a separate Risk Management department that reports to the Chief Operating Officer and the Audit Committee of the Boards of IIFL Wealth Management Ltd. and its subsidiaries. Risk Management relies on the internal controls built into Standard Operating Procedures, and the Risk Management, Product and Investment Policies relating to the various businesses: e.g. the Broking Risk Management Policy, the MF Risk Management Policy, the Policies for Loan Against shares, Loan Against Property and Unsecured Lending and Investment Manuals and Policies that exist for our NBFC and Asset Management Company.



We also have Valuation and Provisioning Policies for our MF and AIF portfolios. There is representation from the Risk Management team on Investment, Valuation and Risk Management Committees of the various businesses.

The internal processes have been designed to ensure adequate checks and balances and regulatory compliances at every stage. Authority matrices have been defined going down from the Board of Directors, to provide authority to approve various transactions.

All trading limits have been put on the respective trading systems in Stock and Commodities broking, and asset management businesses.

That apart, Risk Management conducts internal reviews (using external Chartered Accountants, where required) of various aspects of the business, which include documentation in relation to the lending business; compliance with various regulations in AIF and checking of certain regulatory returns.

The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

The Internal Audit of the Company and its subsidiaries is conducted by an independent firm of Chartered Accountants, as per the scope suggested by Risk Management and approved by the various Boards.

The scope of internal audit covers all aspects of business including regular front-end and back-end operations, HR, Finance, Customer Service, IT and checking for both regulatory and internal compliances. Internal audit team carries out a risk-based audit of various processes to provide assurance on the adequacy and effectiveness of internal controls. The Internal Auditors also check and opine on the state of Internal Financial Controls. Internal Audit reports are presented to the Audit Committees of the various boards directly by the Internal Auditors.

In addition, the Company complies with several specific audits mandated by regulatory authorities such as SEBI / Exchanges / Depositories, and the reports are periodically submitted to the regulators.

The Board/Audit Committee reviews the overall risk management framework and the adequacy of internal controls instituted by the management team, through the monitoring of the Internal Audit and Statutory Audit reports and through

the Risk Management Committee, to which a detailed presentation is made by the Head – Risk Management. The Audit Committee reviews major instances of fraud, if any, on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system of internal controls and prevent any recurrence.

We have also strengthened our whistleblower mechanism (backed by a policy that promises that no action will be taken against a whistleblower), and providing multiple channels (email / website / phone) managed by an external service provider (for complete independence) through which employees can record complaints and grievances, anonymously, if they choose to remain so. All whistleblowing complaints are tracked and investigated by a Vigilance Committee chaired by the Chief Operating Officer of the IIFL Wealth Group, with representation from Human Resources, Risk Management, Compliance and Business.

Our whistleblower mechanism is meant to facilitate reporting of unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.

Another key aspect of governance is managing and resolving conflicts of interest that may arise. We have a Conflict of Interest Policy that was redrafted under the guidance of the Risk Management Committee, under which a Conflict Resolution Advisory Board (CRAB) was formed, consisting of senior executives. Guidance has been provided in the policy on the types of transactions that are covered (e.g. transactions between an employee and a group entity, or an employee and a client, or between a group entity and a firm in which the employee or his close relatives are interested) above certain thresholds. A summary of cases brought before the CRAB is also submitted to the Risk Management Committee of the board.

### **Internal Financial Controls:**

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. These are encapsulated in the Risks & Controls Matrix (RCM). The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

## Review of Financial Performance

IIFL Wealth and Asset Management is one of the largest wealth and asset management firms in India. Founded in 2008, IIFL Wealth has grown steadily and now manages assets of more than ₹2.4 Trillion,

as on March 31, 2021. We operate out of 27 offices spread across the world and have an employee strength of more than 850 employees.

## Assets Under Management & Profitability

The table below provides a break-up of our Assets Under Management for the periods indicated:

(All figures in ₹Cr)

| Particulars                                    | 2020-21         | 2019-20         | YoY Growth %  |
|--|-----------------|-----------------|---------------|
| <b>Annual Recurring Revenue Earning Assets</b> | <b>1,01,969</b> | <b>62,595</b>   | <b>62.90%</b> |
| IIFL-ONE Assets                                | 27,940          | 17,720          | 57.67%        |
| Funds Managed by IIFL AMC                      | 37,372          | 21,940          | 70.34%        |
| Distribution Assets Earning Trail Fees         | 33,038          | 19,399          | 70.31%        |
| Net Interest Margin on Loans                   | 3,620           | 3,536           | 2.38%         |
| <b>Transactional Assets</b>                    | <b>1,05,074</b> | <b>94,302</b>   | <b>11.42%</b> |
| Brokerage                                      | 60,260          | 47,649          | 26.46%        |
| Distribution Assets Not Earning Trail Fees     | 44,815          | 46,653          | -3.94%        |
| <b>Total AUM</b>                               | <b>2,07,044</b> | <b>1,55,490</b> | <b>33.16%</b> |
| Add: Custody Assets                            | 39,039          | 31,145          | 25.35%        |
| <b>Total AUM including Custody</b>             | <b>2,46,083</b> | <b>1,67,746</b> | <b>46.70%</b> |

The table below is a Reclassified Consolidated Statement of Profit and Loss for the periods indicated

(All figures in ₹Cr)

| Particulars                                   | 2020-21      | 2019-20    | YoY Growth % |
|---|--------------|------------|--------------|
| <b>Gross Revenue from Operations</b>          | 1,659        | 1,527      | 8.64%        |
| Less: Direct Costs                            | (606)        | (676)      | 10.35%       |
| <b>Net Revenue</b>                            | <b>1,053</b> | <b>851</b> | 23.74%       |
| Less: Other Income                            | 137          | (69)       |              |
| <b>Net Operating Revenue</b>                  | <b>915</b>   | <b>920</b> | -0.49%       |
| <b>Classified into:</b>                       |              |            |              |
| <b>Annual Recurring Revenue</b>               | <b>583</b>   | <b>535</b> | 9.06%        |
| Management Fees on IIFL-ONE Assets            | 55           | 35         | 58.55%       |
| Management Fees on Funds Managed by IIFL AMC  | 198          | 146        | 34.97%       |
| Distribution Assets Earning Trail Fees        | 139          | 119        | 16.03%       |
| Net Interest Margin on Loans                  | 191          | 234        | -18.12%      |
| <b>Transactional / Brokerage Income</b>       | <b>333</b>   | <b>385</b> | -13.73%      |
| Brokerage                                     | 150          | 139        | 7.85%        |
| Investment Banking / Syndication Income       | 183          | 247        | -25.89%      |
| <b>Costs</b>                                  | <b>568</b>   | <b>564</b> | 0.62%        |
| Employee Costs                                | 417          | 385        | 8.53%        |
| Admin and Other Expenses                      | 150          | 180        | -16.31%      |
| <b>Profit Metrics</b>                         |              |            |              |
| Operating Profit before Taxes (OPBT)          | 348          | 356        | -2.24%       |
| Profit before Taxes (PBT)                     | 485          | 286        | 69.31%       |
| Profit After Tax (PAT) including OCI and FCTR | 369          | 206        | 78.90%       |
| <b>Cost to Income Ratio</b>                   | 53.9%        | 61.4%      |              |
| <b>ROE</b>                                    | 12.5%        | 7.0%       |              |
| <b>ROE Ex Goodwill &amp; Intangibles</b>      | 15.0%        | 7.7%       |              |

## Reclassified Segment-wise performance is as under

(All figures in ₹Crs)

| Segments                           | For the year ended March 31, 2021 |                  |       | For the year ended March 31, 2020 |                  |       |
|------------------------------------|-----------------------------------|------------------|-------|-----------------------------------|------------------|-------|
|                                    | Wealth Management                 | Asset Management | Total | Wealth Management                 | Asset Management | Total |
| <b>Gross Revenues</b>              | 1,379                             | 280              | 1,659 | 1,325                             | 202              | 1,527 |
| <b>Net Operating Revenue</b>       | 718                               | 198              | 916   | 774                               | 146              | 920   |
| <b>Operating Profit before Tax</b> | 271                               | 77               | 348   | 331                               | 25               | 356   |

### The key factors to consider are as follows:

1. Revenue from Operations remained flattish at a -0.49%YoY to ₹915 Crs, from ₹920 Crs primarily due to the first two quarters of the year being largely impacted on account of Covid-19. However, the last two quarters saw positive client sentiments and we continue to see high levels of liquidity, which allowed operations and markets to regain the lost momentum and move upwards steadily.
2. Focus on Annual Recurring Assets & Revenues during the year has resulted in an increase in ARR assets by 62.9% to ₹1,01,969 Crs and the revenues increasing by 9.1% YoY to ₹583 Crs for the year.
3. Our specific focus on growing the IIFL-ONE Offering has been well received by clients with AUM increasing by 57.7% YoY to ₹27,940 Crs and revenues increasing 58.6% YoY to ₹55 Crs.
4. Overall Net flows during the year were ₹24,096 Crs, despite challenging conditions experienced during the year.
5. On the cost side, we have continued to focus on rationalizing costs downward and increasing productivity. In FY21 fixed employee costs have reduced by 12.8% YoY to ₹261 Crs; the overall increase in total employee costs is primarily due to higher variable and ESOP costs. Administration costs have also decreased by 16.3% YoY to ₹150 Crs. We are confident of further rationalization in these costs in FY22.
6. Operating Profits before tax remained largely flattish, at a decline of 2.2%YoY to ₹348 Crs and overall Profits Before Tax have increased 69.3% YoY to ₹485 Crs, primarily on account of the market uptrends and increasing business activities in the second half of the year.
7. Other Income, which is primarily our earnings on our proprietary holdings in schemes manufactured or distributed by us is a positive ₹137 Crs for the year driven primarily by MTM movements in March 2021, led by the recovering and rising Global indices. This along with the steady Net Revenues have resulted in Profit after Tax rising by 78.9% YoY to ₹369 Crs for the year.

## BALANCE SHEET AND CAPITAL DEVELOPMENT

(All figures in ₹Cr)

| ASSETS   |                                     | 31-Mar-21    | 31-Mar-20     |
|----------|-------------------------------------|--------------|---------------|
| <b>1</b> | <b>Financial Assets</b>             |              |               |
| (a)      | Cash and cash equivalents           | 387          | 681           |
| (b)      | Bank Balance other than (a) above   | 401          | 498           |
| (c)      | Derivative financial instruments    | 166          | 132           |
| (d)      | Receivables                         |              |               |
| (I)      | Trade Receivables                   | 226          | 242           |
| (II)     | Other Receivables                   | 116          | 118           |
| (e)      | Loans                               | 3,721        | 3,632         |
| (f)      | Investments                         | 2,513        | 6,512         |
| (g)      | Other Financial assets              | 153          | 438           |
| <b>2</b> | <b>Non-Financial Assets</b>         |              |               |
| (a)      | Inventories                         | 0            | 0             |
| (b)      | Current tax assets (Net)            | 75           | 73            |
| (c)      | Deferred tax Assets (Net)           | 1            | 5             |
| (d)      | Investment Property                 | 0            | 0             |
| (e)      | Property, Plant and Equipment       | 288          | 299           |
| (f)      | Capital work-in-progress            | 2            | 1             |
| (g)      | Intangible assets under development | 0            | 0             |
| (h)      | Goodwill                            | 373          | 188           |
| (i)      | Other Intangible assets             | 152          | 88            |
|          | Right to Use assets                 | 24           | 34            |
|          | Other non-financial assets          | 142          | 85            |
|          | <b>Total Assets</b>                 | <b>8,740</b> | <b>13,026</b> |

## BALANCE SHEET AND CAPITAL DEVELOPMENT (continued)

(All figures in ₹Cr)

| LIABILITIES AND EQUITY |   | 31-Mar-21    | 31-Mar-20     |
|------------------------|---|--------------|---------------|
| <b>1</b>               | <b>Financial Liabilities</b>            |              |               |
| (a)                    | Derivative financial instruments        | 221          | 249           |
| (b)                    | Payables                                | 391          | 305           |
| (c)                    | Debt Securities                         | 4,408        | 5,426         |
| (d)                    | Borrowings (Other than Debt Securities) | 104          | 2,850         |
| (e)                    | Subordinated Liabilities                | 200          | 562           |
| (f)                    | Other financial liabilities             | 408          | 512           |
|                        | Finance Lease Obligation                | 26           | 35            |
| <b>2</b>               | <b>Non-Financial Liabilities</b>        |              |               |
| (a)                    | Current tax liabilities (Net)           | 59           | 17            |
| (b)                    | Provisions                              | 12           | 9             |
| (c)                    | Deferred tax liabilities (Net)          | 34           | 32            |
| (d)                    | Other non-financial liabilities         | 49           | 38            |
| <b>3</b>               | <b>Equity</b>                           |              |               |
| (a)                    | Equity Share capital                    | 18           | 17            |
| (b)                    | Other Equity                            | 2,810        | 2,974         |
| (c)                    | Non-controlling interest                | -            | 0             |
|                        | <b>Total Liabilities and Equity</b>     | <b>8,740</b> | <b>13,026</b> |

Key Considerations as on March 2021:

- Consolidated Net worth stood at ₹2,828 Crs Vs ₹2,992 Crs in FY20. Net worth Ex=Goodwill and intangibles stood at ₹2,303 Crs Vs ₹2,716 Crs in FY20 and average Net Worth Ex- Goodwill and intangibles stood at ₹2,371 Crs Vs ₹2,675 Crs in FY20.
- ROE Ex-Goodwill & Intangibles has increased to 17% from 8% YoY primarily driven by the increase in PAT YoY, accompanied by the high dividend pay-out in FY21.
- Debt/Equity ratio decreased from 2.95 on March 31, 2020 to 1.67 on March 31, 2021; due to decrease in overall outstanding debt of Group by ₹4,126 Crs.
- Debtors turnover ratio moved from 5.58 in FY20 to 6.88 in FY21, due to increase in revenue from operations and a decrease in average trade receivables during the year.

# Corporate Governance Report

This Corporate Governance Report relating to the year ended on March 31, 2021, has been issued in compliance with the SEBI Listing Regulations, 2015.

## 1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IIFL Wealth Management Limited ("the **Company**") follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company achieve its vision of being the most respected Wealth Management Company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI Listing Regulations, 2015.

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

## 2 BOARD OF DIRECTORS

### (a) Composition of the Board of Directors

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

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

| Category              | Name of the Directors          |
|-----------------------|--------------------------------|
| Independent Directors | Mr. Nilesh Vikamsey – Chairman |
|                       | Ms. Geeta Mathur               |
|                       | Dr. Subbaraman Narayan         |
|                       | Mr. Pankaj Vaish               |

| Category                                    | Name of the Directors          |
|---|--------------------------------|
| Managing Director & Promoter                | Mr. Karan Bhagat               |
| Non-Executive Directors & Promoter(s)       | Mr. Nirmal Jain                |
|   | Mr. Venkataraman Rajamani      |
|   | Mr. Yatin Shah                 |
| Non-Executive Directors (Nominee Directors) | Mr. Sandeep Naik               |
|   | Mr. Shantanu Rastogi           |
| Non-Executive Director                      | Mr. Gopalakrishnan Soundarajan |

### (b) Brief profiles of the Directors are as follows:

#### • **MR. NILESH VIKAMSEY** - Independent Director

Mr. Nilesh Vikamsey is a senior partner at Khimji Kunverji & Co LLP – an 84-year-old Chartered Accountants firm which is a member firm of HLB International. He is presently a member of the Advisory Committee on Mutual Funds of Securities and Exchange Board of India (SEBI), Risk Management Committee of Central Depository Services (India) Limited (CDSL) and International Auditing and Assurance Standards Board's (IAASB) Reference Group for Audits of Less Complex Entities. Mr. Vikamsey is Committee member of organisations like Indo American Chamber of Commerce, Bombay Chartered Accountants' Society (BCAS), The Chamber of Tax Consultants (CTC). He is a trustee in 'Sayagi U Ba Khin' Memorial Trust (Vipassana International Academy, Igatpuri) & few educational trusts in Mumbai. He is on the Board of many listed and unlisted companies. He was the President of ICAI in the past and also was Committee member of committees of Ministry of Corporate Affairs (MCA), Comptroller and Auditor General of India (CAG) He was an observer on the Board of International Federation of Accountants and Member of IFAC's Technology Advisory Group. He was the Past Chairman of Federal Bank Limited and member of IRDA. He was the Chairman of SEBI's Qualified Audit Report Committee and member of Corporate Governance

Committee chaired by Uday Kotak, Primary Market Advisory Committee and Committee on Disclosures and Accounting Standards (SCODA). He is a Speaker/Chairman, at various seminars, meetings, lectures held by various Committees, Regional Councils, Branches & Study Circles of ICAI, Bankers Training College of the RBI, Comptroller & Auditor General of India (C&AG) and various other organizations.

- **MR. KARAN BHAGAT** – Managing Director

Mr. Karan Bhagat is the Promoter and Managing Director of our Company. He holds a bachelor's degree in commerce from St. Xavier's College, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has approximately two decades of experience in the financial services sector and is responsible for all the strategic initiatives undertaken by our Company. He has previously worked with Kotak Mahindra Wealth Management Ltd. where he served as Senior Vice President. He featured in Fortune India's '40 under 40' list in 2016 and 2017 and The Economic Times '40 under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

- **MR. YATIN SHAH** – Non-Executive Director

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

- **MR. NIRMAL JAIN** – Non-Executive Director

Mr. Nirmal Jain is a Promoter and Non-Executive Director on the Board. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is also a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL Group in 1995 when it started as an independent equity research company in India. Over the last 26 years, he has led IIFL Group's expansion, while remaining focused on financial services. IIFL Group, through its four listed entities, has a leading presence in India's wealth & asset management, consumer lending, securities trading & discount broking space. With an impeccable track record of governance and growth,

IIFL Group has attracted marquee investors and won accolades internationally.

- **MR. VENKATARAMAN RAJAMANI** - Non-Executive Director

Mr. Venkataraman Rajamani is a Promoter and Non-Executive Director on the Board. He holds a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore, and a Bachelors in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the Group over the past 22 years. He has previously held senior managerial positions at ICICI Limited, including ICICI Securities Limited, and their investment banking joint venture with J P Morgan of US and Barclays – BZW. He has also worked as an Assistant Vice President with GE Capital Services India Limited in their private equity division. He has a varied experience of more than 30 years in the financial services sector.

- **MS. GEETA MATHUR** - Independent Director

Ms. Geeta Mathur is a Chartered Accountant having worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors and SIEL Limited, among others. She has developed, reorganised, streamlined and led large national teams. She then worked in various capacities in large organisations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor Relations. She transitioned herself from the corporate sector to the development sector as CFO of Helpage India. Besides successfully implementing Oracle ERP and setting up processes for budgeting and MIS, she was consistently awarded by the Institute of Chartered Accountants and South Asian Federation of Accountants for best presentation and transparency in accounts. Currently she is serving as an independent director on the Board of various large organisations across manufacturing and services sector, such as Mother's Sumi Systems Limited, Info Edge (India) Limited, NIIT Limited, Tata Communication Transformation Services Limited. She co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organisation and community of women corporate directors with a mission to foster a powerful, trusted community of influential women



corporate directors. She is a graduate in Commerce from the Shriram College of Commerce, Delhi University and did her articleship with the Price Waterhouse while pursuing her Chartered Accountancy.

- **DR. SUBBARAMAN NARAYAN** - Independent Director

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

- **MR. PANKAJ VAISH** - Independent Director

Mr. Pankaj Vaish is an Independent Director on the Board. He is an MBA from Carlson School of Management, University of Minnesota, Minneapolis, USA and a B. Tech. in Mechanical Engineering from IIT-BHU (Indian Institute of Technology, Banaras Hindu University). He was a Gold Medalist at IIT-BHU, and he has been awarded the Distinguished Alumni award by IIT-BHU Alumni Association. He is having more than 35 years of experience. He spent more than 28 years with Accenture, where he built businesses from scratch and scaled them to global proportions, having held several regional and global roles. He has wide ranging experience in Technology Led Transformation, Consulting, BPO, Offshoring and Outsourcing. He is actively engaged in the financial services and technology industries and is associated with companies across segments of these industries. He is a board director, a consultant and an advisor. In addition, as part of his participation in India's startup ecosystem, he is supporting various technology product companies in sharpening their market focus and scaling their businesses. He is a Professor of Practice of Management at the Amrut Mody School of Management (AMSOM), Ahmedabad University (AU). He is supporting AU in its transformation to become a globally relevant institution. He is involved with Executive Education, industry collaboration and the development and delivery of a new course to help MBA students prepare for a career via hands on experiential learning.

- **MR. SHANTANU RASTOGI** – Non-Executive Nominee Director

Mr. Shantanu Rastogi is a Non-Executive Director on the Board. He is currently the Managing Director at General Atlantic, where he is responsible for investments in the financial services, healthcare, and retail and consumer sectors in India and Asia-Pacific. He holds a Bachelor's degree in Engineering from the Indian Institute of Technology, Mumbai and a Master's degree in Business Administration from the Wharton School, the University of Pennsylvania. He has approximately 15 years of experience in the fields of private equity and finance. He has previously worked as a business consultant with McKinsey & Company.

- **MR. SANDEEP NAIK** – Non-Executive Nominee Director

Mr. Sandeep Achyut Naik is a Nominee Director on the Board. He is currently the Managing Director and head of the India and Asia-Pacific business of General Atlantic. He holds a bachelor's degree in technology (specialising in instrumentation engineering) from the University of Mumbai, a master's degree in science (specialising in biomedical engineering) from the Virginia Commonwealth University School of Medicine, and a master's degree in business administration (specialising in finance) from the Wharton School, the University of Pennsylvania. Prior to joining General Atlantic Singapore Fund Pte Limited in 2012, he served as partner and co-head of India for Apax Partners India Advisers Private Limited. He was also co-founder of InfraScan Inc. He was selected as a young global leader by the World Economic Forum and has previously served on the global agenda council of the 'new order of economic thinking'.

- **Mr. Gopalakrishnan Soundarajan** - Non-Executive Director

Mr. Gopalakrishnan Soundarajan is the Director at Hamblin Watsa Investment Counsel Ltd. Prior to this, he was the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. He held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee.

Gopalakrishnan Soundarajan holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst and Member of the CFA Institute in the United States.

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

During the year 2020-21 seven (7) Board Meetings were held on the following dates; June 11, 2020, August 13, 2020; August 14, 2020; August 19, 2020; October 28, 2020; November 25, 2020 and February 2, 2021.

As mandated by SEBI Listing Regulations, 2015, none of the Directors on the Board of the Company is Member of more than ten (10) specified Committees and none is a Chairperson of more than five (5) specified Committees across all the Indian Public Limited companies in which they are Directors. The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies.

The table below gives the details of the names of the members of the Board, their status, attendance at the Board Meetings and at last AGM, Directorships, Committee Memberships and Chairmanships in Indian Companies as on March 31, 2021. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

| Name of the Director (DIN)                    | Position / Category of Director-ship | No of shares held by NEDs | Number of board meetings attended during the year | Attendance at last AGM | Director ships in Indian Public Companies (including IIFL Wealth Management Limited) | Membership of Committees ^ |               |
|---|--------------------------------------|---------------------------|---|------------------------|--|----------------------------|---------------|
|   |                                      |                           |   |                        |  | Member                     | Chairperson @ |
| Mr. Nirmal Jain (DIN: 00010535)               | Non-Executive Director               | 62,28,856                 | 6   | Yes                    | 3  | 1                          | -             |
| Mr. Venkataraman Rajamani (DIN: 00011919)     | Non-Executive Director               | 13,49,204                 | 7   | Yes                    | 6  | 3                          | 1             |
| Mr. Nilesh Vikamsey (DIN: 00031213)           | Chairperson and Independent Director | 23,571                    | 7   | Yes                    | 9  | 9                          | 3             |
| Ms. Geeta Mathur (DIN: 02139552)              | Independent Director                 | NIL                       | 7   | Yes                    | 10   | 10                         | 5             |
| Dr. Subbaraman Narayan (DIN: 00094081)        | Independent Director                 | NIL                       | 6   | Yes                    | 6  | 5                          | 3             |
| Mr. Pankaj Vaish (DIN 00367424)               | Independent Director                 | NIL                       | 7   | Yes                    | 3  | 2                          | 0             |
| Mr. Karan Bhagat (DIN: 03247753)              | Managing Director                    | 2,45,911                  | 7   | Yes                    | 4  | -                          | -             |
| Mr. Yatin Shah (DIN: 03231090)                | Non-Executive Director               | 33,56,490                 | 7   | Yes                    | 7  | 1                          | -             |
| Mr. Shantanu Rastogi (DIN: 06732021)          | Nominee Director                     | NIL                       | 7   | Yes                    | 3  | 2                          | -             |
| Mr. Sandeep Naik (DIN: 02057989)              | Nominee Director                     | NIL                       | 7   | Yes                    | 3  | -                          | -             |
| Mr. Gopalakrishnan Soundarajan (DIN 05242795) | Non-Executive Director               | NIL                       | 7   | Yes                    | 4  | 1                          | -             |

Note:

- ^The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders Relationship Committee.
- @ Chairmanship includes committee membership.

As mandated by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a person shall not be a director in more than seven listed entities with effect from April 1, 2020.

The table below gives the details of the names of the Directors, their status including the names of the listed entities where the person is a director and the Category of Directorship as on March 31, 2021.

| Name of the Director and DIN                      | Directorship in listed entities including IIFL Wealth Management Limited | Category of Directorship                                 |
|---|--|--|
| Mr. Nirmal Jain<br>(DIN: 00010535)                | IIFL Finance Limited   | Whole-time Director                                      |
|   | IIFL Wealth Management Limited   | Non-Executive Director                                   |
| Mr. Venkataraman Rajamani<br>(DIN: 00011919)      | IIFL Finance Limited   | Managing Director  |
|   | IIFL Wealth Management Limited   | Non-Executive, non - Independent Director                |
|   | IIFL Securities Limited  | Managing Director  |
| Mr. Nilesh Vikamsey<br>(DIN: 00031213)            | IIFL Finance Limited   | Independent Director                                     |
|   | Thomas Cook (India) Limited  | Independent Director                                     |
|   | Gati Limited   | Independent Director                                     |
|   | Navneet Education Limited  | Independent Director                                     |
|   | PNB Housing Finance Limited  | Independent Director                                     |
|   | IIFL Wealth Management Limited   | Independent Director                                     |
| Ms. Geeta Mathur (DIN: 02139552)                  | JTEKT India Limited  | Independent Director                                     |
|   | Motherson Sumi Systems Limited   | Independent Director                                     |
|   | NIIT Limited   | Independent Director                                     |
|   | IIFL Finance Limited   | Independent Director                                     |
|   | Info Edge (india) Limited  | Independent Director                                     |
|   | IIFL Wealth Management Limited   | Independent Director                                     |
|   | OnMobile Global Limited  | Independent Director                                     |
| Dr. Subbaraman Narayan<br>(DIN : 00094081)        | Dabur India Limited  | Independent Director                                     |
|   | Seshasayee Paper and Boards Limited                                      | Independent Director                                     |
|   | Artemis Global Life Sciences Limited                                     | Independent Director                                     |
|   | Artemis Medicare Services Limited  | Independent Director                                     |
|   | IIFL Wealth Management Limited   | Independent Director                                     |
| Mr. Karan Bhagat<br>(DIN: 03247753)               | IIFL Wealth Management Limited   | Managing Director  |
|   | Nazara Technologies Limited  | Non-Executive Non-Independent Director (till 04.05.2021) |
| Mr. Yatin Shah<br>(DIN: 03231090)                 | IIFL Wealth Management Limited   | Non-Executive Director                                   |
| Mr. Shantanu Rastogi<br>(DIN: 06732021)           | IIFL Wealth Management Limited   | Non-Executive Director                                   |
| Mr. Sandeep Naik<br>(DIN: 02057989)               | IIFL Wealth Management Limited   | Non-Executive Director                                   |
| Mr. Gopalakrishnan Soundarajan<br>(DIN: 05242795) | IIFL Wealth Management Limited   | Non-Executive Director                                   |
|   | Quess Corp Limited   | Non-Executive Director, Non-Independent                  |
| Mr. Pankaj Vaish<br>(DIN: 00367424)               | IIFL Wealth Management Limited   | Independent Director                                     |

|  |  |
|--|--|
| The Board has identified the following skills/ expertise/ competence for the effective functioning of the Company which is currently available with the Board:                             | Names of directors who have such skills / expertise / competence |
| <b>Skills and Attribute:</b><br>Strategic Advisor,<br>Monetary Policy,<br>Leadership,<br>Corporate Governance,<br>Risk and Compliance,<br>Financial Expertise,<br>Stakeholder Relationship | Please review the below table                                    |

In the table below, the key skills, expertise and competence of the Directors in context of the Company's business for effective functioning and as available with the Board have been highlighted.

| Name of Director         | Mr. Nirmal Jain | Mr. Venkataraman Rajamani | Mr. Nilesh Vikamsey | Mr. Subbaraman Narayan | Mr. Pankaj Vaish | Mr. Sandeep Naik | Ms. Geeta Mathur | Mr. Yatin Shah | Mr. Gopalkrishnan Soundarajan | Mr. Karan Bhagat | Mr. Shanatanu Rus-togi |
|--------------------------|-----------------|---------------------------|---------------------|------------------------|------------------|------------------|------------------|----------------|-------------------------------|------------------|------------------------|
| Strategic Advisor        | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Monetary Policy          | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Leadership               | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Corporate Governance     | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Risk and Compliance      | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Financial Expertise      | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |
| Stakeholder Relationship | √               | √                         | √                   | √                      | √                | √                | √                | √              | √                             | √                | √                      |

#### d) Board Level Performance Evaluation:

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

The criteria for performance evaluation are as under:

##### For Chairman:

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

##### For Managing Director:

The criteria for evaluation of Managing Director, *inter alia*, include his ability to lead the organisation, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to Board in formulating policies

and setting standards and following them, accessibility, ability to analyze strategic situations, compliance with regulatory requirements, handling critical situations concerning the group.

##### For Non-Executive Directors (including Independent Directors):

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

##### For Board as a whole:

The criteria for evaluation of the Board, *inter alia*, include composition and diversity, induction programme, team work, performance, culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by Members.

#### e) Separate meeting(s) of the Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, 2015, a separate meeting of Independent Directors of the Company was held on March 23, 2021, *inter alia*, to discuss the following:

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

Upon the conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the management and the Board / Committees of the Board from time to time. They suggested certain good practices and the same were placed before the Board of Directors with management comments thereon.

#### f) Familiarization programme for Independent Directors:

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

#### g) Meetings of the Board:

- Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional Board meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulations, as permitted by law, which are confirmed in the next Board Meeting.
- Board Meeting Location: The meetings are generally held at the Company's Registered & Corporate Office. However, due to the ongoing

lock-down because of COVID-19 pandemic and in accordance with the statutory provisions, exemptions and relaxations as provided by Ministry of Corporate Affairs, maximum meetings in the financial year 2020-21 were held through video-conferencing.

- Notice and Agenda circulated in advance: The Company's Board / Committees are presented with detailed notes, along with the agenda papers which are circulated well in advance of the Meeting. The Company has implemented app, based e-meeting system accessible through secured iPads provided to the Directors and key officials. The agenda, presentation, notes and minutes are made available to the Board and Committee members. The Company Secretary in consultation with the Chairperson of the Board / Committees sets the Agenda for the Board / Committee Meetings. All material information are incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

Apart from Board Members and the Company Secretary, the Board and Committee Meetings are also attended by the Chief Operating Officer, Chief Financial Officer and wherever required by the Heads of various Functions.

- Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/ decision with the Board/ Committee Members.
- Presentations by Management: The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.
- Access to employees: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board / Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board to have a full understanding of the matters being considered.

#### **h) Information Placed before Board / Committees:**

Among others, information supplied to the Board / Committees includes

- Report on Internal Financial Controls;
- Quarterly Financials on standalone and consolidated basis;
- Review of Policies and periodic updation;
- Annual budgets and plans;
- Performance of the Company and its subsidiaries;
- Risk Mitigation Measures;
- Remuneration of Executive Directors & Senior Management;
- Minutes of the Meetings of the Board and all other Committees of the Board;
- Important updates in subsidiaries;
- Update on litigations, if any;
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service.

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

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

**k) Confirmation of Independence:** The Board is of the opinion that all the Independent Directors fulfill the conditions specified in SEBI Listing Regulations, 2015 and are independent of the management.

### **3 AUDIT COMMITTEE**

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

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

- (i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Listed Entity;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;

- (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions; and
  - (g) modified opinion(s) in the draft audit report.
- (v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (ix) scrutiny of inter-corporate loans and investments;
  - (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (xi) evaluation of internal financial controls and risk management systems;
  - (xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (xiv) discussion with internal auditors of any significant findings and follow up there on;
  - (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (xviii) to review the functioning of the whistleblower mechanism;
  - (xix) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (xx) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modifications as may be applicable;
  - (xxi) reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
  - (xxii) mandatorily review the following:
    - (a) management's discussion and analysis of financial condition and results of operations;
    - (b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
    - (d) internal audit reports relating to internal control weaknesses;
    - (e) the appointment, removal and terms of remuneration of the chief internal auditor; and
    - (f) statement of deviations:
      - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges(s) in terms of Regulation 32(1) of the SEBI Listing Regulations, 2015; and
      - annual statement of funds utilised for purpose other than those stated in the offer document /

prospectus in terms of Regulation 32(7) of the SEBI Listing Regulations, 2015.

During the period under review, the Audit Committee of the Company met seven (7) times on June 10, 2020; June 11, 2020; August 13, 2020; August 14, 2020; August 19, 2020; October 27, 2020 and February 1, 2021. The

Meeting held on October 27, 2020 was adjourned on October 28, 2020 and the meeting held on February 1, 2021 was adjourned on February 2, 2021. The necessary quorum was present at all the meetings. The gap between any two Audit Committee Meetings was not more than 120 days.

The details of attendance of Committee Members, during the year ended March 31, 2021, is as follows:

| Name of the members  | Designation | Non-Executive/<br>Executive /Independent | No. of Committee meetings held | Committee meeting attended |
|----------------------|-------------|--|--------------------------------|----------------------------|
| Ms. Geeta Mathur     | Chairperson | Independent                              | 07                             | 07                         |
| Mr. Nikesh Vikamsey  | Member      | Independent                              | 07                             | 07                         |
| Mr. Shantanu Rastogi | Member      | Non-Executive                            | 07                             | 07                         |
| Mr. Pankaj Vaish     | Member      | Independent                              | 07                             | 07                         |

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

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 11, 2020.

#### 4 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently comprises of Ms. Geeta Mathur, an Independent Director as the Chairperson of the Committee, Mr. Nilesh Vikamsey, an Independent Director, Mr. Nirmal Jain and Mr. Sandeep Naik as a Non-Executive Director(s) and composition of the committee is as set out in Regulation 19 of SEBI Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of the criteria for evaluation of performance of Independent Directors and the Board;
- (3) devising a policy on Board diversity;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (5) consider extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;

- (6) recommendation to the Board, all remuneration, in whatever form, payable to senior management;
- (7) specifying the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- (8) recommend / review remuneration of the Managing Director(s) and Whole- Time Director(s) based on their performance and defined assessment criteria;
- (9) administer, monitor and formulate detailed terms and conditions of the employees' stock option schemes;
- (10) annual performance evaluation of the Committee;
- (11) review the information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary; and
- (12) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

During the year under review, the Nomination and Remuneration Committee of the Company met two (2) times on June 10, 2020 and October 23, 2020. The necessary quorum was present at all the meetings.



The details of attendance of Committee Members, during the year ended March 31, 2021, is as follows:

| Name of the members | Designation | Non-Executive/ Executive/ Independent | No. of committee meetings held | Committee meetings attended |
|---------------------|-------------|---------------------------------------|--------------------------------|-----------------------------|
| Ms. Geeta Mathur    | Chairperson | Independent                           | 2                              | 2                           |
| Mr. Nilesh Vikamsey | Member      | Independent                           | 2                              | 2                           |
| Mr. Nirmal Jain     | Member      | Non-Executive                         | 2                              | 2                           |
| Mr. Sandeep Naik    | Member      | Non-Executive                         | 2                              | 2                           |

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

The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on September 11, 2020.

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Nomination & Remuneration Policy during FY 20-21 forms part of the Directors Report, annexed as **Annexure I**. The details of the remuneration paid to the Directors is as follows:

**(a) Details of Remuneration paid to Directors during FY 2020-21 and details of number of shares and convertible instruments held by Directors as on March 31, 2021 are as under:**

| Name of the Director           | Designation            | Salary and perquisite (In ₹) | *Commission (In ₹) | Sitting Fees (In ₹) | Contribution to PF and other funds | Stock options (In Quantity) | No. of equity shares held |
|--------------------------------|------------------------|------------------------------|--------------------|---------------------|------------------------------------|-----------------------------|---------------------------|
| Mr. Nirmal Jain                | Non-Executive Director | -                            | -                  | -                   | -                                  | -                           | 62,28,856                 |
| Mr. Venkataraman Rajamani      | Non-Executive Director | -                            | -                  | -                   | -                                  | -                           | 13,49,204                 |
| Ms. Geeta Mathur               | Independent Director   | -                            | 10,00,000          | 10,75,000           | -                                  | -                           | -                         |
| Mr. Nilesh Vikamsey            | Independent Director   | -                            | 10,00,000          | 11,75,000           | -                                  | -                           | 23,571                    |
| Dr. Subbaraman Narayan         | Independent Director   | -                            | 5,00,000           | 3,70,000            | -                                  | -                           | -                         |
| Mr. Pankaj Vaish               | Independent Director   | -                            | 10,00,000          | 8,70,000            | -                                  | -                           | -                         |
| Mr. Karan Bhagat               | Managing Director      | 4,71,74,207                  | -                  | -                   | 23,99,168                          | -                           | 2,45,911                  |
| Mr. Yatin Shah                 | Non-Executive Director | -                            | -                  | -                   | Nil                                | -                           | 33,56,490                 |
| Mr. Shantanu Rastogi           | Nominee Director       | -                            | -                  | -                   | -                                  | -                           | -                         |
| Mr. Sandeep Naik               | Nominee Director       | -                            | -                  | -                   | -                                  | -                           | -                         |
| Mr. Gopalakrishnan Soundarajan | Non-Executive Director | -                            | -                  | -                   | -                                  | -                           | -                         |

\*Commission pertains to FY 20-21

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

During the year under review, from October 1, 2020, the Independent Directors were paid ₹ 1,00,000/- (Rupees One Lakh only) towards sitting fees for attending each of the Board Meeting and Audit Committee Meeting and ₹ 50,000/- (Rupees Fifty Thousand) towards sitting fees for attending each of the other Committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

The Independent Directors were paid sitting fees of ₹ 50,000/- (Rupees Fifty Thousand only) for attending the Independent Directors Meeting. The Company has not granted any Employee Stock Options to the Independent Directors. There are no pecuniary relationships or transaction of the Non-Executive Directors with the Company.

Prior to October 1, 2020, the Independent Directors were paid sitting fees of ₹ 50,000 (Rupees Fifty Thousand) for attending each of the Board Meeting and Audit Committee Meeting and ₹ 15,000/- (Rupees Fifteen Thousand) towards sitting fees for attending each of the other Committee meetings.

The Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

## 5 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of your Company was constituted on May 14, 2019, and currently comprises of Mr. Venkataraman Rajamani, Non-Executive Director and Chairperson of the Committee, Mr. Pankaj Vaish, Independent Director and Mr. Yatin Shah, Non-Executive Director.

During the year, Ms. Geeta Mathur stepped down from the Committee Membership of Stakeholders Relationship Committee w.e.f December 16, 2020 and Mr. Pankaj Vaish, Independent Director, was appointed as a Member of the Committee by the Board of Directors Committee w.e.f February 2, 2021.

The Committee met once during the FY 2020-21, on March 23, 2021. The necessary quorum was present at the meeting.

There was one complaint received by the Company during the year.

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

|                           |  |
|---------------------------|--|
| Name and designation:     | Mr. Amit Bhandari, Company Secretary & Compliance Officer  |
| Corporate Office Address: | IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013                      |
| Contacts:                 | Tel: +91 22 39585600<br>E-mail: <a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a> |

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

The details of attendance of Committee Members, during the year ended March 31, 2021, is as follows:

| Name of the members       | Designation | Non-Executive/<br>Executive/ Independent | No. of Committee<br>meetings held | Committee<br>meeting attended |
|---------------------------|-------------|--|-----------------------------------|-------------------------------|
| Mr. Venkataraman Rajamani | Chairperson | Non-Executive Director                   | 1                                 | 1                             |
| Mr. Pankaj Vaish          | Member      | Independent Director                     | 1                                 | 1                             |
| Mr. Yatin Shah            | Member      | Non-Executive Director                   | 1                                 | 0                             |

## 6 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Nilesh Vikamsey, Independent Director, Mr. Nirmal Jain, Non-Executive Director, Mr. Karan Bhagat, Managing Director & Chairperson of the Committee and Mr. Sandeep Naik, Non-Executive Director.

During the year under review, the Corporate Social Responsibility Committee of the Company met three (3) times on June 11, 2020, November 25, 2020 and March 23, 2021. The necessary quorum was present at all the meetings.

The details of attendance of Committee Members, during the year ended March 31, 2021, is as follows:

| Name of the members | Designation | Non-Executive/<br>Executive/ Independent | No. of Committee<br>meetings held | Committee<br>meeting attended |
|---------------------|-------------|--|-----------------------------------|-------------------------------|
| Mr. Karan Bhagat    | Chairperson | Managing Director                        | 3                                 | 2                             |
| Mr. Nilesh Vikamsey | Member      | Independent Director                     | 3                                 | 3                             |
| Mr. Nirmal Jain     | Member      | Non-Executive Director                   | 3                                 | 2                             |
| Mr. Sandeep Naik    | Member      | Non-Executive Director                   | 3                                 | 3                             |

## 7 RISK MANAGEMENT COMMITTEE:

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

The objective of the Risk Management Committee is to oversee the risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

During the year under review, the Risk Management Committee of the Company met eight (8) times on June 10, 2020; July 4, 2020; July 15, 2020; August 4, 2020; September 1, 2020; September 24, 2020; October 23, 2020 and February 1, 2021. The necessary quorum was present at all the meetings.

The details of attendance of Committee Members, during the year ended March 31, 2021, is as follows:

| Name of the members       | Designation | Non-Executive/<br>Executive/<br>Independent | No. of Committee<br>meetings held | Committee<br>meetings attended |
|---------------------------|-------------|---|-----------------------------------|--------------------------------|
| Mr. Shantanu Rastogi      | Chairperson | Non-Executive Director                      | 8                                 | 8                              |
| Mr. Venkataraman Rajamani | Member      | Non-Executive Director                      | 8                                 | 8                              |
| Mr. Karan Bhagat          | Member      | Managing Director                           | 8                                 | 8                              |
| Mr. Nilesh Vikamsey       | Member      | Independent Director                        | 8                                 | 8                              |
| Ms. Geeta Mathur          | Member      | Independent Director                        | 8                                 | 8                              |

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

## 8 PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

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

## 9 GENERAL BODY MEETINGS

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

| Date of AGM        | Location  | Time       | Whether any special resolutions<br>passed  |
|--------------------|---|------------|--|
| September 11, 2020 | Through Video Conferencing  | 11.00 a.m. | Yes.<br>3 special resolutions were passed  |
| September 30, 2019 | Hall of Harmony, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018. | 12 Noon    | Yes.<br>8 special resolutions were passed. |
| July 20, 2018      | IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013   | 1.00 p.m.  | Yes.<br>2 special resolutions were passed. |

### Details of resolutions passed through postal ballot during Financial Year 2020-21 and details of the voting pattern:

There were two postal ballot(s) conducted by the Company during the FY 2020-21 and the details of the postal ballot(s) are provided as below:

- The Company sought the approval of shareholders through notice of postal ballot dated October 28, 2020, which was duly passed vide resolution dated December 4, 2020 and the result of which was announced on same day. Mr. Nilesh J Shah, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

(ii) The Company sought the approval of shareholders through notice of postal ballot dated March 12, 2021, which was duly passed vide resolution dated April 18, 2021 and the result of which was announced on same day. Mr. Nilesh J Shah, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

(a) Details of Postal Ballot dated October 28, 2020:

Date of Postal Ballot Notice: October 28, 2020

Date of Declaration of Result: December 5, 2020

Voting Period: November 5, 2020 to December 4, 2020

Date of Approval: December 4, 2020

| Special Resolution(s)  | No. of Votes Polled | No. of Votes cast in favor | No. of Votes cast against | % of votes cast in favor on votes polled | % of votes cast against on votes polled |
|--|---------------------|----------------------------|---------------------------|--|---|
| Issue of Non-Convertible Debentures on Private Placement basis | 4,20,32,972         | 4,20,32,857                | 115                       | 99.999                                   | 0.0003                                  |

(b) Details of Postal Ballot dated March 12, 2021

Date of Postal Ballot Notice: March 12, 2021

Date of Declaration of Result: April 19, 2021

Voting Period: March 20, 2021 to April 18, 2021

Date of Approval: April 18, 2021

| Special Resolution(s)  | No. of Votes Polled | No. of Votes cast in favor | No. of votes cast against | % of votes cast in favor on votes polled | % of votes cast against on votes polled |
|--|---------------------|----------------------------|---------------------------|--|---|
| To approve IIFL Wealth Employee Stock Option Scheme 2021 ("IIFLWESOP2021") and grant of Employee Stock Options to the Employees of the Company under the Scheme. | 6,93,41,551         | 6,28,60,228                | 64,81,323                 | 90.65                                    | 9.35                                    |
| To grant Stock Options to the employees of the Subsidiary Company(ies) (present and/or future) under the IIFL Wealth Employee Stock Option Scheme 2021           | 6,93,41,551         | 6,28,60,198                | 64,81,353                 | 90.65                                    | 9.35                                    |

### Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, General Circular Nos. 14/2020 and 17/2020 dated April 8, 2020, April 13, 2020 and General Circular No. 39/2020 dated December 31, 2020 (the "MCA Circulars") respectively, issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (e-voting) facility, to all its Members. For this purpose, the Company had engaged the services of Central Depository Services (India) Limited.

The Notices of Postal Ballot were sent in electronic mode only to all those Members who had registered their e-mail addresses with the Company or Depository Participant/ Depository/Link Intime India Private Limited. Further, the Members had the option to vote only through remote e-voting and voting through physical ballot papers was not provided.

The Company had also published a notices in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notices to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the Members as on the respective cut-off dates.

The scrutiniser completed their scrutiny and submitted the report to the Chairperson/Managing Director and the consolidated results of the voting were announced by the Chairperson/Authorised Officer.

The results of the respective Postal Ballots were also displayed on the Company's website [www.iiflwealth.com](http://www.iiflwealth.com) besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

## 10 DISCLOSURES

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

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors, which is displayed on your Company's website, i.e. [www.iiflwealth.com](http://www.iiflwealth.com). The Policy provides for identification of related party transactions, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements, as applicable, in compliance with the Companies Act, 2013 and SEBI Listing Regulations, 2015.

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and all the related party transactions were on arms' length basis. All such related party transactions were placed before the Audit Committee for approval, wherever applicable.

### (ii) Details of non-compliance

No strictures/ penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the securities markets during the financial year 2020-21.

### (i) Details of establishment of Whistleblower Policy and Vigil Mechanism:

The Company has adopted a Vigil Mechanism and whistleblower Policy on June 25, 2019 and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy also provides for adequate safeguard against victimization of the whistleblower who avails of

such mechanism and provides for the access to the Chairperson of the Audit Committee.

None of the whistleblower has been denied access to the Audit Committee.

### (ii) Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed company and market intermediary has formulated and adopted a new code for prevention of insider trading incorporating the requirements in accordance with the aforesaid regulations, clarifications and circulars and the same are updated as and when required.

All the Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

### (iii) Compliance with Mandatory and Non-Mandatory Provision

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under SEBI Listing Regulations, 2015 to the extent applicable to the Company.

The Company has also implemented some of the discretionary requirements, such as direct reporting by the Internal Auditor to the Audit Committee.

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

During the financial year 2020-21, the Company has not raised any funds through preferential allotment or qualified institutional placement.

### (v) Disclosure of accounting treatment

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

### (vi) Policy on material subsidiary

The Company's policies on determining 'material' subsidiaries and determination of materiality of events or information are available on the Company's website viz. URL: [www.iiflwealth.com](http://www.iiflwealth.com).

### (vii) Relationship with other Directors

None of the Directors are related to any other Director.

### (viii) Details of Unclaimed Dividend/Shares of the Company

There are no unclaimed shares of the Company as on March 31, 2021, except 3,669 unclaimed shares which were allotted pursuant to composite scheme of demerger.

### (ix) Certificate from Company Secretary in practice

The Company has obtained a certificate from M/s. Jayaram U. Poojari, Company Secretary in practice confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority and is enclosed with this Report as **Annexure A**.

### (x) Disclosure under Sexual Harassment

The relevant disclosures in relation to the number of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, have been mentioned in the Directors' Report of the Company and are reproduced below.

| Particulars  | No. of Complaints |
|--|-------------------|
| Number of complaints filed during the financial year 2020-21         | Nil               |
| Number of complaints disposed of during the financial year 2020-21   | Nil               |
| Number of complaints pending as on end of the financial year 2020-21 | Nil               |

### (xi) Statutory Auditor and Audit Fees

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

₹ in Millions

| Type of Service | Financial Year 2020-21* |
|-----------------|-------------------------|
| Audit Fees      | ₹ 18.20                 |
| Tax Audit Fees  | -                       |
| Others          | ₹ 1.89                  |
| Total           | ₹ 20.09                 |

\* Includes audit and audit-related services on the consolidated basis.

During the year, the Board has accepted all the recommendations made by the Audit Committee(s) and there were no such instances where the Board has not accepted recommendations made by any of the Committee of the Board.

## 11 MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The primary source of information to shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company [www.iiflwealth.com](http://www.iiflwealth.com). The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets, among others, are regularly sent to Stock Exchanges and uploaded on the Company's website. Quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations, 2015.

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

All the disclosures made to the stock exchanges are also available on the Company's website at [www.iiflwealth.com](http://www.iiflwealth.com).

The quarterly and annual results of your Company are published in the Free Press Journal, Financial Express and Navshakti & Loksatta which are widely circulated. Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

## 12 GENERAL SHAREHOLDERS' INFORMATION

|     |   |   |
|-----|---|---|
| 1.  | <b>Annual General Meeting</b>   | To be held on September 14, 2021, through VC / OAVM, without the physical presence of the Members at a common venue.  |
| 2.  | <b>Financial calendar (2020-21)</b>   | <p>April 1, 2020 to March 31, 2021</p> <p>Results for the quarter ended June 30, 2020 - were approved on August 14, 2020</p> <p>Results for the quarter ended September 30, 2020 – were approved on October 28, 2020</p> <p>Results for the quarter ended December 31, 2020 – were approved on February 2, 2021</p> <p>Results for the quarter and year ended March 31, 2021 – were approved on May 18, 2021</p>                        |
| 3.  | <b>Book closure date</b>  | Friday, September 10, 2021 to Tuesday, September 14, 2021   |
| 4.  | <b>Dividend</b>   | During the period under review, your Company has twice declared the interim dividends. ₹ 40/- per share on August 19, 2020 and ₹ 30/- per share on February 2, 2021, with face value ₹ 2/- per share.   |
| 5.  | <b>Listing of equity shares on stock exchanges at</b>   | <p><b>National Stock Exchange of India Limited</b><br/>Exchange Plaza, Plot No. C/1, G Block,<br/>Bandra Kurla Complex, Bandra (E)<br/>Mumbai-400 051</p> <p><b>BSE Limited</b><br/>Phiroze Jeejeebhoy Towers<br/>Dalal Street, Mumbai-400001</p> <p>The listing fees for the FY 2020-21 have been paid to the aforesaid Stock Exchanges.</p>   |
| 6.  | <b>Stock code</b>   | <p>National Stock Exchange of India Limited – IIFLWAM</p> <p>BSE Limited – 542772</p>   |
| 7.  | <b>ISIN numbers in NSDL and CDSL for equity shares</b>  | INE466L01020  |
| 8.  | <b>Registrar &amp; Transfer Agent</b>   | <p><b>Link Intime India Private Limited</b><br/>C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli (West), Mumbai -400083.<br/>Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in</p>   |
| 9.  | <b>Share transfer system</b>  | <p>Your Company's shares are compulsorily traded in dematerialized form. In case of transfers in physical form, which are lodged at the Registrar and Transfer Agent's Office, these are processed within a period of 15 days from the date of receipt.</p> <p>All share transfers and other share related issues are approved in the Stakeholders Relationship Committee Meeting, which is normally convened as and when required.</p> |
| 10. | <b>Dematerialization of shares</b>  | As on March 31, 2021, 99.96 % of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by the Securities and Exchange Board of India.   |
| 11. | <b>Correspondence for dematerialization, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company</b> | <p><b>Link Intime Private Limited</b><br/>C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar,<br/>Vikhroli West, Mumbai, Maharashtra 400083.<br/>Contact Person: Ms. Sharmila Amin<br/><b>Tel: 022-49186000</b></p>   |

|     |   |  |
|-----|---|--|
| 12. | <b>Any query on Annual Report contact at corporate office</b>   | <b>Mr. Amit Bhandari, Company Secretary and Compliance Officer</b><br>IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013<br>Email: <a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a> |
| 13. | <b>List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad</b> | Rating for ₹ 200 crore Commercial Paper (CP) is ICRA A1+.<br>Rating for ₹ 100 crore unsecured Non- Convertible Debentures is ICRA AA.<br>Rating for ₹ 300 crore secured Non- Convertible Debenture is ICRA AA.               |
| 14. | <b>Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity</b>  | The Company does not have any outstanding GDRs/ADRs/Warrants as on date.   |

### 13 SHAREHOLDING PATTERN

Categories of equity shareholders as on March 31, 2021:

| Category                                  | Number of equity shares held | Percentage of holding |
|---|------------------------------|-----------------------|
| Clearing Members                          | 18,781                       | 0.02                  |
| Other Bodies Corporate                    | 6,93,328                     | 0.79                  |
| Foreign Company                           | 3,40,61,239                  | 38.76                 |
| Hindu Undivided Family                    | 38,688                       | 0.04                  |
| Mutual Funds                              | 13,21,514                    | 1.50                  |
| Foreign Nationals                         | 21,214                       | 0.02                  |
| Non Resident Indians (Non Repatriable)    | 92,639                       | 0.11                  |
| Non Resident Indians                      | 20,85,982                    | 2.37                  |
| Public                                    | 75,25,283                    | 8.55                  |
| Promoters                                 | 2,01,46,136                  | 22.92                 |
| Trusts                                    | 451                          | 0.05                  |
| Insurance Companies                       | 3,00,000                     | 0.34                  |
| **Foreign Portfolio Investors (Corporate) | 2,12,69,527                  | 24.20                 |
| Alternate Investment Funds                | 1,67,439                     | 0.19                  |
| NBFCs registered with RBI                 | 170                          | 0.00                  |
| <b>TOTAL :</b>                            | <b>8,78,82,770</b>           | <b>100.00</b>         |

Note: \*\* In order to comply with the terms of the SEBI (Mutual Funds) (Amendment) Regulations, 2018, dated March 13, 2018, FIH Mauritius Investments Limited and HWIC Asia Fund (Class A Shares) have collectively restricted their voting rights in the Company to 9.99% to ensure that the net effective shareholding and voting rights of Fairfax Financial Holdings Limited in IIFL Asset Management Limited and IIFL Trustee Limited (wholly owned subsidiaries) is less than 10% of the voting rights and equity share capital of IIFL Asset Management Limited and IIFL Trustee Limited.



## 14 DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

The distribution of shareholders as on March 31, 2021, is as follows:

| Sr. No.      | Shares Range    | Number of Shareholders | % of total shareholders | Total shares for the range | % of issued capital |
|--------------|-----------------|------------------------|-------------------------|----------------------------|---------------------|
| 1            | 1 to 500        | 20,362                 | 95.94                   | 8,17,385                   | 0.93                |
| 2            | 501 to 1000     | 253                    | 1.19                    | 1,84,447                   | 0.21                |
| 3            | 1001 to 2000    | 184                    | 0.87                    | 2,70,426                   | 0.31                |
| 4            | 2001 to 3000    | 68                     | 0.32                    | 1,66,254                   | 0.19                |
| 5            | 3001 to 4000    | 44                     | 0.21                    | 1,54,698                   | 0.17                |
| 6            | 4001 to 5000    | 30                     | 0.14                    | 1,35,713                   | 0.15                |
| 7            | 5001 to 10000   | 72                     | 0.34                    | 5,33,736                   | 0.61                |
| 8            | 10,001 and more | 212                    | 0.99                    | 8,56,20,111                | 97.43               |
| <b>Total</b> |                 | <b>21,225</b>          | <b>100.00</b>           | <b>8,78,82,770</b>         | <b>100.00</b>       |

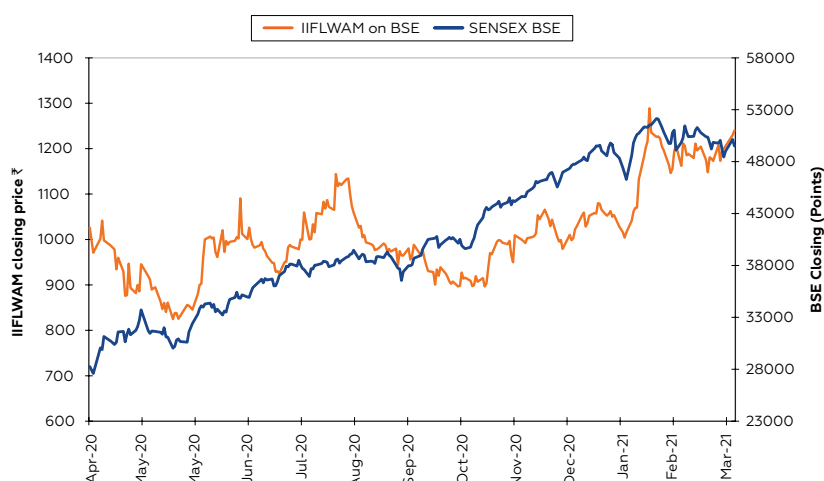
## 15 MARKET PRICE DATA

Table below gives the monthly high and low quotations of shares traded at BSE Limited and the National Stock Exchange of India Limited for the financial year 2020-2021:

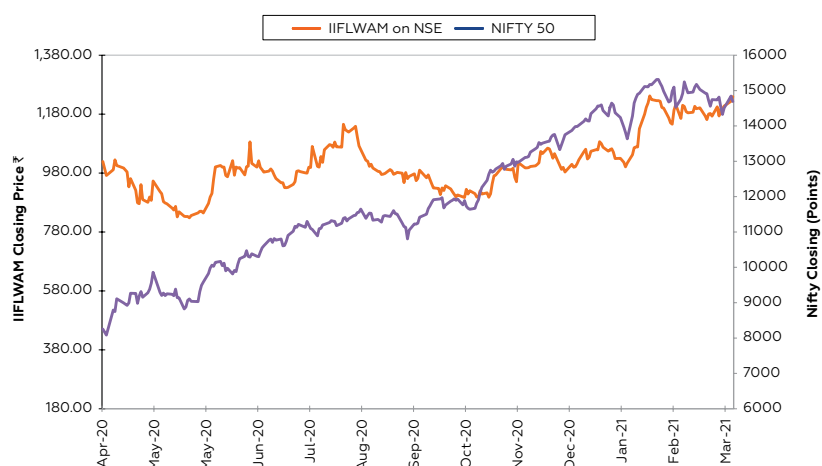
| Month          | BSE      |          |                | NSE      |          |           |
|----------------|----------|----------|----------------|----------|----------|-----------|
|                | High     | Low      | Volume         | High     | Low      | Volume    |
| April 2020     | 1,101.95 | 857.45   | 1,20,27,919    | 1024.85  | 876.05   | 2,61,845  |
| May 2020       | 1,040.00 | 810.00   | 24,51,950      | 917.30   | 828.15   | 1,30,017  |
| June 2020      | 1,194.80 | 843.50   | 6,17,19,956    | 1085.95  | 877.05   | 5,92,782  |
| July 2020      | 1,100.00 | 914.00   | 2,61,66,898    | 1070.25  | 947.01   | 4,32,854  |
| August 2020    | 1,180.40 | 998.20   | 2,21,38,214    | 1,145.55 | 1,000.20 | 5,46,551  |
| September 2020 | 1,047.40 | 922.55   | 41,87,45,629   | 1020.30  | 947.75   | 14,78,635 |
| October 2020   | 1,000.00 | 880.00   | 1,29,27,520    | 989.85   | 897.10   | 7,39,652  |
| November 2020  | 1,025.00 | 885.00   | 4,62,87,621    | 1015.65  | 897.65   | 9,83,414  |
| December 2020  | 1,087.85 | 960.55   | 1,89,85,304    | 1064.60  | 983.45   | 6,22,747  |
| January 2021   | 1,172.00 | 990.00   | 1,07,59,14,524 | 1,086.35 | 1,001.05 | 8,59,581  |
| February 2021  | 1,346.35 | 1,015.00 | 5,08,15,148    | 1,241.85 | 1,042.05 | 12,81,796 |
| March 2021     | 1,261.30 | 1,144.10 | 1,55,31,669    | 1,23,940 | 1,161.30 | 6,19,802  |

## STOCK PERFORMANCE vs S&P BSE AND NSE NIFTY 50

The performance of your Company's shares relative to the S&P BSE Sensex index is given in the chart below:



The performance of your Company's shares relative to the Nifty 50 index is given in the chart below:



## 16 SUBSIDIARY COMPANIES

During the year IIFL Wealth Prime Limited, formerly known as IIFL Wealth Finance Limited, wholly owned subsidiary of the Company has acquired IIFL Wealth Capital Markets Limited (formerly known as L&T Capital Markets Limited) on April 24, 2020.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of the unlisted subsidiary companies at the Meeting of Board of Directors of Company.

## 17 CEO/CFO CERTIFICATE

The CEO & CFO certificate required under SEBI Listing Regulations, 2015 is annexed to this Report as an Annexure B.

## 18 CODE OF CONDUCT

The confirmation from the Managing Director regarding compliance with the Code of Conduct by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at [www.iiflwealth.com](http://www.iiflwealth.com).

## 19 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Your Company actively monitors the foreign exchange movements and takes forward/options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

The Company has not taken any exposure in commodity hedging activities.

### For and on behalf of the Board

**Karan Bhagat**

Managing Director  
DIN: 03247753

**Yatin Shah**

Director  
DIN: 03231090

Place: Mumbai

Date: May 18, 2021

## Annexure A

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and to the best of our information and according to the explanations/ confirmation given to us by IIFL Wealth Management Limited (CIN: L74140MH2008PLC177884) having its registered office at IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai – 400013 (“Company”) and the declarations made by the Directors, we hereby certify that none of the Directors of the Company as stated below for the financial year ending March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs.

| Sr No. | Name of Director           | DIN      | Date of Appointment* |
|--------|----------------------------|----------|----------------------|
| 1      | Nirmal Bhanwarlal Jain     | 00010535 | 17/01/2008           |
| 2      | Venkataraman Rajamani      | 00011919 | 17/01/2008           |
| 3      | Nilesh Shivji Vikamsey     | 00031213 | 21/05/2013           |
| 4      | Subbaraman Narayan         | 00094081 | 25/06/2019           |
| 5      | Pankaj Vaish               | 00367424 | 22/01/2020           |
| 6      | Sandeep Achyut Naik        | 02057989 | 25/02/2016           |
| 7      | Geeta Mathur               | 02139552 | 03/03/2015           |
| 8      | Yatin Shah                 | 03231090 | 27/09/2010           |
| 9      | Karan Bhagat               | 03247753 | 27/09/2010           |
| 10     | Gopalakrishnan Soundarajan | 05242795 | 22/01/2020           |
| 11     | Shantanu Rastogi           | 06732021 | 25/02/2016           |

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For J U Poojari & Associates**  
Practising Company Secretaries

**J. U. POOJARI**  
FCS: 8102 CP: 8187

Mumbai, May 18, 2021  
UDIN: F008102C000341701

## Annexure B

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- To,
- The Board of Directors  
**IIFL Wealth Management Limited**
- We certify that;
- (a) We have reviewed the financial statements and the cash flow statement of IIFL Wealth Management Limited for the year ended March 31, 2021 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (a) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (b) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (c) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control during the year;
- (ii) that there are no significant changes in accounting policies during the year;
- (iii) that there are no instances of significant fraud of which we have become aware.

**Karan Bhagat**  
Managing Director  
DIN: 03247753

**Mihir Nanavati**  
Chief Financial Officer

Place: Mumbai  
Date: May 18, 2021

#### Declaration on Compliance with the Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2021, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

**For IIFL Wealth Management Limited**

**Karan Bhagat**  
Managing Director  
DIN: 03247753

Place: Mumbai  
Date: May 18, 2021

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
IIFL Wealth Management Limited

We have examined the compliance of conditions of Corporate Governance by IIFL Wealth Management Limited (hereinafter referred as "Company") for the financial year ended March 31, 2021, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

Note: Due to lockdown under COVID-19, Certification on this Corporate Governance Report is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

**For Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**  
Partner  
FCS No: 3667  
CP No.: 23905

Place: Mumbai  
Date: May 18, 2021  
UDIN: F003667C000340872

# Business Responsibility Report (BRR)

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## INTRODUCTION

The Company's Business Responsibility Report (BRR) for FY 2020-21 encapsulates the commitment of IIFL Wealth & Asset Management Group in conducting its businesses in an economically, socially and environmentally sustainable manner while balancing the demands of shareholders and other stakeholders.

The disclosures in this report have been guided by the nine principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business that were released by the Ministry of Corporate Affairs, Government of India, in 2011 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015").

## Section A - GENERAL INFORMATION ABOUT THE COMPANY

| Sr. No. | Particulars   | Reply  |
|---------|---|--|
| 1.      | Corporate Identity Number (CIN)   | L74140MH2008PLC177884  |
| 2.      | Name of the Company   | IIFL Wealth Management Limited   |
| 3.      | Registered Office and Corporate Office  | IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra- 400 013   |
| 4.      | Website   | www.iiflwealth.com   |
| 5.      | E-mail Id   | secretarial@iiflw.com  |
| 6.      | Financial Year reported   | April 1, 2020 to March 31, 2021  |
| 7.      | Sector(s) that the Company is engaged in (industrial activity code-wise)                        | National Industrial Classification 2008 code: 66190 Distribution fees, Commission and related Income   |
| 8.      | List three key products/ services that the Company manufactures/ provides (as in Balance Sheet) | IIFL Wealth is offering, Wealth Management Services inter alia comprising of distribution of financial products, portfolio management services, advisory services and merchant banking services. |
| 9.      | Total number of locations where business activity is undertaken by the Company                  |  |
|         | (a) Number of International Locations (Provide details of major 5)                              | The Company has subsidiaries in following overseas jurisdictions, where business activity is undertaken:<br>(i) Canada; (ii) Mauritius; (iii) Singapore; and (iv) Dubai                          |
|         | (b) Number of National Locations  | The Company has its Registered and Corporate Office at Mumbai in the state of Maharashtra and it has pan- India presence through a network of branches.  |
| 10.     | Markets served by the Company - Local/ State/ National/ International                           | The Company serves its customers at pan- India level and also served at several countries like Canada, Mauritius, and Dubai through its subsidiaries.  |

## Section B - FINANCIAL DETAILS OF THE COMPANY

|    |   |   |
|----|---|---|
| 1. | Paid-up Capital (As on 31 <sup>st</sup> March, 2021)  | ₹ 175.77 Millions   |
| 2. | Total Turnover  | Consolidated: ₹ 16,590.20 Millions<br>Standalone: ₹ 7667.61 Millions      |
| 3. | Total Profit after Taxes  | Consolidated: ₹ 3,691.92 Millions<br>Standalone : ₹ 6,403.70 Millions     |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Please refer Annual Report on CSR activities annexed to Directors' Report |
| 5. | List of activities in which expenditure in 4 above has been incurred                          | Please refer Annual Report on CSR activities annexed to Directors' Report |

## Section C - OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/Companies?

Yes, please refer para no. 9 of Directors Report for detailed information.

### 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)

Yes, the entire IIFL Wealth Group participates in BR initiatives, through the IIFLW CSR Foundation, a Section 8 Company incorporated under the Companies Act, 2013, set up by IIFL Wealth Group which acts as a principal arm to undertake CSR initiatives on behalf of the Company and its subsidiaries.

### 3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company endeavors to encourage its service providers (wherever possible) to participate in the initiatives towards business responsibility and to adopt practices which would help them to carry out business in a fair and responsible.

## Section D - BUSINESS RESPONSIBILITY INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a. Details of Director/Directors responsible for implementation of the BR policy/policies

| Sr. No. | Particulars | Details           |
|---------|-------------|-------------------|
| 1.      | DIN         | 03247753          |
| 2.      | Name        | Mr. Karan Bhagat  |
| 3.      | Designation | Managing Director |

#### b. Details of the BR Head

| Sr. No. | Particulars         | Details  |
|---------|---------------------|--|
| 1.      | DIN (If Applicable) | 03247753   |
| 2.      | Name                | Mr. Karan Bhagat   |
| 3.      | Designation         | Managing Director  |
| 4.      | Telephone Number    | +91 22 4876 5600   |
| 5.      | E-Mail ID           | <a href="mailto:secretarial@iiflw.com">secretarial@iiflw.com</a> |

### 2. Principle-wise (as per NVGs) BR policy/policies

#### a) Details of Compliance (Reply in Y/N)

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

**P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**P3** - Businesses should promote the wellbeing of all employees

**P4** - Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalized

**P5** - Businesses should respect and promote human rights

**P6** - Business should respect, protect, and make efforts to restore the environment

**P7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**P8** - Businesses should support inclusive growth and equitable development

**P9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle-wise responses are as follows:

| Sr. No. | Questions  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|----|----|----|----|----|----|----|----|
| 1.      | Do you have a policy/policies for  | Y   | Y  | Y  | Y  | Y  | Y  | NA | Y  | Y  |
| 2.      | Has the policy being formulated in consultation with the relevant Stakeholders?  | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 3.      | Does the policy conform to any national/international standards? If yes, specify? (50 words)   | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
|         | The Company's Business Responsibility policies abide by the spirit and content of Code of Conduct, all applicable Laws and Standards. The policies are framed to comply with applicable Regulatory requirements. |   |    |    |    |    |    |    |    |    |
| 4.      | Has the policy been approved by the Board?<br>If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board of Director?   | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 5.      | Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?  | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 6.      | Indicate the link for the policy to be viewed online?  | As per regulatory requirements the policies of the Company have been uploaded on the website of the Company i.e. <a href="http://www.iiflwealth.com">www.iiflwealth.com</a> |    |    |    |    |    |    |    |    |
| 7.      | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 8.      | Does the Company have in-house structure to implement the policy/policies?   | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 9.      | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?   | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |
| 10.     | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?   | Y   | Y  | Y  | Y  | Y  | Y  | -  | Y  | Y  |

Notes:

**P1** Sr. No. 3 - The Company has in place Code of Conduct of Board of Directors and Senior Management Personnel and other policies which are based on guidelines and key indicators prescribed under rules and regulations of SEBI/ IRDAI and as per Companies Act, 2013. The internal policies and documents are accessible only to employees of the organization and made available through IIFLW Intranet.

**P2** The Company complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability. The Company has a Corporate Social Responsibility Policy which is available on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com). The initiatives undertaken by IIFLW CSR Foundation.

**P3** Sr. No. 3- The Company has adopted various employee oriented policies covering areas such as employee benefits, Whistleblower Policy, Prevention Of Sexual Harassment Policy and code of conduct for employees at the workplace as per applicable laws.

**P4** Sr. No. 3 and 6- The Company has prescribed processes to achieve the objectives described under this principle. The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).



- P5** Sr. No. 3- The Company has put in place Code of Conduct which focuses on best employment practices. The Code of Conduct is in adherence to the regulatory and business requirements. Sr. No 6- The said code of conduct is made available on the intranet of the Company.
- P6** Sr. No. 3 and 6- The Company complies with applicable environmental regulations and has necessary processes in place to safeguard environment.
- P7** Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.
- P8** Sr. No. 3 and 6- The Company has a Corporate Social Responsibility Policy formulated as per Companies Act, 2013 which can be viewed on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).
- P9** Sr. No. 3: The Company has Grievance Redressal Policy for its customers which conform to the regulatory guidelines.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

| No. | Questions  | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|----------------|----|----|----|----|----|----|----|----|
| 1.  | The Company has not understood the Principles  | Not applicable |    |    |    |    |    |    |    |    |
| 2.  | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles                          |                |    |    |    |    |    |    |    |    |
| 3.  | The Company does not have financial or manpower resources available for the task   |                |    |    |    |    |    |    |    |    |
| 4.  | It is planned to be done within next 6 months  |                |    |    |    |    |    |    |    |    |
| 5.  | It is planned to be done within the next 1 year  |                |    |    |    |    |    |    |    |    |
| 6.  | Any other reason (please specify): Keeping in view the Companies nature of business i.e. financial services, such policy is not applicable to the Company. |                |    |    |    |    |    |    |    |    |

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

All the Policies of the Company are reviewed on annual basis by the Board.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2020-21. The same will also be available on the website of the Company i.e. [www.iiflwealth.com](http://www.iiflwealth.com).

### Section E – PRINCIPLE-WISE PERFORMANCE

#### Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No it covers Subsidiaries as well.

**2. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organisation. The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the Code of Conduct, has adopted a 'zero-tolerance' approach to bribery and corruption. The Code is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary companies and extends to service providers of the Company.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The number of complaints received from shareholders in F.Y. 2020-21 was one (1) and the same was resolved.

With respect to employees, the Company has a mechanism as provided under the Whistleblower Policy/Prevention of Sexual Harassment Policy whereby employees can raise their concerns.

**Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY**

**BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

- 1. List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:** Not applicable
- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):** Not applicable
- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company being a financial services Company does not have any goods and raw material utilisation as part of its products and services. Company's major material requirements are related to office infrastructure, administration

and IT related equipment and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company being a financial services Company suitably its necessary requirements from local suppliers and vendors. The Company has taken various initiatives for development of local communities.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

As the Company is not a manufacturing entity; the waste generated at our premises is being managed through the process of normal waste disposal. Our Company has defined procedures in place to dispose of e-waste through authorized e-waste vendors. Most of our Company's businesses incorporate social and environmental concerns in its finance operations. As a recycling initiative, waste water is entirely treated & re-utilized for gardening, flushing & cooling tower requirements in two of our large offices.

**Principle 3: EMPLOYEES' WELL-BEING**

**BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

- 1. Please indicate the Total number of employees.**  
Total number of the Company as on March 31, 2021 are 861. The Company and its subsidiaries had 929 employees (including contractual employees) as on March 31, 2021.
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**  
The Company and its subsidiaries had 68 employees as on March 31, 2021 on contractual basis.
- 3. Please indicate the Number of permanent women employees.**

The Company and its subsidiaries had 232 women employees as on March 31, 2021.

**4. Please indicate the Number of permanent employees with disabilities IIFL does not specifically track the number of disabled employees.**

The Company did not have any employee with disabilities as on March 31, 2021. However, IIFL Wealth and its subsidiaries provides an equal opportunity employer and treats all its employees equally.

**5. Do you have an employee association that is recognized by management?**

No

**6. What percentage of your permanent employees is members of this recognized employee association?**

N.A.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Nil.

**8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

**(a) Permanent Employees**

**(b) Permanent Women Employees**

**(c) Casual/Temporary/Contractual Employees**

**(d) Employees with Disabilities**

Safety at Work place is looked at in a multidimensional approach at IIFL Wealth Group. Following elements fall under the purview of employee safety:

**1. Fire and Safety Training**

Fire and Safety trainings are provided by qualified security inspectors at our offices, and awareness drive is also undertaken at our branches regularly.

**2. Information Security Awareness**

Information security awareness and training is regularly undertaken to ensure that there is no data theft or leakage or malicious content which may disrupt the functioning of the organisation.

**3. Prevention against Sexual Harassment at Work place**

Apart from the presence of a Prevention of Sexual Harassment Committee, e-learning courses are also deployed to every employee in the organisation, under the set of mandatory courses for completion.

**4. Health and Insurance Safety**

The Company insures its employees under floater health plans and carries out periodic health related camps for benefit of its employees.

**5. Safety against indulging in Insider trading activities**

The Company has laid down clear policy on prohibition on Insider Trading and every employee undertakes a commitment towards not engaging in acts which fall under the purview of insider trading. We also have digital learning content which clearly explain the expectations from management w.r.t. compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**6. Work Process Adherence and Safety**

a. Through sensitising employees on 'Gifts Policy' through an online medium, organisation ensures that employees are adequately informed and trained on nuances with regard to acceptance of gifts from third party associates/ consultants/ customers/ vendors.

b. Through our e-learning module on 'Anti-Bribery & Corruption', awareness among employees is developed on various organisational policies on bribery and corruption, clearly demarcating the do's and don'ts of business.

**7. Retention and Career Growth Sessions for women**

a. Building personal & professional Brand on LinkedIn.

b. Through Financial planning workshop we have made them learn about financial health through various women centric investment tools, managing expenses, tax saving strategies and retirement planning.

c. Self Defense Workshops annually at various regional/zonal locations to train and equip the women on mental, verbal and physical self-defense techniques.

Apart from above areas, Skill enhancement and a safe place to work aspects of learning are incorporated through various digital learning modules, which employees have access round the year. Key organisational aspects like Anti Money Laundering, Prevention of Sexual Harassment, Anti Bribery & Corruption, Data Privacy, Information Security Awareness etc, are part of the mandated learning curriculum for all employees at IIFL Wealth, irrespective of gender, grade and business function.

A structured induction process for new recruits ensures that all role related functional and skill inputs are made available for self directed learning on day 1 of joining itself, through high quality video modules, delivered through our learning management system.

#### Principle 4: STAKEHOLDER ENGAGEMENT

1. **Has the Company mapped its internal and external stakeholders?**

Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

The Company provides equal opportunities to differently-abled, marginalized and people from economically weaker background. All employees are offered equal opportunities for career growth.

#### Principle 5: HUMAN RIGHTS

##### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company follows the code of conduct which covers the Company and all its subsidiaries. In addition, the Company's whistleblower program covers all its internal and external stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

No complaints were received from stakeholders under the Code of Conduct.

#### Principle 6: ENVIRONMENT

##### BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiaries are in compliance with applicable environmental regulations.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

As an environmentally responsible corporate, our Company has been striving towards imbibing green sustainable products, processes, policies and practices. Our Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Since the Company is not a manufacturing entity, the above question is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Since the Company is not a manufacturing entity, the above question is not applicable.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

As outlined above, IIFL Wealth participates in several initiatives in the area of environment and sustainability. We have also taken several measures

to minimise our environmental impact due to business travel. These measures include carpooling, company bus service, video / audio conferencing facilities at all major offices. Apart from this we have also moved to digitalization platform wherein we save on paper and stationery.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Since the Company is not a manufacturing entity, the above question is not applicable.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7: POLICY ADVOCACY**

**BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

IIFL Wealth and its subsidiaries are member of trade bodies/ associations such as AMFI, IVCA, IAAIF.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company through various associations and trade bodies provides suggestions with respect to development and regulation of financial services sector. The members of Board/senior management participated in various committees/ working groups constituted by the Government of India/ RBI/SEBI.

**Principle 8: INCLUSIVE GROWTH**

**BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes – Educating the illiterate or semi-literate and schooling the unschooled is the key program

under which we work by starting community schools in remote locations to facilitate education opportunities for girls among tribal communities dwelling in remote locations. These community schools engage girls who are out of school due to problems such as access, poverty as well as cultural and other issues. We promote financial literacy & skill development programs for women and youth in rural areas. Mega Medical Camps were organised to offer early cancer detection, diet education for diabetic, CPR, first aid, yoga, etc. for economically weaker sections from rural areas.

**2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

Both – directly as well as in association with a local partner.

**3. Have you done any impact assessment of your initiative?**

Yes – quarterly tracking is done to check the progress of the activities.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Please refer Annual Report on CSR Activities annexed to Directors' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The CSR activities of the Company are directed towards developing and deploying a robust, longer-term & sustainable strategy for larger community. This includes identifying the focus themes, engaging with the right partners & stakeholders, co-developing high-impact projects & programs, monitoring the efficacy of the execution and progress towards achieving the desired impact. The key themes have been identified and include education, environment and tech-incubators (within institutions). The right inclusive exercise with the stakeholders will enable successful adoption by the larger community.

## Principle 9: CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No customer complaints/consumer cases are pending against the Company as on the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)**

Since the Company is not a manufacturing entity, the above question is not applicable. However, the Company mentions the regulatory licenses it holds for respective areas of business.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

In the normal course, the client service teams do ascertain the satisfaction of the customers as per its systems and methodologies as also the management assesses the client satisfaction level on important/critical areas from time to time. The Company is in process of client satisfaction survey to be carried out in current financial year.

# Independent Auditor's Report

## To The Members of IIFL Wealth Management Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' report, but does not include the standalone financial statements and our auditor's report thereon. The Directors' report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position as at 31<sup>st</sup> March 2021 in its standalone financial statements (Refer Note 30);
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pallavi A. Gorakshakar**

(Partner)

(Membership No.105035)

(UDIN: 21105035AAAAHG1409)

Place: Mumbai

Date: 21<sup>st</sup> June 2021

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

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

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

We have audited the internal financial controls over financial reporting of **IIFL Wealth Management Limited** (the "Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial

reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pallavi A. Gorakshakar**

(Partner)

(Membership No.105035)

(UDIN: 21105035AAAAHG1409)

Place: Mumbai

Date: 21<sup>st</sup> June 2021

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
  - (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
    - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
    - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
    - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) To the best of our knowledge and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
  - (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the services rendered by the Company.
  - (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
    - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Customs Duty and Excise Duty is not applicable to the Company.
    - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
    - (c) There are no dues of Goods and Services Tax as on 31 March 2021 on account of disputes. Details of income tax not deposited as on 31 March 2021 on account of disputes are given below:

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending      | Period to which the Amount Relates | Amount (₹ in millions) | Amount Unpaid (₹ in millions) |
|----------------------|----------------|-------------------------------------|------------------------------------|------------------------|-------------------------------|
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income-Tax (Appeal) | Financial Year 2013-14             | 4.07                   | -                             |
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income-Tax (Appeal) | Financial Year 2015-16             | 20.77                  | -                             |
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income-Tax (Appeal) | Financial Year 2016-17             | 56.01                  | -                             |
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income-Tax (Appeal) | Financial Year 2017-18             | 54.48                  | 46.16                         |

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pallavi A. Gorakshakar**

(Partner)

(Membership No.105035)

(UDIN: 21105035AAAAHG1409)

Place: Mumbai

Date: 21<sup>st</sup> June 2021

## Standalone Balance Sheet as at March 31, 2021

(₹ in Mn)

| SR. No.                       | Particulars   | Note No. | As at Mar 31, 2021 | As at Mar 31, 2020 |
|-------------------------------|---|----------|--------------------|--------------------|
| <b>ASSETS</b>                 |   |          |                    |                    |
| <b>1</b>                      | <b>Financial Assets</b>   |          |                    |                    |
| (a)                           | Cash and cash equivalents   | 3        | 1,370.95           | 224.17             |
| (b)                           | Bank balance other than (a) above   | 4        | 13.26              | 11.45              |
| (c)                           | Derivative financial instruments  |          | -                  | -                  |
| (d)                           | Receivables   |          |                    |                    |
|                               | (I) Trade receivables   | 5        | 588.23             | 723.55             |
|                               | (II) Other receivables  | 5        | 69.93              | 0.00#              |
| (e)                           | Loans   | 6        | 3.61               | 62.93              |
| (f)                           | Investments   | 7        | 20,422.25          | 19,840.31          |
| (g)                           | Other financial assets  | 8        | 1,366.03           | 981.38             |
| <b>2</b>                      | <b>Non-Financial Assets</b>   |          |                    |                    |
| (a)                           | Inventories   |          | -                  | -                  |
| (b)                           | Current tax assets (net)  |          | 295.03             | 380.37             |
| (c)                           | Deferred tax assets (net)   | 9        | -                  | 27.08              |
| (d)                           | Property, plant and equipment   | 10       | 2,756.11           | 2,862.04           |
| (e)                           | Capital work-in-progress  | 11       | 6.75               | 10.31              |
| (f)                           | Other intangible assets   | 12       | 26.68              | 11.06              |
| (g)                           | Right to use Assets   | 13       | 2.99               | 3.22               |
| (h)                           | Other non-financial assets  | 14       | 134.44             | 85.39              |
| <b>Total Assets</b>           |   |          | <b>27,056.26</b>   | <b>25,223.26</b>   |
| <b>LIABILITIES AND EQUITY</b> |   |          |                    |                    |
| <b>LIABILITIES</b>            |   |          |                    |                    |
| <b>1</b>                      | <b>Financial Liabilities</b>  |          |                    |                    |
| (a)                           | Derivative financial instruments  |          | -                  | -                  |
| (b)                           | 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       | 115.12             | 91.98              |

(₹ in Mn)

| SR. No.  | Particulars   | Note No. | As at Mar 31, 2021 | As at Mar 31, 2020 |
|----------|---|----------|--------------------|--------------------|
|          | (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 |          | -                  | -                  |
| (c)      | Finance Lease Obligation  | 13       | 3.16               | 3.41               |
| (d)      | Debt securities   | 16       | 2,337.31           | -                  |
| (e)      | Other financial liabilities   | 17       | 137.28             | 1,672.54           |
| <b>2</b> | <b>Non-Financial Liabilities</b>  |          |                    |                    |
| (a)      | Current tax liabilities (net)   |          | -                  | 2.04               |
| (b)      | Provisions  | 18       | 1.74               | 3.89               |
| (c)      | Deferred tax liabilities (net)  | 9        | 14.09              | -                  |
| (d)      | Other non-financial liabilities   | 19       | 150.35             | 188.98             |
| <b>3</b> | <b>EQUITY</b>   |          |                    |                    |
| (a)      | Equity share capital  | 20       | 175.77             | 174.36             |
| (b)      | Other equity  | 21       | 24,121.44          | 23,086.06          |
|          | <b>Total Liabilities and Equity</b>   |          | <b>27,056.26</b>   | <b>25,223.26</b>   |

**See accompanying Notes to the Financial Statements**

# Amount less than ₹ 10,000

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants**Pallavi A. Gorakshakar**  
PartnerPlace : Mumbai  
Dated: June 21, 2021**For and on behalf of the Board of Directors****Karan Bhagat**  
Managing Director  
(DIN: 03247753)**Mihir Nanavati**  
Chief Financial OfficerPlace : Mumbai  
Dated: May 18, 2021**Yatin Shah**  
Director  
(DIN: 03231090)**Amit Bhandari**  
Company Secretary

## Standalone Profit and Loss for the year ended March 31, 2021

|          |   |          |                 |                 | (₹ in Mn) |  |
|----------|---|----------|-----------------|-----------------|-----------|--|
| SR. No.  | Particulars   | Note No. | 2020-21         | 2019-20         |           |  |
| <b>1</b> | <b>Revenue from operations</b>                              |          |                 |                 |           |  |
| (a)      | Fees and commission income                                  | 22       | 1,377.81        | 1,924.42        |           |  |
| (b)      | Net gain on fair value changes                              |          | -               | 238.16          |           |  |
|          | <b>Total revenue from operations</b>                        |          | <b>1,377.81</b> | <b>2,162.58</b> |           |  |
| <b>2</b> | <b>Other income</b>   | 23       | 6,289.80        | 1,946.10        |           |  |
| <b>3</b> | <b>Total income (1+2)</b>                                   |          | <b>7,667.61</b> | <b>4,108.68</b> |           |  |
|          | <b>Expenses</b>   |          |                 |                 |           |  |
| (a)      | Finance costs   | 24       | 251.34          | 477.86          |           |  |
| (b)      | Fees and commission expenses                                |          | 15.30           | 31.32           |           |  |
| (c)      | Impairment on financial instruments                         | 25       | 19.46           | 0.09            |           |  |
| (d)      | Employee benefits expenses                                  | 26       | 377.96          | 368.18          |           |  |
| (e)      | Depreciation, amortization and impairment                   | 10,12,13 | 115.69          | 113.93          |           |  |
| (f)      | Other expenses  | 27       | 231.68          | 324.18          |           |  |
| <b>4</b> | <b>Total expenses</b>                                       |          | <b>1,011.43</b> | <b>1,315.56</b> |           |  |
| <b>5</b> | <b>Profit before tax (3-4)</b>                              |          | <b>6,656.18</b> | <b>2,793.12</b> |           |  |
| <b>6</b> | <b>Tax expense:</b>   |          |                 |                 |           |  |
| (a)      | Current tax   | 28       | 211.46          | 335.60          |           |  |
| (b)      | Deferred tax  | 28       | 41.02           | (42.95)         |           |  |
| <b>7</b> | <b>Profit for the year from continuing operations (5-6)</b> |          | <b>6,403.70</b> | <b>2,500.47</b> |           |  |
|          | Loss from discontinued operations                           |          | -               | (850.27)        |           |  |
|          | Tax Expense of discontinued operations                      |          | -               | (284.56)        |           |  |
| <b>8</b> | <b>Loss from discontinued operations(After tax)</b>         |          | <b>-</b>        | <b>(565.71)</b> |           |  |
| <b>9</b> | <b>Profit for the year (7+8)</b>                            |          | <b>6,403.70</b> | <b>1,934.76</b> |           |  |



(₹ in Mn)

| SR. No.   | Particulars  | Note No. | 2020-21         | 2019-20         |
|-----------|--|----------|-----------------|-----------------|
| <b>10</b> | <b>Other comprehensive income</b>  |          |                 |                 |
| (a)       | (i) Items that will not be reclassified to profit or loss  |          |                 |                 |
|           | - Remeasurements of Employee Benefits  |          | 0.64            | (0.30)          |
|           | (ii) Income tax relating to items that will not be reclassified to profit or loss  |          | (0.16)          | 0.08            |
|           | <b>Other Comprehensive Income/(loss) from continuing operations (a)</b>  |          | <b>0.48</b>     | <b>(0.22)</b>   |
| (b)       | (i) Items that will not be reclassified to profit or loss  |          |                 |                 |
|           | - Remeasurements of Employee Benefits  |          | -               | (7.29)          |
|           | (ii) Income tax relating to items that will not be reclassified to profit or loss  |          | -               | 1.83            |
|           | <b>Other Comprehensive loss from discontinued operations (b)</b>   |          | <b>-</b>        | <b>(5.46)</b>   |
|           | <b>Other Comprehensive Income/(loss) (a + b)</b>   |          | <b>0.48</b>     | <b>(5.68)</b>   |
| <b>11</b> | <b>Total comprehensive income for the year (9+10)<br/>(Comprising profit and other comprehensive income/(loss) for the year)</b> |          | <b>6,404.18</b> | <b>1,929.08</b> |
| <b>12</b> | <b>Earnings per equity share</b>   |          |                 |                 |
|           | <b>- in respect of continuing operations</b>   |          |                 |                 |
|           | Basic (₹)  | 29       | 73.25           | 29.04           |
|           | Diluted (₹)  | 29       | 72.41           | 28.36           |
|           | <b>- in respect of discontinued operations</b>   |          |                 |                 |
|           | Basic (₹)  | 29       | -               | (6.57)          |
|           | Diluted (₹)  | 29       | -               | (6.57)          |

**See accompanying Notes to the Financial Statements**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pallavi A. Gorakshakar**

Partner

Place : Mumbai

Dated: June 21, 2021

**For and on behalf of the Board of Directors****Karan Bhagat**Managing Director  
(DIN: 03247753)**Mihir Nanavati**

Chief Financial Officer

Place : Mumbai

Dated: May 18, 2021

**Yatin Shah**Director  
(DIN: 03231090)**Amit Bhandari**

Company Secretary

## Cashflow Statement for the year ended March 31, 2021

| Particulars   | (₹ in Mn)       |                 |
|---|-----------------|-----------------|
|   | 2020-21         | 2019-20         |
| <b>A. Cash flows from operating activities</b>                                |                 |                 |
| <b>Net profit before taxation and extraordinary item</b>                      | <b>6,656.18</b> | <b>1,942.85</b> |
| <b>Adjustments for:</b>   |                 |                 |
| Depreciation, amortization and impairment                                     | 115.69          | 286.79          |
| Provisions for Employee benefits  | 2.88            | 20.01           |
| Impairment of financial instruments   | 19.46           | 0.20            |
| Net changes in Fair value through Profit and loss of Investments - Realised   | (169.53)        | (32.01)         |
| Net changes in fair value through Profit and Loss of investments - unrealised | (60.08)         | (12.39)         |
| Share based payments to employees   | 454.06          | 230.49          |
| Interest Income   | (153.82)        | (41.86)         |
| Interest expenses   | 250.75          | 476.31          |
| Profit on Sale of Property, plant and equipment                               | 0.06            | 1.50            |
| Dividend Income from Investments  | (5,701.03)      | (1,737.50)      |
| Distribution income from investments  | (0.00#)         | (0.00#)         |
| <b>Operating profit before working capital changes</b>                        | <b>1,414.62</b> | <b>1,134.39</b> |
| <b>Changes in working Capital :</b>   |                 |                 |
| Increase in Financial/Non-financial Assets                                    | (390.92)        | (1,634.49)      |
| Increase/ (Decrease) in Financial/Non-financial Liabilities                   | (1,538.74)      | 1,879.09        |
| <b>Cash (used in)/generated from operations</b>                               | <b>(515.04)</b> | <b>1,378.99</b> |
| Net income tax paid   | (128.18)        | (6.19)          |
| <b>Net cash used in/generated from operating activities (A)</b>               | <b>(643.22)</b> | <b>1,372.80</b> |
| <b>B. Cash flows from investing activities</b>                                |                 |                 |
| Purchase of Investments   | (31,860.72)     | (92,922.32)     |
| Sale of Investments   | 31,502.86       | 92,232.65       |
| Consideration received on account of transfer of business (Refer Note 33.B)   | -               | 4,300.00        |
| Distribution income from investments  | 0.00#           | 0.00#           |
| Interest Received   | 167.33          | 22.70           |
| Dividend Received   | 5,701.03        | 1,737.50        |

| Particulars   | (₹ in Mn)         |                   |
|---|-------------------|-------------------|
|   | 2020-21           | 2019-20           |
| Purchase of fixed assets (includes intangible assets) - Net     | (20.25)           | (903.85)          |
| Fixed Deposit placed  | -                 | 0.03              |
| Staff loan(net)   | (2.58)            | (1.23)            |
| Inter Corporate Deposit given                                   | (81,318.67)       | (19,866.41)       |
| Inter Corporate Deposit repaid                                  | 81,372.55         | 19,924.04         |
| <b>Net cash generated from investing activities (B)</b>         | <b>5,541.55</b>   | <b>4,523.11</b>   |
| <b>C. Cash flows from financing activities</b>                  |                   |                   |
| Proceeds from Issuance of Share Capital                         | 1.41              | 4.12              |
| Securities Premium on issue of shares                           | 304.43            | 609.15            |
| Share application money received/(converted into share capital) | (0.07)            | 0.07              |
| Share issue expenses  | -                 | (0.53)            |
| Borrowings Taken  | 92,469.90         | 48,000.00         |
| Borrowings repaid   | (90,150.00)       | (48,485.91)       |
| Inter-Corporate Deposits - taken                                | 60,721.10         | 63,137.15         |
| Inter-Corporate Deposits - repaid                               | (60,721.10)       | (66,791.31)       |
| Interest Paid   | (250.00)          | (462.46)          |
| Dividend Paid (including Dividend Distribution Tax)             | (6,127.22)        | (1,740.05)        |
| <b>Net cash used in financing activities (C)</b>                | <b>(3,751.55)</b> | <b>(5,729.77)</b> |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>        | <b>1,146.78</b>   | <b>166.14</b>     |
| Opening Cash & cash equivalents                                 | 224.17            | 56.75             |
| On amalgamation of subsidiary on April 01, 2019                 | -                 | 1.28              |
| <b>Closing Cash &amp; cash equivalents</b>                      | <b>1,370.95</b>   | <b>224.17</b>     |

See accompanying Notes to the Financial Statements

# Amount less than ₹ 10,000

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pallavi A. Gorakshakar**

Partner

Place : Mumbai

Dated: June 21, 2021

**For and on behalf of the Board of Directors**

**Karan Bhagat**

Managing Director  
(DIN: 03247753)

**Mihir Nanavati**

Chief Financial Officer

Place : Mumbai

Dated: May 18, 2021

**Yatin Shah**

Director  
(DIN: 03231090)

**Amit Bhandari**

Company Secretary

## Standalone Statement of changes in Equity for the year ended March 31, 2021

(₹ in Mn)

| Particulars   | Equity attributable to owners of the Company |                               |                    |                 |                         |                 |               |  |                    | Total            |
|---|--|-------------------------------|--------------------|-----------------|-------------------------|-----------------|---------------|--|--------------------|------------------|
|   | Equity Share Capital                         | Equity Share pending issuance | Other Equity       |                 |                         |                 |               |  | Total Other Equity |                  |
|   |  |                               | Securities Premium | General Reserve | Share application money | Capital Reserve | ESOP Reserve  | Suplus in Statement of Profit and loss |                    |                  |
| <b>Balance at the beginning of the year as on April 01,2020</b> | 174.36                                       | -                             | 18,856.51          | 133.50          | 0.07                    | 114.59          | 255.40        | 3,725.99                               | 23,086.06          | 23,260.42        |
| Shares issued during the year                                   | 1.34   | -                             | 304.43             | -               | -                       | -               | -             | -                                      | 304.43             | 305.77           |
| Profits for the year  | -  | -                             | -                  | -               | -                       | -               | -             | 6,403.70                               | 6,403.70           | 6,403.70         |
| Other comprehensive income                                      | -  | -                             | -                  | -               | -                       | -               | -             | 0.48                                   | 0.48               | 0.48             |
| Dividends including Dividend distribution tax                   | -  | -                             | -                  | -               | -                       | -               | -             | (6,127.22)                             | (6,127.22)         | (6,127.22)       |
| Transfer (to)/from other reserves                               | 0.07   | -                             | 71.20              | 0.16            | (0.07)                  | -               | (71.36)       | -                                      | (0.07)             | -                |
| Employee share based payment                                    | -  | -                             | -                  | -               | -                       | -               | 454.06        | -                                      | 454.06             | 454.06           |
| <b>Balance at the end of the year as on March 31,2021</b>       | <b>175.77</b>                                | <b>-</b>                      | <b>19,232.14</b>   | <b>133.66</b>   | <b>-</b>                | <b>114.59</b>   | <b>638.10</b> | <b>4,002.95</b>                        | <b>24,121.44</b>   | <b>24,297.21</b> |

## Standalone Statement of changes in Equity for the year ended March 31, 2020

(₹ in Mn)

| Particulars   | Equity attributable to owners of the Company |                               |                    |                 |                         |                 |              |  |                    | Total     |
|---|--|-------------------------------|--------------------|-----------------|-------------------------|-----------------|--------------|--|--------------------|-----------|
|   | Equity Share Capital                         | Equity Share pending issuance | Other Equity       |                 |                         |                 |              |  | Total Other Equity |           |
|   |  |                               | Securities Premium | General Reserve | Share application money | Capital Reserve | ESOP Reserve | Suplus in Statement of Profit and loss |                    |           |
| <b>Balance at the beginning of the year as on April 01,2019</b> | 169.04                                       | 1.20                          | 18,175.78          | 133.50          | -                       | 114.59          | 97.02        | 3,511.39                               | 22,033.48          | 22,202.52 |
| On amalgamation of subsidiary on April 01, 2019                 | -  | -                             | -                  | -               | -                       | -               | -            | 25.57                                  | 25.57              | 25.57     |
| Shares issued during the year                                   | 4.12   | -                             | 609.15             | -               | -                       | -               | -            | -                                      | 609.15             | 613.27    |
| Share issue expenses  | -  | -                             | (0.53)             | -               | -                       | -               | -            | -                                      | (0.53)             | (0.53)    |
| Profits for the year  | -  | -                             | -                  | -               | -                       | -               | -            | 1,934.76                               | 1,934.76           | 1,934.76  |

## Statement Of Changes In Equity (Continued)

(₹ in Mn)

| Particulars   | Equity attributable to owners of the Company |                               |                    |                 |                         |                 |               |  |                    | Total            |            |
|---|--|-------------------------------|--------------------|-----------------|-------------------------|-----------------|---------------|--|--------------------|------------------|------------|
|   | Equity Share Capital                         | Equity Share pending issuance | Other Equity       |                 |                         |                 |               |  | Total Other Equity |                  |            |
|   |  |                               | Securities Premium | General Reserve | Share application money | Capital Reserve | ESOP Reserve  | Suplus in Statement of Profit and loss |                    |                  |            |
| Other comprehensive income  | -  | -                             | -                  | -               | -                       | -               | -             | -                                      | (5.68)             | (5.68)           | (5.68)     |
| Dividends including Dividend distribution tax                           | -  | -                             | -                  | -               | -                       | -               | -             | -                                      | (1,740.05)         | (1,740.05)       | (1,740.05) |
| Transfer (to)/from other reserves                                       | -  | -                             | 72.11              | -               | -                       | -               | -             | (72.11)                                | -                  | -                | -          |
| Addition during the year pursuant to the scheme of demerger/acquisition | 1.20   | (1.20)                        | -                  | -               | -                       | -               | -             | -                                      | -                  | (1.20)           | -          |
| Addition during the year  | -  | -                             | -                  | -               | 0.07                    | -               | -             | -                                      | -                  | 0.07             | 0.07       |
| Employee share based payment  | -  | -                             | -                  | -               | -                       | -               | 230.49        | -                                      | -                  | 230.49           | 230.49     |
| <b>Balance at the end of the year as on March 31,2020</b>               | <b>174.36</b>                                | <b>-</b>                      | <b>18,856.51</b>   | <b>133.50</b>   | <b>0.07</b>             | <b>114.59</b>   | <b>255.40</b> | <b>3,725.99</b>                        | <b>23,086.06</b>   | <b>23,260.42</b> |            |

### Securities Premium Account

Securities premium account includes the difference between face value of equity shares and consideration in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium account. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities premium account.

### General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to Statement of profit or loss.

### Capital Reserve

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" and "Broking and Depository Participant Business Undertaking" in accordance with the composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders.

### ESOP Reserve

It relates to share options granted to the employees by the Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

### Retained Earnings

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pallavi A. Gorakshakar**

Partner

Place : Mumbai

Dated: June 21, 2021

**For and on behalf of the Board of Directors**

**Karan Bhagat**

Managing Director  
(DIN: 03247753)

**Mihir Nanavati**

Chief Financial Officer

Place : Mumbai

Dated: May 18, 2021

**Yatin Shah**

Director  
(DIN: 03231090)

**Amit Bhandari**

Company Secretary

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

## 1 CORPORATE INFORMATION:

IIFL Wealth Management Limited ("IIFLW", the "Company") is a public limited company incorporated under the Companies Act, 1956. The Company has advisory licence under SEBI regulations and obtained merchant banking licence from SEBI during the year. The Company mainly provides transaction structuring and advisory services relating to financial products to its clients. Until the previous year the Company was engaged in services relating to financial products distribution, advisory and portfolio management services by mobilizing funds and assets of various classes of investors including High Net worth Individuals. The Company is a holding company to its subsidiaries engaged in wealth and asset Management services including financial asset distribution, broking, lending, credit and investment solutions and asset and portfolio management.

## 2 SUMMARY STATEMENT OF 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 issuance by the Board of Directors of the Company on May 18, 2021.

### c) Revenue recognition

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

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

- Fees and commission income: Fees from services provided 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.

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.

The Company has revised its estimate of useful life of Furniture and Fixtures and Electrical Equipment used in the office premise acquired during the period, which was earlier on lease, and has recomputed the depreciation on the same on prospective basis.

Leasehold improvements are amortized over the period of lease. Land is not considered as depreciable assets having regard to its infinite useful life. Individual assets / Company of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase.

#### **Estimated useful life of the assets is as under:**

| <b>Class of assets</b>    | <b>Useful life in years</b> |
|---------------------------|-----------------------------|
| Computers*                | 3                           |
| Electrical Equipment*     | 5-10                        |
| Office equipment          | 5                           |
| Furniture and fixtures* # | 5-10                        |
| Vehicles*                 | 5                           |
| Air conditioners*         | 5                           |
| Building                  | 51                          |

\* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

# Furniture and fixtures includes leasehold improvements, which is depreciated on a straight-line basis over the period of lease.

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 derecognised 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 recognised in the Statement of Profit and Loss when the item is derecognised.

#### **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 amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired

separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

**Amortization:**

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

**Estimated useful economic life of the assets is as under:**

| Class of assets | Useful life in years |
|-----------------|----------------------|
| Software        | 3-5                  |

**Derecognition:**

The carrying amount of an intangible asset is derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

**f) Impairment**

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

An impairment loss is recognised 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 recognised in the Statement of Profit and Loss and included in depreciation and amortization expenses.

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

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

**Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Based on the above criteria, the Company classifies its financial assets into the following categories:

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



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

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

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

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

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

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

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

For the above category, income by way of interest and dividend, provision for impairment are recognised in the Statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognised 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 amortized cost or at FVTOCI as mentioned above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such

financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

**Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised (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 recognised in the Statement of Profit and Loss.

**Impairment of financial assets:**

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

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash

flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial 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 recognises 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) recognised at amortised costs
- (ii) recognised at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

**Subsequent measurement:**

- (i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the Company categorized at fair value are subsequently measured at fair value through profit and loss statement.
- (iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

**Derecognition:** A financial liability is derecognised 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.

## i) 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 recognised 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.

## j) Foreign Currency Translation

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

### Measurement of foreign currency items at reporting date:

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

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

## k) Income Taxes

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

### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or

deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted or substantively enacted by the end of reporting period.

#### **Deferred tax:**

Deferred tax is recognised 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 recognised 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 recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 recognised.

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

#### **l) Provisions and Contingencies**

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

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

#### **m) 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.

#### **n) 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 recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### **Post-Employment Benefits:**

##### **i. Defined contribution plans:**

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

#### **Recognition and measurement of defined contribution plans:**

The Company recognises 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 recognised 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 recognised 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.

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

##### **o) Lease accounting**

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

#### **As a lessee**

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

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

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

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

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

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

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

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

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.

#### **p) Borrowing Cost**

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

#### q) Segment Reporting

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

#### r) Share-based Compensation

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

#### s) Earnings Per Share:

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

#### t) 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:

##### - Property, Plant and Equipment

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.

### 3 CASH AND CASH EQUIVALENTS

(₹ in Mn)

| Particulars   | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|---|-----------------------|-----------------------|
| <b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b> |                       |                       |
| Cash on hand  | 0.19                  | 0.18                  |
| Cheques in hand   | 0.46                  | -                     |
| Balance with banks  |                       |                       |
| - Others  | 1,370.30              | 223.99                |
| <b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b> | <b>1,370.95</b>       | <b>224.17</b>         |

### 4 BANK BALANCE OTHER THAN 3 ABOVE

(₹ in Mn)

| Particulars  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|--|-----------------------|-----------------------|
| <b>Other Bank Balances</b>   |                       |                       |
| In Earmarked Accounts  | 3.22                  | 1.40                  |
| In Deposit accounts (with original maturity of more than 3 months) | 10.04                 | 10.05                 |
| <b>Total</b>   | <b>13.26</b>          | <b>11.45</b>          |

### 5 RECEIVABLES (REFER NOTE 33)

(₹ in Mn)

| Particulars  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|--|-----------------------|-----------------------|
| <b>(i) Trade receivables</b>                               |                       |                       |
| Receivables considered good - Secured                      | -                     | -                     |
| Receivables considered good - Unsecured                    | 588.23                | 723.55                |
| Receivables which have significant increase in credit risk | -                     | -                     |
| Receivables - credit impaired                              | 19.45                 | -                     |
| <b>Total (i)- Gross</b>                                    | <b>607.68</b>         | <b>723.55</b>         |
| Less: Impairment loss allowance                            | (19.45)               | -                     |
| <b>Total (i)- Net</b>                                      | <b>588.23</b>         | <b>723.55</b>         |
| <b>(ii) Other receivables</b>                              |                       |                       |
| Receivables considered good - Secured                      | -                     | -                     |
| Receivables considered good - Unsecured                    | 69.93                 | 0.00#                 |
| Receivables which have significant increase in credit risk | -                     | -                     |
| Receivables - credit impaired                              | -                     | -                     |
| <b>Total (ii)- Gross</b>                                   | <b>69.93</b>          | <b>0.00#</b>          |
| Less: Impairment loss allowance                            | -                     | -                     |
| <b>Total (ii)- Net</b>                                     | <b>69.93</b>          | <b>0.00#</b>          |
| <b>Total (i+ii)</b>  | <b>658.16</b>         | <b>723.55</b>         |

- 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 2021 and 31st March 2020.
- b) There are no credit impaired receivables as at 31st March 2020
- c) Other receivables include proceeds of liquidation of IIFL Private Wealth Hong Kong Limited, a subsidiary of the Company amounting to ₹ 69.93 Mn and sale of investments in previous year amounting ₹ 0.00 Mn
- d) No trade receivables and other receivables are interest bearing.

# Amount less than ₹ 10,000



## 6 LOANS (REFER NOTE 33)

(₹ in Mn)

| Loans  | As at Mar 31, 2021 |             | As at Mar 31, 2020 |              |
|--|--------------------|-------------|--------------------|--------------|
|  | Amortised cost     | Total       | Amortised cost     | Total        |
| <b>(A)</b>   |                    |             |                    |              |
| Term loans   |                    |             |                    |              |
| - Inter Corporate Deposits (including ICD interest)* | 0.55               | 0.55        | 62.45              | 62.45        |
| - Others - Staff loan                                | 3.06               | 3.06        | 0.48               | 0.48         |
| <b>Total (A) -Gross</b>                              | <b>3.61</b>        | <b>3.61</b> | <b>62.93</b>       | <b>62.93</b> |
| Less: Impairment loss allowance                      | -                  | -           | -                  | -            |
| <b>Total (A) - Net</b>                               | <b>3.61</b>        | <b>3.61</b> | <b>62.93</b>       | <b>62.93</b> |
| <b>(B)</b>   |                    |             |                    |              |
| (i) Secured  | -                  | -           | -                  | -            |
| (ii) Secured by intangible assets                    | -                  | -           | -                  | -            |
| (iii) Covered by Bank/Government Guarantees          | -                  | -           | -                  | -            |
| (iv) Unsecured                                       | 3.61               | 3.61        | 62.93              | 62.93        |
| <b>Total (B)-Gross</b>                               | <b>3.61</b>        | <b>3.61</b> | <b>62.93</b>       | <b>62.93</b> |
| <b>(C)</b>   |                    |             |                    |              |
| <b>(I) Loans in India</b>                            |                    | -           |                    | -            |
| (i) Public Sector                                    | -                  | -           | -                  | -            |
| (ii) Others  | 3.61               | 3.61        | 62.93              | 62.93        |
| Less: Impairment loss allowance                      | -                  | -           | -                  | -            |
| <b>Total(C) (I)-Net</b>                              | <b>3.61</b>        | <b>3.61</b> | <b>62.93</b>       | <b>62.93</b> |
| <b>(II) Loans outside India</b>                      | -                  | -           | -                  | -            |
| Less: Impairment loss allowance                      | -                  | -           | -                  | -            |
| <b>Total (C) (II)- Net</b>                           | -                  | -           | -                  | -            |
| <b>Total C(I) and C(II)</b>                          | <b>3.61</b>        | <b>3.61</b> | <b>62.93</b>       | <b>62.93</b> |

\* Includes Loan to related parties- Refer Note 35

## 7 INVESTMENTS

(₹ in Mn)

| Investments                         | As at Mar 31, 2021 |                                    |                        |   |                 |          | As at Mar 31, 2020 |                  |                                    |                        |   |                 |          |                  |
|-------------------------------------|--------------------|------------------------------------|------------------------|---|-----------------|----------|--------------------|------------------|------------------------------------|------------------------|---|-----------------|----------|------------------|
|                                     | At Cost            | At Fair value                      |                        |   | Subtotal        | Others   | Total              | At Cost          | At Fair value                      |                        |   | Subtotal        | Others   | Total            |
|                                     |                    | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |                 |          |                    |                  | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |                 |          |                  |
|                                     | 1                  | 2                                  | 3                      | 4   | 5=2+3+4         | 6        | 7=1+5+6            | 8                | 9                                  | 10                     | 11  | 12=9+10+11      | 13       | 14=8+12+13       |
| <b>(A)</b>                          |                    |                                    |                        |   |                 |          |                    |                  |                                    |                        |   |                 |          |                  |
| Mutual funds                        | -                  | -                                  | 1,057.14               | -   | 1,057.14        | -        | 1,057.14           | -                | -                                  | 1,098.89               | -   | 1,098.89        | -        | 1,098.89         |
| Debt securities                     | -                  | -                                  | 60.13                  | -   | 60.13           | -        | 60.13              | -                | -                                  | 161.42                 | -   | 161.42          | -        | 161.42           |
| Equity instruments-Subsidiaries     | 19,232.89          | -                                  | -                      | -   | -               | -        | 19,232.89          | 18,532.79        | -                                  | -                      | -   | -               | -        | 18,532.79        |
| Equity instruments-Others           | -                  | -                                  | 0.04                   | -   | 0.04            | -        | 0.04               | -                | -                                  | -                      | -   | -               | -        | -                |
| Alternate investment funds          | -                  | -                                  | 72.05                  | -   | 72.05           | -        | 72.05              | -                | -                                  | 47.21                  | -   | 47.21           | -        | 47.21            |
| Others                              | -                  | -                                  | -                      | -   | -               | -        | -                  | -                | -                                  | -                      | -   | -               | -        | -                |
| <b>Total (A)</b>                    | <b>19,232.89</b>   | <b>-</b>                           | <b>1,189.36</b>        | <b>-</b>  | <b>1,189.36</b> | <b>-</b> | <b>20,422.25</b>   | <b>18,532.79</b> | <b>-</b>                           | <b>1,307.52</b>        | <b>-</b>  | <b>1,307.52</b> | <b>-</b> | <b>19,840.31</b> |
| <b>(B)</b>                          |                    |                                    |                        |   |                 |          |                    |                  |                                    |                        |   |                 |          |                  |
| i) Investments outside India        | 1,153.24           | -                                  | -                      | -   | -               | -        | 1,153.24           | 453.13           | -                                  | -                      | -   | -               | -        | 453.13           |
| ii) Investments in India            | 18,079.65          | -                                  | 1,189.36               | -   | 1,189.36        | -        | 19,269.01          | 18,079.66        | -                                  | 1,307.52               | -   | 1,307.52        | -        | 19,387.18        |
| <b>Total (B)</b>                    | <b>19,232.89</b>   | <b>-</b>                           | <b>1,189.36</b>        | <b>-</b>  | <b>1,189.36</b> | <b>-</b> | <b>20,422.25</b>   | <b>18,532.79</b> | <b>-</b>                           | <b>1,307.52</b>        | <b>-</b>  | <b>1,307.52</b> | <b>-</b> | <b>19,840.31</b> |
| <b>(C)</b>                          |                    |                                    |                        |   |                 |          |                    |                  |                                    |                        |   |                 |          |                  |
| Less: Allowance for impairment loss | -                  | -                                  | -                      | -   | -               | -        | -                  | -                | -                                  | -                      | -   | -               | -        | -                |
| <b>Total- Net (D) = A-C</b>         | <b>19,232.89</b>   | <b>-</b>                           | <b>1,189.36</b>        | <b>-</b>  | <b>1,189.36</b> | <b>-</b> | <b>20,422.25</b>   | <b>18,532.79</b> | <b>-</b>                           | <b>1,307.52</b>        | <b>-</b>  | <b>1,307.52</b> | <b>-</b> | <b>19,840.31</b> |

Note:

Out of the above investments ₹ 1,057.14 Mn (PY - ₹ 1,072.22 Mn) are kept as collateral with the exchange on behalf of a subsidiary

| Name of Investment  | As at March 31, 2021 |                |                  | As at March 31, 2020 |                |                  |
|---|----------------------|----------------|------------------|----------------------|----------------|------------------|
|   | Face Value           | No. of Units   | Amount (₹ in Mn) | Face Value           | No. of Units   | Amount (₹ in Mn) |
| <b>Investment in Mutual Funds include :</b>   |                      |                |                  |                      |                |                  |
| HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED                                       | 1,000.0000           | 61,134.00      | 247.32           | 1,000.0000           | 80,953.99      | 316.26           |
| HDFC SHORT TERM DEBT FUND - GROWTH OPTION - DIRECT PLAN                                 | 10.0000              | 7,338,251.00   | 183.07           | 10.0000              | 12,228,707.00  | 279.89           |
| SBI MUTUAL FUND LIQUID FD-DIRECT GROWTH   | 1,000.0000           | 100,000.73     | 322.16           | 1,000.0000           | 161,704.89     | 502.74           |
| SBI MUTUAL FUND SAVINGS FUND REG GROWTH   | 10.0000              | 100,000.88     | 3.26             | -                    | -              | -                |
| SBI MUTUAL FUND LIQUID FD-REGULAR PL GROWTH OPEN ENDED                                  | 1,000.0000           | 94,073.98      | 301.33           | -                    | -              | -                |
|   |                      |                | <b>1,057.14</b>  |                      |                | <b>1,098.89</b>  |
| <b>Investment in Equity Instruments include :</b>                                       |                      |                |                  |                      |                |                  |
| IIFL WEALTH DISTRIBUTION SERVICES LIMITED (FORMERLY IIFL DISTRIBUTION SERVICES LIMITED) | 100.0000             | 30,000.00      | 453.31           | 100.0000             | 30,000.00      | 453.31           |
| IIFL ASSET MANAGEMENT LTD   | 10.0000              | 32,100,000.00  | 525.00           | 10.0000              | 32,100,000.00  | 525.00           |
| IIFL INVESTMENT ADVISER & TRUSTEE SERVICES LIMITED                                      | 10.0000              | 35,225,000.00  | 354.00           | 10.0000              | 35,225,000.00  | 354.00           |
| IIFL (ASIA) PTE LTD   | S\$ 1                | 140,000,000.00 | 264.50           | S\$ 1                | 140,000,000.00 | 264.50           |
| IIFL PRIVATE WEALTH MANAGEMENT DUBAI LTD  | AED 3.67             | 918,442.00     | 42.50            | AED 3.67             | 918,442.00     | 42.50            |
| IIFL PRIVATE WEALTH HONGKONG LTD  | -                    | -              | -                | HK\$ 1               | 6,476,324.00   | 43.80            |

| Name of Investment  | As at March 31, 2021 |                |                     | As at March 31, 2020 |                |                     |
|---|----------------------|----------------|---------------------|----------------------|----------------|---------------------|
|   | Face Value           | No. of Units   | Amount<br>(₹ in Mn) | Face Value           | No. of Units   | Amount<br>(₹ in Mn) |
| IIFL WEALTH PRIME LTD ( FORMERLY KNOWN AS IIFL WEALTH FINANCE LTD )                     | 10.0000              | 305,493,803.00 | 14,636.30           | 10.0000              | 305,493,803.00 | 14,636.30           |
| IIFL WEALTH PORTFOLIO MANAGERS LIMITED (FORMERLY IIFL ALTERNATE ASSET ADVISORS LIMITED) | 10.0000              | 249,481.00     | 2,009.15            | 10.0000              | 249,481.00     | 2,009.15            |
| IIFL TRUSTEE LTD (FORMERLY KNOWN AS INDIA INFOLINE TRUSTEE CO LTD)                      | 10.0000              | 500,000.00     | 5.00                | 10.0000              | 500,000.00     | 5.00                |
| IIFL INC (USA)  | \$ 0.01              | 140.00         | 54.14               | \$ 0.01              | 140.00         | 54.14               |
| IIFL PRIVATE WEALTH (MAURITIUS) LTD   | \$ 1                 | 69,975.00      | 37.95               | \$ 1                 | 69,975.00      | 37.95               |
| IIFL CAPITAL (CANADA) LIMITED   | CAD \$1              | 187,030.00     | 10.24               | CAD \$1              | 187,030.00     | 10.24               |
| IIFL WEALTH SECURITIES IFSC LTD   | 10.0000              | 100,000.00     | 1.00                | 10.0000              | 100,000.00     | 1.00                |
| IIFL WEALTH ALTIORE LIMITED (FORMERLY KNOWN AS IIFL ALTIORE ADVISORS LIMITED)           | 10.0000              | 124,672.00     | 95.80               | 10.0000              | 124,672.00     | 95.80               |
| IIFLW CSR Foundation  | 10.0000              | 10,000.00      | 0.10                | 10.0000              | 10,000.00      | 0.10                |
| IIFL CAPITAL PTE. LTD.  | S\$ 1                | 10,216,330.00  | 743.90              | -                    | -              | -                   |
| STOVEKRAFT  |                      | 82.00          | 0.04                | -                    | -              | -                   |
|   |                      |                | <b>19,232.93</b>    |                      |                | <b>18,532.79</b>    |
| <b>Investment in Debt Securities include :</b>  |                      |                |                     |                      |                |                     |
| ARCH AGRO INDUSTRIES PRIVATE LIMITED 19 LOA 17AP20 FVRS10000                            | -                    | -              | -                   | 10,000.0000          | 4,215.00       | -                   |
| INDIAN RAILWAY FINANCE CORPORATION LIMITED 8 / 8.15 BD 23FB22 FVRS1000 LOA UPTO 22FB12  | -                    | -              | -                   | 1,000.0000           | 150,000.00     | 161.42              |
| REDDY VEERANNA INVESTMENTS PRIVATE LIMITED SR. 1 NCD 30SP22 FVRS10LAC                   | 1,000,000.0000       | 60.00          | 60.13               |                      |                | -                   |
|   |                      |                | <b>60.13</b>        |                      |                | <b>161.42</b>       |
| <b>Investment in Alternate Investment Funds include :</b>                               |                      |                |                     |                      |                |                     |
| ASK SELECT FOCUS FUND - CLASS E   | 1,000.0000           | 10,597.22      | 14.71               | 1,000.0000           | 10,597.22      | 8.50                |
| IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CARRY                      | 3.9963               | 673.84         | -                   | 3.9963               | 673.84         | -                   |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CARRY                                     | 6.0634               | 948.00         | 0.01                | 6.0634               | 948.00         | 0.01                |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CARRY                                     | 9.1267               | 1,000.00       | 0.01                | 9.1267               | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CARRY                                      | 9.1727               | 1,000.00       | 0.01                | 9.1727               | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CARRY                                      | 9.2481               | 1,000.00       | 0.01                | 9.2481               | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CARRY                                      | 9.4449               | 1,000.00       | 0.01                | 9.4449               | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CARRY                                      | 10.0000              | 1,000.00       | 0.01                | 10.0000              | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CARRY                                      | 10.0000              | 1,000.00       | 0.01                | 10.0000              | 1,000.00       | 0.01                |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CARRY                                      | 10.0000              | 1,000.00       | 0.01                | 10.0000              | 1,000.00       | 0.01                |
| IIFL YIELD ENHANCER FUND - CARRY  | 2.2369               | 1,000.00       | -                   | 2.2369               | 1,000.00       | -                   |
| INDIA HOUSING FUND - CARRY  | 9.9152               | 1,000.00       | 0.01                | 9.9152               | 1,000.00       | 0.01                |
| MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS B                               | -                    | -              | -                   | 10.0000              | 726,967.36     | 7.37                |
| MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS C                               | -                    | -              | -                   | 10.0000              | 16,858.22      | 0.35                |
| PIRAMAL INDIAREIT FUND V  | 100,000.0000         | 40.88          | 4.68                | 100,000.0000         | 45.75          | 4.73                |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES 1 - CLASS E                     | 100,000.0000         | 147.02         | 14.31               | 100,000.0000         | 147.02         | 7.16                |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS E                     | 100,000.0000         | 153.83         | 14.15               | 100,000.0000         | 153.83         | 6.12                |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANOCAP SERIES II - CLASS I                     | 100,000.0000         | 0.91           | 0.08                | 100,000.0000         | 0.91           | 0.04                |
| WHITE OAK INDIA EQUITY FUND - CLASS I   | 10.0000              | 1,293,392.79   | 24.03               | 10.0000              | 1,293,392.79   | 12.85               |
| YOURNEST ANGEL FUND – SCHEME 1  | 1.0000               | 1,575.00       | -                   | 1.0000               | 1,575.00       | -                   |
|   |                      |                | <b>72.05</b>        |                      |                | <b>47.21</b>        |
| <b>Grand Total</b>  |                      |                | <b>20,422.25</b>    |                      |                | <b>19,840.31</b>    |

## 8 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in Mn)

| Particulars  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|--|-----------------------|-----------------------|
| Other deposits   | 1.78                  | 336.59                |
| Interest accrued on Inter Corporate Deposits and not due (Refer Note 35) | 0.10                  | 0.05                  |
| Advances to group companies/subsidiaries (Refer Note 35)                 | 1,353.12              | 534.61                |
| Receivable From Employees  | 0.77                  | 1.48                  |
| Fees income accrued & not due  | -                     | 108.65                |
| Receivable From Broker   | 10.12                 | -                     |
| Others   | 0.14                  | -                     |
| <b>Total</b>   | <b>1,366.03</b>       | <b>981.38</b>         |

## 9 DEFERRED TAXES

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

(₹ in Mn)

|   | Opening<br>balance | Addition/<br>Deletion<br>on Amal-<br>gamation | Recog-<br>nised<br>in profit<br>or<br>loss | MAT<br>Credit<br>Utilised | Transfer<br>on<br>account<br>of Slump<br>Sale | Recog-<br>nised<br>in/reclas-<br>sified<br>from OCI | Closing<br>balance |
|---|--------------------|---|--|---------------------------|---|---|--------------------|
| <b>Deferred tax assets:</b>   |                    |   |  |                           |   |   |                    |
| Difference between book base and tax base of property, plant & equipment, investment property and intangible assets | 27.94              | -   | (33.61)                                    | -                         | -   | -   | (5.67)             |
| Impairment of Assets  | -                  | -   | 4.90                                       | -                         | -   | -   | 4.90               |
| Retirement benefits for employees   | 1.00               | -   | (0.38)                                     | -                         | -   | (0.16)  | 0.46               |
| Impact of IndAS 116   | 3.38               | -   | 0.02                                       | -                         | -   | -   | 3.40               |
| Provision for expenses  | 1.18               | -   | (1.18)                                     | -                         | -   | -   | -                  |
| <b>Total deferred tax assets (A)</b>  | <b>33.50</b>       | <b>-</b>                                      | <b>(30.25)</b>                             | <b>-</b>                  | <b>-</b>                                      | <b>(0.16)</b>                                       | <b>3.09</b>        |
| Offsetting of deferred tax (assets) with deferred tax liabilities   | -                  | -   | -  | -                         | -   | -   | -                  |
| <b>Net Deferred tax (assets)</b>  | <b>33.50</b>       | <b>-</b>                                      | <b>(30.25)</b>                             | <b>-</b>                  | <b>-</b>                                      | <b>(0.16)</b>                                       | <b>3.09</b>        |
| <b>Deferred tax liabilities:</b>  |                    |   |  |                           |   |   |                    |
| Property, plant and equipment   | -                  | -   | -  | -                         | -   | -   | -                  |
| Depreciation  | -                  | -   | -  | -                         | -   | -   | -                  |
| Unrealised profit on investments etc.   | 6.41               | -   | 10.77                                      | -                         | -   | -   | 17.18              |
| Goodwill  | -                  | -   | -  | -                         | -   | -   | -                  |
| <b>Total deferred tax liabilities (B)</b>   | <b>6.41</b>        | <b>-</b>                                      | <b>10.77</b>                               | <b>-</b>                  | <b>-</b>                                      | <b>-</b>  | <b>17.18</b>       |
| Offsetting of deferred tax liabilities with deferred tax (assets)   | -                  | -   | -  | -                         | -   | -   | -                  |
| <b>Net Deferred tax liabilities</b>   | <b>6.41</b>        | <b>-</b>                                      | <b>10.77</b>                               | <b>-</b>                  | <b>-</b>                                      | <b>-</b>  | <b>17.18</b>       |
| <b>Deferred tax assets (A - B)</b>  | <b>27.09</b>       | <b>-</b>                                      | <b>(41.02)</b>                             | <b>-</b>                  | <b>-</b>                                      | <b>(0.16)</b>                                       | <b>(14.09)</b>     |

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

|   | (₹ in Mn)       |                                   |                               |                     |                                   |                                     |                 |
|---|-----------------|-----------------------------------|-------------------------------|---------------------|-----------------------------------|-------------------------------------|-----------------|
|   | Opening balance | Addition/Deletion on Amalgamation | Recognised in profit or loss* | MAT Credit Utilised | Transfer on account of Slump Sale | Recognised in/reclassified from OCI | Closing balance |
| <b>Deferred tax assets:</b>   |                 |                                   |                               |                     |                                   |                                     |                 |
| Difference between book base and tax base of property, plant & equipment, investment property and intangible assets | 56.32           | 0.69                              | (26.57)                       | -                   | (2.50)                            | -                                   | 27.94           |
| Impairment of Assets  | 0.17            | -                                 | (0.17)                        | -                   | -                                 | -                                   | -               |
| Retirement benefits for employees   | 11.98           | 0.80                              | (8.49)                        | -                   | (5.20)                            | 1.91                                | 1.00            |
| Impact of IndAS 116   | -               | -                                 | 3.38                          | -                   | -                                 | -                                   | 3.38            |
| Unutilised MAT credit   | 13.40           | -                                 | -                             | (13.40)             | -                                 | -                                   | -               |
| Unspent CSR   | -               | -                                 | 1.18                          | -                   | -                                 | -                                   | 1.18            |
| <b>Total deferred tax assets (A)</b>  | <b>81.87</b>    | <b>1.49</b>                       | <b>(30.67)</b>                | <b>(13.40)</b>      | <b>(7.70)</b>                     | <b>1.91</b>                         | <b>33.50</b>    |
| Offsetting of deferred tax (assets) with deferred tax liabilities   | (3.10)          | -                                 | -                             | -                   | -                                 | -                                   | (6.42)          |
| <b>Net Deferred tax (assets)</b>  | <b>78.77</b>    | <b>1.49</b>                       | <b>(30.67)</b>                | <b>(13.40)</b>      | <b>(7.70)</b>                     | <b>1.91</b>                         | <b>27.08</b>    |
| <b>Deferred tax liabilities:</b>  |                 |                                   |                               |                     |                                   |                                     |                 |
| Unrealised profit on investments etc.   | 3.10            | 0.11                              | 3.21                          | -                   | -                                 | -                                   | 6.42            |
| Customer relations  | -               | 249.93                            | (76.83)                       | -                   | (173.10)                          | -                                   | -               |
| <b>Total deferred tax liabilities (B)</b>   | <b>3.10</b>     | <b>250.04</b>                     | <b>(73.62)</b>                | <b>-</b>            | <b>(173.10)</b>                   | <b>-</b>                            | <b>6.42</b>     |
| Offsetting of deferred tax liabilities with deferred tax (assets)   | (3.10)          | -                                 | -                             | -                   | -                                 | -                                   | (6.42)          |
| <b>Net Deferred tax liabilities</b>   | <b>-</b>        | <b>-</b>                          | <b>-</b>                      | <b>-</b>            | <b>-</b>                          | <b>-</b>                            | <b>-</b>        |
| <b>Deferred tax assets (A - B)</b>  | <b>78.77</b>    | <b>1.49</b>                       | <b>(30.67)</b>                | <b>(13.40)</b>      | <b>(7.70)</b>                     | <b>1.91</b>                         | <b>27.08</b>    |

\* Includes impact of ₹ 51.21 Mn in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020. Refer note below.

The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Company has re-measured its Deferred Tax Assets and Liabilities as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Profit and Loss Account under "Tax expense" for the year ended March 31, 2020.

## 10 PROPERTY PLANT AND EQUIPMENT

|  | (₹ in Mn)         |              |                  |              |                      |                 |               |                 |
|--|-------------------|--------------|------------------|--------------|----------------------|-----------------|---------------|-----------------|
| Particulars                                      | Furniture Fixture | Vehicles     | Office Equipment | Computers    | Electrical Equipment | Land            | Building      | Total           |
| <b>Gross Carrying value as on April 01, 2020</b> | <b>525.96</b>     | <b>26.36</b> | <b>74.66</b>     | <b>90.31</b> | <b>25.42</b>         | <b>1,487.51</b> | <b>897.63</b> | <b>3,127.85</b> |
| Additions  | 1.01              | -            | 0.50             | 0.31         | -                    | -               | -             | 1.82            |
| Deductions/ Adjustments during the year          | -                 | 8.78         | 0.05             | 1.54         | -                    | -               | -             | 10.37           |
| <b>As at March 31, 2021</b>                      | <b>526.97</b>     | <b>17.58</b> | <b>75.11</b>     | <b>89.08</b> | <b>25.42</b>         | <b>1,487.51</b> | <b>897.63</b> | <b>3,119.30</b> |
| <b>Depreciation</b>                              |                   |              |                  |              |                      |                 |               |                 |
| <b>Upto April 01, 2020</b>                       | <b>134.79</b>     | <b>4.21</b>  | <b>28.48</b>     | <b>79.25</b> | <b>5.63</b>          | <b>-</b>        | <b>13.45</b>  | <b>265.81</b>   |
| Depreciation for the year                        | 51.61             | 4.30         | 14.89            | 8.45         | 3.76                 | -               | 17.60         | 100.61          |
| Deductions/Adjustments during the year           | -                 | 1.74         | 0.03             | 1.46         | -                    | -               | -             | 3.23            |
| <b>Upto March 31, 2021</b>                       | <b>186.40</b>     | <b>6.77</b>  | <b>43.34</b>     | <b>86.24</b> | <b>9.39</b>          | <b>-</b>        | <b>31.05</b>  | <b>363.19</b>   |
| <b>Net Block as at March 31, 2021</b>            | <b>340.57</b>     | <b>10.81</b> | <b>31.77</b>     | <b>2.84</b>  | <b>16.03</b>         | <b>1,487.51</b> | <b>866.58</b> | <b>2,756.11</b> |

(₹ in Mn)

| Particulars                                      | Furniture Fixture | Vehicles     | Office Equip-ment | Comput-ers    | Electrical Equip-ment | Land            | Building      | Total           |
|--|-------------------|--------------|-------------------|---------------|-----------------------|-----------------|---------------|-----------------|
| <b>Gross Carrying value as on April 01, 2019</b> | <b>614.88</b>     | <b>18.92</b> | <b>80.72</b>      | <b>104.57</b> | <b>27.85</b>          | -               | -             | <b>846.94</b>   |
| Additions  | 76.87             | 22.00        | 5.63              | 3.29          | 2.20                  | 1,487.51        | 897.63        | 2,495.13        |
| Additions - Acquisition                          | 6.30              | -            | 2.94              | 6.35          | 1.30                  | -               | -             | 16.89           |
| Deductions/ Adjustments during the year          | 172.09            | 14.56        | 14.63             | 23.90         | 5.93                  | -               | -             | 231.11          |
| <b>As at March 31, 2020</b>                      | <b>525.96</b>     | <b>26.36</b> | <b>74.66</b>      | <b>90.31</b>  | <b>25.42</b>          | <b>1,487.51</b> | <b>897.63</b> | <b>3,127.85</b> |
| <b>Depreciation</b>                              |                   |              |                   |               |                       |                 |               |                 |
| <b>Upto April 01, 2019</b>                       | <b>145.74</b>     | <b>10.92</b> | <b>17.78</b>      | <b>73.76</b>  | <b>4.68</b>           | -               | -             | <b>252.88</b>   |
| Accumulated Depreciation on Acquisition          | 5.29              | -            | 2.16              | 3.97          | 1.30                  | -               | -             | 12.72           |
| Depreciation for the year                        | 74.85             | 5.63         | 17.36             | 19.96         | 3.89                  | -               | 13.45         | 135.14          |
| Deductions/Adjustments during the year           | 91.09             | 12.34        | 8.82              | 18.44         | 4.24                  | -               | -             | 134.93          |
| <b>Upto March 31, 2020</b>                       | <b>134.79</b>     | <b>4.21</b>  | <b>28.48</b>      | <b>79.25</b>  | <b>5.63</b>           | -               | <b>13.45</b>  | <b>265.81</b>   |
| <b>Net Block as at March 31, 2020</b>            | <b>391.17</b>     | <b>22.15</b> | <b>46.18</b>      | <b>11.06</b>  | <b>19.79</b>          | <b>1,487.51</b> | <b>884.18</b> | <b>2,862.04</b> |

10.1. The Company has revised its estimate of useful life of Furniture and Fixtures and Electrical Equipment used in the office premise acquired during the previous period, which was earlier on lease, and has recomputed the depreciation on the same on prospective basis. As a result, depreciation for the year ended March 31, 2020 is lower by ₹ 14.27 Mn and ₹ 56.06 Mn respectively and the profit before tax for the year ended March 31, 2020 is higher by ₹ 14.27 Mn and ₹ 56.06 Mn respectively.

## 11 CAPITAL WORK-IN-PROGRESS:

(₹ in Mn)

| Particulars                 | As at Mar 31, 2021 |
|-----------------------------|--------------------|
| <b>As at April 01, 2020</b> | 10.31              |
| Additions                   | 7.29               |
| Deductions                  | 10.85              |
| <b>As at March 31, 2021</b> | <b>6.75</b>        |

(₹ in Mn)

| Particulars                 | As at Mar 31, 2020 |
|-----------------------------|--------------------|
| <b>As at April 01, 2019</b> | 1,725.46           |
| Additions                   | 0.03               |
| Deductions                  | 1,715.18           |
| <b>As at March 31, 2020</b> | <b>10.31</b>       |

## 12 OTHER INTANGIBLE ASSETS

(₹ in Mn)

| Particulars                                      | As at Mar 31, 2021 |
|--|--------------------|
| <b>Software/Intangible assets</b>                |                    |
| <b>Gross Carrying value as on April 01, 2020</b> | <b>37.72</b>       |
| Additions  | 29.08              |
| Deductions / adjustments during the year         | -                  |
| <b>As at March 31, 2021</b>                      | <b>66.80</b>       |

(₹ in Mn)

| Particulars                              | As at<br>Mar 31, 2021 |
|--|-----------------------|
| <b>Amortisation</b>                      |                       |
| <b>Upto April 01, 2020</b>               | <b>26.66</b>          |
| Amortisation for the year                | 13.46                 |
| Deductions / adjustments during the year | -                     |
| <b>Upto March 31, 2021</b>               | <b>40.12</b>          |
| <b>Net Block as at March 31, 2021</b>    | <b>26.68</b>          |

(₹ in Mn)

| Particulars                                      | As at<br>Mar 31, 2020 |
|--|-----------------------|
| <b>Software/Intangible assets</b>                |                       |
| <b>Gross Carrying value as on April 01, 2019</b> | 61.20                 |
| Additions  | 105.16                |
| Additions - Acquisition - Software               | 32.87                 |
| Deductions / adjustments during the year         | 161.51                |
| <b>As at March 31, 2020</b>                      | <b>37.72</b>          |
| <b>Amortisation</b>                              |                       |
| <b>Upto April 01, 2019</b>                       | 41.75                 |
| Accumulated Amortisation on Acquisition          | 23.59                 |
| Amortisation for the year                        | 27.20                 |
| Deductions / adjustments during the year         | 65.88                 |
| <b>Upto March 31, 2020</b>                       | <b>26.66</b>          |
| <b>Net Block as at March 31, 2020</b>            | <b>11.06</b>          |

### 13 DISCLOSURE PURSUANT TO IND AS 116 "LEASES"

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

(₹ in Mn)

| Particulars                         | Premises | Vehicles    | Total       |
|-------------------------------------|----------|-------------|-------------|
| <b>Balance as at 01 April, 2020</b> | -        | 3.22        | 3.22        |
| Additions during the year           | -        | 2.45        | 2.45        |
| Depreciation charge for the year    | -        | (1.62)      | (1.62)      |
| Deletions during the year           | -        | (1.06)      | (1.06)      |
| <b>Balance as at March 31, 2021</b> | -        | <b>2.99</b> | <b>2.99</b> |

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

| Particulars   | Premises | Vehicles    | Total       |
|---|----------|-------------|-------------|
| <b>Balance as at 01 April, 2019</b>                 | 298.76   | 53.52       | 352.28      |
| Additions during the year                           | 106.87   | 7.31        | 114.18      |
| Depreciation charge for the year                    | (81.40)  | (15.53)     | (96.93)     |
| Deletions during the year                           | (1.83)   | (6.44)      | (8.27)      |
| Deletions during the year (On account of Slumpsale) | (322.40) | (35.64)     | (358.04)    |
| <b>Balance as at March 31, 2020</b>                 | -        | <b>3.22</b> | <b>3.22</b> |

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

| Particulars                          | Premises | Vehicles    | Total       |
|--------------------------------------|----------|-------------|-------------|
| <b>Balance as at 01 April, 2020</b>  | -        | 3.41        | 3.41        |
| Additions                            | -        | 2.45        | 2.45        |
| Deletion                             | -        | (1.15)      | (1.15)      |
| Finance cost accrued during the year | -        | 0.33        | 0.33        |
| Payment of lease liabilities         | -        | (1.88)      | (1.88)      |
| <b>Balance as at March 31, 2021</b>  | -        | <b>3.16</b> | <b>3.16</b> |

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

| Particulars                          | Premises | Vehicles    | Total       |
|--------------------------------------|----------|-------------|-------------|
| <b>Balance as at 01 April, 2019</b>  | 298.76   | 53.52       | 352.28      |
| Additions                            | 106.87   | 7.31        | 114.18      |
| Deletion                             | (1.88)   | (6.42)      | (8.30)      |
| Deletion on account of slump sale    | (333.95) | (37.29)     | (371.24)    |
| Finance cost accrued during the year | 20.01    | 3.47        | 23.48       |
| Payment of lease liabilities         | (89.81)  | (17.18)     | (106.99)    |
| <b>Balance as at March 31, 2020</b>  | -        | <b>3.41</b> | <b>3.41</b> |

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

| Particulars                   | As at<br>March 31, 2021 |             | As at<br>March 31, 2020 |             |
|-------------------------------|-------------------------|-------------|-------------------------|-------------|
|                               | Premises                | Vehicles    | Premises                | Vehicles    |
| Current lease liabilities     | -                       | 1.36        | -                       | 1.63        |
| Non-current lease liabilities | -                       | 1.80        | -                       | 1.78        |
| <b>Total</b>                  | -                       | <b>3.16</b> | -                       | <b>3.41</b> |

Maturity analysis – contractual undiscounted cash flows

| Particulars  | As at<br>March 31, 2021 |             | As at<br>March 31, 2020 |             |
|--|-------------------------|-------------|-------------------------|-------------|
|  | Premises                | Vehicles    | Premises                | Vehicles    |
| Less than one year   | -                       | 1.59        | -                       | 1.85        |
| One to five years  | -                       | 1.99        | -                       | 1.90        |
| More than five years   | -                       | -           | -                       | -           |
| <b>Total undiscounted lease liabilities</b>                              | -                       | <b>3.58</b> | -                       | <b>3.75</b> |
| <b>Lease liabilities included in the statement of financial position</b> | -                       | <b>3.16</b> | -                       | <b>3.41</b> |

Amounts recognised in the Statement of profit & loss

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Interest on lease liabilities  | 0.33                    | 23.48                   |
| Variable lease payments not included in the measurement of lease liabilities | -                       | -                       |
| Income from sub-leasing right-of-use assets                                  | -                       | -                       |
| Depreciation relating to leases  | 1.62                    | 96.93                   |
| <b>Total</b>   | <b>1.95</b>             | <b>120.41</b>           |

Amounts recognised in the statement of cash flows

| Particulars                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------|-------------------------|-------------------------|
| Total cash outflow for leases | 1.88                    | 106.99                  |



**14 OTHER NON FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)**

(₹ in Mn)

| Particulars                                   | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|---|-----------------------|-----------------------|
| <b>Unsecured</b>                              |                       |                       |
| Prepaid expenses                              | 123.75                | 32.50                 |
| Advances recoverable                          | 7.91                  | 8.74                  |
| Employee advance against expenses             | 1.75                  | 2.23                  |
| Goods and Service tax input credit receivable | 1.03                  | 41.92                 |
| <b>Total</b>                                  | <b>134.44</b>         | <b>85.39</b>          |

**15 PAYABLES**

(₹ in Mn)

| Particulars   | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
|---|-----------------------|-----------------------|
| Trade payables  |                       |                       |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 15.1)     | -                     | -                     |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 115.12                | 91.98                 |
| Accrued Salaries & Other Benefits   |                       |                       |
| Provision for Expenses  |                       |                       |
| <b>Total</b>  | <b>115.12</b>         | <b>91.98</b>          |
| Other payable   |                       |                       |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 15.1)     | -                     | -                     |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                     | -                     |
| <b>Total</b>  | <b>-</b>              | <b>-</b>              |
| <b>Grand Total</b>  | <b>115.12</b>         | <b>91.98</b>          |

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

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

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

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

## 16 DEBT SECURITIES

(₹ in Mn)

| Particulars   | As at Mar 31, 2021 |                                      |   |                 | As at Mar 31, 2020 |                                      |   |          |
|---|--------------------|--------------------------------------|---|-----------------|--------------------|--------------------------------------|---|----------|
|   | At Amortised cost  | At Fair value Through profit or loss | Designated at fair value through profit or loss | Total           | At Amortised cost  | At Fair value Through profit or loss | Designated at fair value through profit or loss | Total    |
|   | 1                  | 2                                    | 3   | 4=1+2+3         | 1                  | 2                                    | 3   | 4=1+2+3  |
| Liability component of compound financial instruments | -                  | -                                    | -   | -               | -                  | -                                    | -   | -        |
| Commercial paper                                      | 2,350.00           | -                                    | -   | 2,350.00        | -                  | -                                    | -   | -        |
| Less: Prepaid discount                                | (12.69)            | -                                    | -   | (12.69)         | -                  | -                                    | -   | -        |
| <b>Total</b>  | <b>2,337.31</b>    | <b>-</b>                             | <b>-</b>  | <b>2,337.31</b> | <b>-</b>           | <b>-</b>                             | <b>-</b>  | <b>-</b> |
| Debt securities in India                              | 2,337.31           | -                                    | -   | 2,337.31        | -                  | -                                    | -   | -        |
| Debt securities outside India                         | -                  | -                                    | -   | -               | -                  | -                                    | -   | -        |
| <b>Total</b>  | <b>2,337.31</b>    | <b>-</b>                             | <b>-</b>  | <b>2,337.31</b> | <b>-</b>           | <b>-</b>                             | <b>-</b>  | <b>-</b> |

### Residual maturity

| At Amortised cost | As at Mar 31, 2021  |                       | As at Mar 31, 2020  |                       |
|-------------------|---------------------|-----------------------|---------------------|-----------------------|
|                   | Balance outstanding | Interest rate % (p.a) | Balance outstanding | Interest rate % (p.a) |
| Less than 1 year  | 2,350.00            | 5.85% to 6.00%        | -                   | -                     |
| 1-5 years         | -                   | -                     | -                   | -                     |
| Above 5 years     | -                   | -                     | -                   | -                     |

| Commercial Papers include   | Interest rates | As at March 31, 2021 |
|---|----------------|----------------------|
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 20-04-2021 | 6.00%          | 1,500.00             |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 31-05-2021 | 5.85%          | 850.00               |
|   |                | <b>2,350.00</b>      |

## 17 OTHER FINANCIAL LIABILITIES

(₹ in Mn)

| Particulars   | As at Mar 31, 2021 | As at Mar 31, 2020 |
|---|--------------------|--------------------|
| Payable to group companies/subsidiaries (Refer Note 35) | 130.30             | 31.78              |
| Interest payable on ICD (Refer Note 35)                 | -                  | 16.68              |
| Deposits from customers                                 | -                  | 1,622.99           |
| Advance from customers                                  | 5.46               | -                  |
| Others  | 1.52               | 1.09               |
| <b>Total</b>  | <b>137.28</b>      | <b>1,672.54</b>    |

## 18 PROVISIONS:

(₹ in Mn)

| Particulars                     | As at Mar 31, 2021 | As at Mar 31, 2020 |
|---------------------------------|--------------------|--------------------|
| Provision for employee benefits |                    |                    |
| - Gratuity (Refer Note 26.1)    | 1.74               | 3.89               |
| <b>Total</b>                    | <b>1.74</b>        | <b>3.89</b>        |

## 19 OTHER NON FINANCIAL LIABILITIES:

(₹ in Mn)

| Particulars           | As at         |               |
|-----------------------|---------------|---------------|
|                       | Mar 31, 2021  | Mar 31, 2020  |
| Statutory remittances | 147.13        | 187.58        |
| Others                | 3.22          | 1.40          |
| <b>Total</b>          | <b>150.35</b> | <b>188.98</b> |

19.1 No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of Unclaimed Dividend and Unclaimed dues on account of NCD.

## 20 SHARE CAPITAL:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

(₹ in Mn)

| Authorised :  | As at        |              |
|---|--------------|--------------|
|   | Mar 31, 2021 | Mar 31, 2020 |
| 132,650,000 (PY - 132,650,000) Equity shares of ₹ 2/- each with voting rights   | 265.30       | 200.00       |
| <b>Issued, Subscribed and Paid Up:</b> 87,882,770 (PY - 87,181,042) Equity shares of ₹ 2/- each fully paidup with voting rights | 175.77       | 174.36       |

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

| Particulars                               | As at Mar 31, 2021 |                  | As at Mar 31, 2020 |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | No. of shares      | Amount (₹ in Mn) | No. of shares      | Amount (₹ in Mn) |
| At the beginning of the year              | 87,181,042         | 174.36           | 84,521,324         | 169.04           |
| Add: Issued during the year               | 701,728            | 1.41             | 2,659,718          | 5.32             |
| <b>Outstanding at the end of the year</b> | <b>87,882,770</b>  | <b>175.77</b>    | <b>87,181,042</b>  | <b>174.36</b>    |

(c) Movement of shares pursuant to the composite scheme of arrangement

| Particulars                            | As at Mar 31, 2021 |                  | As at Mar 31, 2020 |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | No. of shares      | Amount (₹ in Mn) | No. of shares      | Amount (₹ in Mn) |
| At the beginning of the year           | -                  | -                | 600,442            | 1.20             |
| Less: Issued during the year           | -                  | -                | (600,442)          | (1.20)           |
| <b>Incremental shares to be issued</b> | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>-</b>         |

(d) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2021, a special dividend of ₹ 40/- (P.Y. Nil) and an interim dividend of ₹ 30/- (P.Y. ₹ 20/-) has been paid and recognised as distribution to equity shareholders.

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

(e) Details of shareholders holding more than 5% shares after giving effect to the Composite scheme of arrangement:

| Particulars                             | As at Mar 31, 2021 |           | As at Mar 31, 2020 |           |
|---|--------------------|-----------|--------------------|-----------|
|   | No. of shares      | % holding | No. of shares      | % holding |
| General Atlantic Singapore Fund Pte Ltd | 18,619,550         | 21.2%     | 18,619,550         | 21.4%     |
| FIH Mauritius Investments Ltd           | 12,091,635         | 13.8%     | 12,091,635         | 13.9%     |
| Nirmal Jain                             | 6,228,856          | 7.1%      | 6,228,856          | 7.1%      |

#### (f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding company, please refer note. 34

(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, except for shares issued under the composite scheme of arrangement.

#### 21 OTHER EQUITY:

| Particulars                      | (₹ in Mn)             |                       |
|----------------------------------|-----------------------|-----------------------|
|                                  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
| Securities premium               | 19,232.14             | 18,856.51             |
| General reserve                  | 133.66                | 133.50                |
| Capital reserve                  | 114.59                | 114.59                |
| ESOP Reserve                     | 638.10                | 255.40                |
| Share application money received | -                     | 0.07                  |
| Retained earnings                | 4,002.95              | 3,725.99              |
| <b>Total</b>                     | <b>24,121.44</b>      | <b>23,086.06</b>      |

#### 22 FEE AND COMMISSION INCOME

| Particulars                                 | (₹ in Mn)       |                 |
|---|-----------------|-----------------|
|   | 2020-21         | 2019-20         |
| Fees & Commission                           | 1,377.81        | 1,918.36        |
| Asset and portfolio management related fees | -               | 6.06            |
| <b>TOTAL</b>                                | <b>1,377.81</b> | <b>1,924.42</b> |

#### 23 OTHER INCOME

| Particulars                                      | (₹ in Mn)       |                 |
|--|-----------------|-----------------|
|  | 2020-21         | 2019-20         |
| Interest income                                  | 170.05          | 32.38           |
| Profit on cancellation of lease                  | 0.09            | (0.01)          |
| Rent income                                      | 189.05          | 130.73          |
| Change in fair value of investments - realised   | 169.53          | 32.01           |
| Change in fair value of investments - unrealised | 60.08           | 12.39           |
| Dividend income (from subsidiaries)              | 5,701.03        | 1,737.50        |
| Miscellaneous income                             | (0.03)          | 1.10            |
| <b>Total</b>                                     | <b>6,289.80</b> | <b>1,946.10</b> |

#### 24 FINANCE COST

| Particulars            | 2020-21  |   |               | 2019-20  |   |               |
|------------------------|--|---|---------------|--|---|---------------|
|                        | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total         | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total         |
| Interest on borrowings | -  | 250.75  | 250.75        | -  | 476.32  | 476.32        |
| Other interest expense | -  | 0.59  | 0.59          | -  | 1.54  | 1.54          |
| <b>Total</b>           | <b>-</b>   | <b>251.34</b>                                       | <b>251.34</b> | <b>-</b>   | <b>477.86</b>                                       | <b>477.86</b> |

## 25 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Mn)

| Particulars         | 2020-21   |   | 2019-20   |   |
|---------------------|---|---|---|---|
|                     | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost |
| On Trade Receivable | -   | 19.46   | -   | 0.09  |
| <b>Total</b>        | <b>-</b>  | <b>19.46</b>  | <b>-</b>  | <b>0.09</b>   |

## 26 EMPLOYEE BENEFIT EXPENSES

(₹ in Mn)

| Particulars                               | 2020-21       | 2019-20       |
|---|---------------|---------------|
| Salaries and wages                        | 271.95        | 286.74        |
| Contribution to provident and other funds | 11.73         | 11.72         |
| Share based payments to employees         | 78.31         | 48.92         |
| Staff welfare expenses                    | 13.09         | 11.09         |
| Gratuity expense                          | 2.88          | 9.66          |
| Leave encashment                          | -             | 0.05          |
| <b>Total</b>                              | <b>377.96</b> | <b>368.18</b> |

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

| Particulars                        | 2020-21  | 2019-20  |
|------------------------------------|--|--|
| Type of benefit                    | Gratuity   | Gratuity   |
| Country                            | India  | India  |
| Reporting currency                 | INR  | INR  |
| Reporting standard                 | Indian Accounting Standard 19 (Ind AS 19)                      | Indian Accounting Standard 19 (Ind AS 19)                      |
| Funding status                     | Funded   | Funded   |
| Starting period                    | 01-Apr-20  | 01-Apr-19  |
| Date of reporting                  | 31-Mar-21  | 31-Mar-20  |
| Period of reporting                | 12 Months  | 12 Months  |
| <b>Assumptions (previous year)</b> |  |  |
| Expected return on plan assets     | 6.04%  | 7.59%  |
| Rate of discounting                | 6.04%  | 7.59%  |
| Rate of salary increase            | 7.50%  | 7.50%  |
| Rate of employee turnover          | For service 4 years and below 15% p.a. & thereafter 7.50% p.a. | For service 4 years and below 15% p.a. & thereafter 7.50% p.a. |
| Mortality rate during employment   | Indian Assured Lives Mortality (2006-08)                       | Indian Assured Lives Mortality (2006-08)                       |
| Mortality rate after employment    | N.A.   | N.A.   |
| <b>Assumptions (current year)</b>  |  |  |
| Expected return on plan assets     | 6.33%  | 6.04%  |
| Rate of discounting                | 6.33%  | 6.04%  |
| Rate of salary increase            | 7.50%  | 7.50%  |

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

| Particulars  | 2020-21  | 2019-20  |
|--|--|--|
| Rate of employee turnover  | For service<br>4 years and<br>below 15% p.a. &<br>thereafter 7.50%<br>p.a. | For service<br>4 years and<br>below 15% p.a. &<br>thereafter 7.50%<br>p.a. |
| Mortality rate during employment   | Indian Assured<br>Lives Mortality<br>(2006-08)                             | Indian Assured<br>Lives Mortality<br>(2006-08)                             |
| Mortality rate after employment  | N.A.   | N.A.   |
| <b>Table showing change in the present value of projected benefit obligation</b>   |  |  |
| Present value of benefit obligation at the beginning of the year                   | 24.50  | 119.97   |
| Interest cost  | 1.48   | 9.87   |
| Current service cost   | 2.64   | 17.38  |
| Past service cost  | -  | -  |
| Liability transferred in/ acquisitions   | 1.94   | 15.68  |
| (Liability transferred out/ divestments)   | (6.33)   | (128.88)   |
| (Gains)/ losses on curtailment   | -  | -  |
| (Liabilities extinguished on settlement)   | -  | -  |
| (Benefit paid directly by the employer)  | -  | -  |
| (Benefit paid from the fund)   | (3.97)   | (18.11)  |
| The effect of changes in foreign exchange rates                                    | -  | -  |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | -  | -  |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions   | (0.54)   | 3.09   |
| Actuarial (gains)/losses on obligations - due to experience                        | 0.18   | 5.50   |
| Present value of benefit obligation at the end of the year                         | 19.90  | 24.50  |
| <b>Table showing change in the fair value of plan assets</b>                       |  |  |
| Fair value of plan assets at the beginning of the year                             | 20.61  | 86.26  |
| Interest income  | 1.24   | 7.29   |
| Contributions by the employer  | -  | 34.28  |
| Expected contributions by the employees  | -  | -  |
| Assets transferred in/acquisitions   | -  | 13.10  |
| (Assets transferred out/ divestments)  | -  | (103.21)   |
| (Benefit paid from the fund)   | (3.97)   | (18.11)  |
| (Assets distributed on settlements)  | -  | -  |
| (Expenses and tax for managing the benefit obligations- paid from the fund)        | -  | -  |
| Effects of asset ceiling   | -  | -  |
| The effect of changes in foreign exchange rates                                    | -  | -  |
| Return on plan assets, excluding interest income                                   | 0.28   | 1.00   |
| Fair value of plan assets at the end of the year                                   | 18.16  | 20.61  |
| <b>Amount recognized in the balance sheet</b>                                      |  |  |
| (Present value of benefit obligation at the end of the year)                       | (19.90)  | (24.50)  |
| Fair value of plan assets at the end of the year                                   | 18.16  | 20.61  |
| Funded status (surplus/ (deficit))   | (1.74)   | (3.89)   |
| Net (liability)/asset recognized in the balance sheet                              | (1.74)   | (3.89)   |

## 26.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) (Continued)

| Particulars   | 2020-21 | 2019-20 |
|---|---------|---------|
| <b>Net interest cost for current year</b>   |         |         |
| Present value of benefit obligation at the beginning of the year                    | 24.50   | 119.97  |
| (fair value of plan assets at the beginning of the year)                            | (20.61) | (86.26) |
| Net liability/(asset) at the beginning  | 3.89    | 33.71   |
| Interest cost   | 1.48    | 9.87    |
| (Interest income)   | (1.24)  | (7.29)  |
| Net interest cost for current year  | 0.24    | 2.58    |
| <b>Expenses recognized in the statement of profit or loss for current year</b>      |         |         |
| Current service cost  | 2.64    | 17.38   |
| Net interest cost   | 0.24    | 2.58    |
| Past service cost   | -       | -       |
| (Expected contributions by the employees)   | -       | -       |
| (Gains)/losses on curtailments and settlements                                      | -       | -       |
| Net effect of changes in foreign exchange rates                                     | -       | -       |
| Expenses recognized   | 2.88    | 19.96   |
| <b>Expenses recognized in the other comprehensive income (OCI) for current year</b> |         |         |
| Actuarial (gains)/losses on obligation for the year                                 | (0.36)  | 8.59    |
| Return on plan assets, excluding interest income                                    | (0.28)  | (1.00)  |
| Change in asset ceiling   | -       | -       |
| Net (income)/expense for the year recognized in oci                                 | (0.64)  | 7.59    |
| <b>Balance sheet reconciliation</b>   |         |         |
| Opening net liability   | 3.89    | 33.71   |
| Expenses recognized in statement of profit or loss                                  | 2.88    | 19.96   |
| Expenses recognized in oci  | (0.64)  | 7.59    |
| Net liability/(asset) transfer in   | 1.94    | 2.58    |
| Net (liability)/asset transfer out  | (6.33)  | (25.67) |
| (Benefit paid directly by the employer)   | -       | -       |
| (Employer's contribution)   | -       | (34.28) |
| Net liability/(asset) recognized in the balance sheet                               | 1.74    | 3.89    |
| <b>Category of assets</b>   |         |         |
| Government of India assets  | -       | -       |
| State government securities   | -       | -       |
| Special deposits scheme   | -       | -       |
| Debt instruments  | -       | -       |
| Corporate bonds   | -       | -       |
| Cash and cash equivalents   | -       | -       |
| Insurance fund  | 18.16   | 20.61   |
| Asset-backed securities   | -       | -       |
| Structured debt   | -       | -       |
| Other   | -       | -       |
| Total   | 18.16   | 20.61   |
| <b>Other details</b>  |         |         |
| No of active members  | 94      | 108     |

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

| Particulars   | 2020-21 | 2019-20 |
|---|---------|---------|
| Per month salary for active members                           | 9.60    | 11.13   |
| Weighted Average Duration of the Projected Benefit Obligation | 9       | 9       |
| Average Expected Future Service                               | 9       | 9       |
| Projected benefit obligation (pbo)                            | 19.90   | 24.50   |
| Prescribed contribution for next year (12 months)             | 4.21    | 9.22    |
| <b>Maturity analysis of the benefit payments</b>              |         |         |
| 1st following year  | 1.46    | 2.14    |
| 2nd following year  | 1.58    | 1.82    |
| 3rd following year  | 1.60    | 1.93    |
| 4th following year  | 1.66    | 1.92    |
| 5th following year  | 1.62    | 1.92    |
| Sum of years 6 to 10  | 8.96    | 9.32    |
| Sum of years 11 and above                                     | 18.74   | 24.54   |
| <b>Sensitivity analysis</b>                                   |         |         |
| PBO on current assumptions                                    | 19.90   | 24.50   |
| Delta effect of +1% change in rate of discounting             | (1.43)  | (1.82)  |
| Delta effect of -1% change in rate of discounting             | 1.63    | 2.09    |
| Delta effect of +1% change in rate of salary increase         | 0.92    | 1.12    |
| Delta effect of -1% change in rate of salary increase         | (0.89)  | (1.09)  |
| Delta effect of +1% change in rate of employee turnover       | 0.11    | 0.12    |
| Delta effect of -1% change in rate of employee turnover       | (0.13)  | (0.14)  |

## 26.2 Defined Contribution Plans:

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

| Particulars                         | 2020-21      | 2019-20      |
|-------------------------------------|--------------|--------------|
| Contribution to provident fund      | 11.73        | 11.72        |
| Contribution to labour welfare fund | -            | 0.00#        |
| <b>Total</b>                        | <b>11.73</b> | <b>11.72</b> |

# Amount less than ₹ 10,000

## 27 OTHER EXPENSES:

| Particulars  | 2020-21 | 2019-20 |
|--|---------|---------|
| Operations, treasury and fund management expenses        | 5.44    | 14.15   |
| Rent and energy cost                                     | 3.83    | 3.02    |
| Insurance  | 2.72    | 0.81    |
| Repairs & maintenance                                    | 1.11    | 1.29    |
| Marketing, advertisement and business promotion expenses | 5.82    | 17.26   |
| Travelling & conveyance                                  | 7.30    | 28.91   |
| Legal & professional fees                                | 128.62  | 155.50  |
| Communication  | 0.70    | 4.39    |
| Software charges / Technology cost                       | 25.40   | 8.53    |
| Office & other expenses                                  | 13.98   | 36.92   |



| Particulars   | (₹ in Mn)     |               |
|---|---------------|---------------|
|   | 2020-21       | 2019-20       |
| Loss on sale of assets                              | 0.06          | 1.49          |
| Directors' fees and commission                      | 5.76          | 4.93          |
| Remuneration to Auditors :                          |               |               |
| Audit fees (net of GST input credit)*               | 2.83          | 9.12          |
| Goods & Service tax/Swachh Bharat Cess              | -             | 0.16          |
| Certification expenses                              | 0.19          | 0.87          |
| Out Of pocket expenses                              | 0.22          | 0.30          |
| Corporate social responsibility expenses & donation | 27.70         | 36.53         |
| <b>Total</b>  | <b>231.68</b> | <b>324.18</b> |

\*Includes fees amounting to ₹ 6.5 Mn in FY 2019-20 for audit of restated financials for listing purpose

## 28 INCOME TAXES:

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

| Sr. No. | Particulars   | (₹ in Mn)     |                |
|---------|---|---------------|----------------|
|         |   | 2020-21       | 2019-20        |
|         | Statement of Profit and Loss:   |               |                |
| (a)     | Profit and Loss section:  |               |                |
|         | (i) Current Income tax :  |               |                |
|         | Current income tax expense  | 213.57        | 60.27          |
|         | Effect of previously unrecognised tax losses and tax offsets used during the current year |               |                |
|         | Tax expense in respect of earlier years   | (2.11)        | (9.23)         |
|         |   | <u>211.46</u> | <u>51.04</u>   |
|         | (ii) Deferred Tax:  |               |                |
|         | Tax expense on origination and reversal of temporary differences                          | 41.02         | 8.26           |
|         | Effect on deferred tax balances due to the change in income tax rate                      | -             | (51.21)        |
|         |   | <u>41.02</u>  | <u>(42.95)</u> |
|         | <b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>          | <b>252.48</b> | <b>8.09</b>    |
| (b)     | Other Comprehensive Income (OCI) Section:   |               |                |
|         | (i) Items not to be reclassified to profit or loss in subsequent periods:                 |               |                |
|         | (A) Deferred tax expense/(income):  |               |                |
|         | On re-measurement of defined benefit plans  | 0.16          | (1.91)         |
|         |   | <u>0.16</u>   | <u>(1.91)</u>  |
|         | <b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>           | <b>0.16</b>   | <b>(1.91)</b>  |

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

|         |  | (₹ in Mn)         |                 |
|---------|--|-------------------|-----------------|
| Sr. No. | Particulars  | 2020-21           | 2019-20         |
| (a)     | <b>Profit/(loss) before tax</b>  | 6,656.18          | 1,942.85        |
| (b)     | Income tax expense at tax rates applicable to individual entities                | 1,675.23          | 488.98          |
| (c)     | (i) Tax on income subject to lower tax rate                                      |                   |                 |
|         | (A) Gains on investments (including fair valuation)                              | (8.67)            | 1.01            |
| (d)     | Dividend Income exempt due to applicability of provisions of Sec 80M             | (1,434.80)        |                 |
| (e)     | (ii) Tax on Income exempt from Tax   |                   |                 |
|         | (A) Income from Investments (Including tax suffered income on investment in AIF) | (6.58)            | (438.60)        |
|         | (B) Expenses not allowable as tax deductible as per tax laws                     | 7.00              | 4.96            |
|         | (iii) Effect on deferred tax due to change in Income tax                         | -                 | (51.21)         |
|         | (iv) Tax expense in respect of earlier years                                     | -                 | (0.60)          |
|         | (v) Tax effect on various other items  | 20.30             | 3.55            |
|         | <b>Total effect of tax adjustments [(i) to (v)]</b>                              | <b>(1,422.75)</b> | <b>(480.89)</b> |
| (f)     | Tax expense recognised during the year   | <b>252.48</b>     | <b>8.09</b>     |
|         | Effective tax rate   | <b>3.79%</b>      | <b>0.42%</b>    |

**29 EARNINGS PER SHARE:**

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

| Particulars  |       | 2020-21    | 2019-20    |
|--|-------|------------|------------|
| Face value of equity shares in ₹ fully paid up   |       | 2.00       | 2.00       |
| <b>BASIC</b>   |       |            |            |
| <b>- in respect of continuing operations</b>   |       |            |            |
| Profit after tax as per statement of profit and loss before other comprehensive income (₹ in Mn) | A     | 6,403.70   | 2,500.47   |
| Weighted average number of shares subscribed   | B     | 87,427,094 | 86,108,444 |
| Face value of equity shares (in ₹) fully paid  |       | 2.00       | 2.00       |
| Basic EPS (₹)  | A/B   | 73.25      | 29.04      |
| <b>- in respect of discontinued operations</b>   |       |            |            |
| Profit after tax as per statement of profit and loss before other comprehensive income (₹ in Mn) | A     | -          | (565.71)   |
| Weighted average number of shares subscribed   | B     | 87,427,094 | 86,108,444 |
| Face value of equity shares (in ₹) fully paid  |       | 2.00       | 2.00       |
| Basic EPS (₹)  | A/B   | -          | (6.57)     |
| <b>DILUTED</b>   |       |            |            |
| <b>- in respect of continuing operations</b>   |       |            |            |
| Profit after tax as per statement of profit and loss before other comprehensive income (₹ in Mn) | A     | 6,403.70   | 2,500.47   |
| Weighted number of shares subscribed   | B     | 87,427,094 | 86,108,444 |
| Add: Potential equity shares on account of conversion of employee stock option                   | C     | 1,007,730  | 2,051,759  |
| Weighted average number of shares outstanding  | D=B+C | 88,434,825 | 88,160,203 |
| Diluted EPS (₹)  | A/D   | 72.41      | 28.36      |
| <b>- in respect of discontinued operations</b>   |       |            |            |
| Profit after tax as per statement of profit and loss before other comprehensive income (₹ in Mn) | A     | -          | (565.71)   |
| Weighted number of shares subscribed   | B     | 87,427,094 | 86,108,444 |
| Add: Potential equity shares on account of conversion of employee stock option                   | C     | 1,007,730  | 2,051,759  |
| Weighted average number of shares outstanding  | D=B+C | 88,434,825 | 88,160,203 |
| Diluted EPS (₹)  | A/D   | -          | (6.57)     |

### 30 CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

#### Capital and Other Commitments

| Particulars  | ₹ in Mn               |                       |
|--|-----------------------|-----------------------|
|  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
| Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets | 17.85                 | 34.50                 |
| <b>Total</b>   | <b>17.85</b>          | <b>34.50</b>          |

#### Contingent Liabilities

| Particulars                                  | ₹ in Mn               |                       |
|--|-----------------------|-----------------------|
|  | As at<br>Mar 31, 2021 | As at<br>Mar 31, 2020 |
| Corporate guarantee (Refer Note 30.1)        | 2,100.00              | 2,100.00              |
| Disputed income tax demand (Refer Note 30.2) | 135.33                | 86.23                 |
| <b>Total</b>                                 | <b>2,235.33</b>       | <b>2,186.23</b>       |

30.1 Corporate guarantee issued to a bank towards provision of credit facilities to a subsidiary of the Company.

30.2 Amount paid under protest with respect to income tax demand ₹ 135.33 Mn (PY - ₹ 16.56 Mn)

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

### 31 CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company has spent its entire liability of ₹27.65 Mn (P.Y. ₹ 27.03 Mn) as required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing in achieving sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas include education and healthcare including COVID Relief. (Refer Note 35 on Related Party Disclosures)

### 32 BUSINESS COMBINATION

(i) During the year ended March 31, 2021, the company did not have any transaction involving Business Combination.

(ii) During the previous year ended March 31, 2020, the Company had carried out certain transactions involving Business Combination. The details of the transactions are as follows:

#### a. Amalgamation of a subsidiary

On November 22, 2018, IIFL Wealth Management Limited acquired 100% stake in IIFL Wealth Advisors (India) Limited (Formerly known as Wealth Advisors (India) Private Limited). Thereafter, on 29 January 2019, the Board of Directors of IIFL Wealth Management Limited (the "Transferee Company") approved a draft scheme of amalgamation of IIFL Wealth Advisors (India) Limited (the "Transferor Company") with the Transferee Company and their respective shareholders in terms of the provisions of Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Scheme").

The National Company Law Tribunal (Tribunal) Bench at Mumbai has approved the aforementioned Scheme on October 24, 2019 and the National Company Law Tribunal Bench at Chennai approved the Scheme on December 20, 2019 under the applicable provisions of the Companies Act, 2013 and the appointed date of the Scheme is fixed as November 22, 2018.

Certified copy of the said order of the Mumbai Bench and Chennai Bench of the Tribunal was received by the Company on December 2, 2019 and December 27, 2019 respectively and filed with the Registrar of Companies on December 27, 2019.

The effect of net profit arising from accounting of amalgamation for the period November 22, 2018 to March 31, 2019 amounting to ₹ 34.01 Mn has been adjusted to the balance of Other Equity as on April 1, 2019.

## b. Transfer of Business

The Company entered into a business transfer arrangement with its subsidiary companies wef. January 1, 2020 and disposed off the Distribution Business and PMS Business to IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited) (IIFL WF) and IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited) (IIFL PML). Accordingly, the Company has transferred all its Employees, Assets, Liabilities, Contracts, Intangible Assets, relevant inputs, processes and outputs pertaining to such business for a lump sum consideration, the details of which are given below.

| Particulars            | ₹ in Mn    |             |
|------------------------|------------|-------------|
|                        | In IIFL WF | In IIFL PML |
| Purchase Consideration | 4,190.00   | 110.00      |
| Net Assets Transferred | 4,185.02   | 109.78      |
| Excess/ (Deficit)      | 4.98       | 0.22        |

This, being a common control business combination within the meaning of IND AS 103, the Standalone financial statements of the Company of previous reported periods have been restated to give effect to the said business transfer arrangement. The net profit/loss in respect of the said businesses transferred has been disclosed as "Profit/Loss on Discontinued Operations in the Standalone Profit and Loss Account".

The following table sets out the summarised standalone financial results of the Company without considering the effects for transfer of business referred to above as discontinued operations for the earlier reported periods.

| Particulars  | ₹ in Mn                      |
|--|------------------------------|
|  | Year ended<br>March 31, 2020 |
| Revenue from operations  | 3,712.88                     |
| Other Income   | 1,971.19                     |
| Total Income   | 5,684.07                     |
| Total Expenses   | 3,741.22                     |
| Profit before tax  | 1,942.85                     |
| Total Tax Expense  | 8.09                         |
| Profit for the year  | 1,934.76                     |
| Other Comprehensive loss net of tax  | (5.68)                       |
| Total Comprehensive Income for the year(Comprising Profit and other Comprehensive loss for the year) | 1,929.08                     |

The below table sets out financial results of the discontinued operations included in the Statement of Profit and loss account:

| Particulars  | ₹ in Mn                      |
|--|------------------------------|
|  | Year ended<br>March 31, 2020 |
| <b>Discontinued Operations</b>   |                              |
| Total Revenue  | 1,559.76                     |
| Total Expenses   | 2,410.03                     |
| Loss before tax  | (850.27)                     |
| Total Tax Expense  | (284.56)                     |
| Loss for the year  | (565.71)                     |
| Other Comprehensive loss net of tax  | (5.46)                       |
| Total Comprehensive loss for the year(Comprising Loss and other Comprehensive Loss for the year) | (571.17)                     |

The below table sets out cashflow from discontinued operations included in the Statement of Cashflow:

| Particulars  | (₹ in Mn)                    |          |
|--|------------------------------|----------|
|  | Year ended<br>March 31, 2020 |          |
| <b>Casflows from Discontinued Operations</b>               |                              |          |
| A. Cash flows from operating activities                    |                              |          |
| Net profit before taxation                                 |                              | (850.27) |
| Operating profit before working capital changes            |                              | (653.55) |
| Net cash generated from operating activities (A)           |                              | 151.05   |
| Net cash used in investing activities (B)                  |                              | (151.05) |
| Net cash (used in)/generated from financing activities (C) |                              | -        |
| <b>Net Cash inflows (A+B+C)</b>                            |                              | <b>-</b> |

### 33 DISCLOSURE PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS: DISCLOSURES"

#### Financial Risk Management

##### 33A. 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) Loans

The Company has outstanding loans to staff and Inter corporate deposits. The company has not made any provision on ECL as credit risk is considered insignificant.

##### 2) Trade and other Receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

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

| Particulars   | (₹ in Mn)                |                          |
|---|--------------------------|--------------------------|
|   | Year Ended<br>31/03/2021 | Year Ended<br>31/03/2020 |
| <b>Balance at the beginning of the year</b>   | -                        | 0.47                     |
| On account of merger  | -                        | 0.03                     |
| Movement in expected credit loss allowances on trade receivable<br>(includes discontinued operations) | 19.46                    | 0.20                     |
| Transferred on account of slump sale  | -                        | (0.70)                   |
| Others  | (0.01)                   | -                        |
| <b>Balance at the end of the year</b>   | <b>19.45</b>             | <b>-</b>                 |

##### 3) Others

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

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

The credit risk in respect of investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

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

### 33B. 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:

| (₹ in Mn)                   |                       |                    |                      |                    |                      |                   |
|-----------------------------|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| Financial liabilities       | As at 31st March 2021 |                    |                      |                    |                      |                   |
|                             | Total                 | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Trade Payables              | 115.12                | 102.50             | 12.21                | 0.41               | -                    | -                 |
| Debt securities             | 2,337.31              | 1,495.37           | 841.94               | -                  | -                    | -                 |
| Other financial liabilities | 137.28                | 5.46               | 130.30               | 1.52               | -                    | -                 |
| <b>Total</b>                | <b>2,589.71</b>       | <b>1,603.33</b>    | <b>984.45</b>        | <b>1.93</b>        | <b>-</b>             | <b>-</b>          |

For Finance Lease Obligation maturity refer note 13

| (₹ in Mn)                   |                       |                    |                      |                    |                      |                   |
|-----------------------------|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| Financial liabilities       | As at 31st March 2020 |                    |                      |                    |                      |                   |
|                             | Total                 | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Trade Payables              | 91.98                 | 85.95              | 5.64                 | 0.39               | -                    | -                 |
| Other financial liabilities | 1,672.54              | -                  | 1,672.47             | 0.07               | -                    | -                 |
| <b>Total</b>                | <b>1,764.52</b>       | <b>85.95</b>       | <b>1,678.11</b>      | <b>0.46</b>        | <b>-</b>             | <b>-</b>          |

For Finance Lease Obligation maturity refer note 13

### 33C. 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.

#### 33C.1 Currency Risk

The Company (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Company has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

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

| (₹ in Mn)                 |       |       |       |       |       |       |
|---------------------------|-------|-------|-------|-------|-------|-------|
| Particulars               | USD   | GBP   | MUR   | AED   | Euro  | CHF   |
| Cash and Cash Equivalents | 0.12  | 0.03  | 0.00# | 0.00# | 0.00# | 0.01  |
| Trade Receivables         | 3.75  | -     | -     | -     | -     | -     |
| Trade Payables            | -     | 1.66  | -     | -     | -     | -     |
| Particulars               | CAD   | HKD   | RIYAL | RMB   | SGD   | OMR   |
| Cash and Cash Equivalents | 0.00# | 0.01  | 0.00# | 0.01  | 0.01  | 0.00# |
| Other receivables         | -     | 69.93 | -     | -     | -     | -     |

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

| Particulars               | (₹ in Mn) |      |       |       |       |      |
|---------------------------|-----------|------|-------|-------|-------|------|
|                           | USD       | GBP  | MUR   | AED   | Euro  | CHF  |
| Cash and Cash Equivalents | 0.10      | 0.03 | 0.00# | 0.00# | 0.00# | 0.01 |
| Trade Receivables         | 2.19      | -    | -     | -     | -     | -    |
| Trade Payables            | 22.18     | 5.71 | -     | -     | -     | -    |

| Particulars               | (₹ in Mn) |      |       |      |      |       |
|---------------------------|-----------|------|-------|------|------|-------|
|                           | CAD       | HKD  | RIYAL | RMB  | SGD  | OMR   |
| Cash and Cash Equivalents | 0.00#     | 0.01 | 0.00# | 0.01 | 0.01 | 0.00# |

# Amount less than ₹ 10,000

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

|                                     | 2020-21 | 2019-20 |
|-------------------------------------|---------|---------|
| <b>Increase</b>                     |         |         |
| Impact on Profit and Loss after tax | 0.54    | (0.19)  |
| Impact on Equity                    | 0.54    | (0.19)  |
| <b>Decrease</b>                     |         |         |
| Impact on Profit and Loss after tax | (0.54)  | 0.19    |
| Impact on Equity                    | (0.54)  | 0.19    |

### 33C.2 Interest rate risk

The Company has considered interest rate risk on financial assets and liabilities accounted for on amortised cost basis. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. However, there are no borrowings outstanding at floating rate as on March 31, 2021 and March 31, 2020.

### 33C3. Other Price Risk

Other price risk is related to the change in market reference price of the derivative financial instruments, investments and debt securities 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             | (₹ in Mn)             |                       |
|-------------------------|-----------------------|-----------------------|
|                         | As at 31st March 2021 | As at 31st March 2020 |
| <b>Financial Assets</b> |                       |                       |
| Investments             | 1,189.36              | 1,307.52              |
| <b>Total</b>            | <b>1,189.36</b>       | <b>1,307.52</b>       |

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

|  |  |
|--|--|
| Investments in AIFs / MFs /others  | 1% change in the NAV/price   |
| Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/price movements in the interest bearing securities | 0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value |

Below is the sensitivity analysis for the year :

|                                     | 2020-21 | 2019-20 |
|-------------------------------------|---------|---------|
| <b>Increase</b>                     |         |         |
| Impact on Profit and Loss after tax | 8.31    | 8.09    |
| Impact on Equity                    | 8.31    | 8.09    |
| <b>Decrease</b>                     |         |         |
| Impact on Profit and Loss after tax | (8.31)  | (8.58)  |
| Impact on Equity                    | (8.31)  | (8.58)  |

### 33D. 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 Group and regulatory capital requirements of its businesses and constituent entities.

### 33E. Category-Wise Classification for applicable Financial Assets and Liabilities

| (₹ in Mn)                    |                                   |                           |                  |   |   |                  |
|------------------------------|-----------------------------------|---------------------------|------------------|---|---|------------------|
| Sr No.                       | Particulars                       | As at 31st March 2021     |                  |   |   | Total            |
|                              |                                   | Measure at Amortised Cost | Measured at Cost | Measured At Fair Value through Profit or Loss (P/L) | Measured At Fair Value through Other Comprehensive Income (OCI) |                  |
| <b>Financial Assets</b>      |                                   |                           |                  |   |   |                  |
| (a)                          | Cash and cash equivalents         | 1,370.95                  | -                | -   | -   | 1,370.95         |
| (b)                          | Bank balance other than (a) above | 13.26                     | -                | -   | -   | 13.26            |
| (c)                          | Receivables                       |                           |                  |   |   | -                |
|                              | (I) Trade receivables             | 588.23                    | -                | -   | -   | 588.23           |
|                              | (II) Other receivables            | 69.93                     | -                | -   | -   | 69.93            |
| (d)                          | Loans                             | 3.61                      | -                | -   | -   | 3.61             |
| (e)                          | Investments                       | -                         | 19,232.89        | 1,189.36  | -   | 20,422.25        |
| (f)                          | Other financial assets            | 1,366.03                  | -                | -   | -   | 1,366.03         |
|                              | <b>Total</b>                      | <b>3,412.01</b>           | <b>19,232.89</b> | <b>1,189.36</b>                                     | <b>-</b>  | <b>23,834.26</b> |
| <b>Financial Liabilities</b> |                                   |                           |                  |   |   |                  |
| (a)                          | Payables                          |                           |                  |   |   | -                |
|                              | (I) Trade payables                | 115.12                    | -                | -   | -   | 115.12           |
|                              | (II) Other payables               | -                         | -                | -   | -   | -                |
| (b)                          | Finance Lease Obligation          | 3.16                      | -                | -   | -   | 3.16             |
| (c)                          | Debt securities                   | 2,337.31                  | -                | -   | -   | 2,337.31         |
| (d)                          | Other financial liabilities       | 137.28                    | -                | -   | -   | 137.28           |
|                              | <b>Total</b>                      | <b>2,592.87</b>           | <b>-</b>         | <b>-</b>  | <b>-</b>  | <b>2,592.87</b>  |
| (₹ in Mn)                    |                                   |                           |                  |   |   |                  |
| Sr No.                       | Particulars                       | As at 31st March 2020     |                  |   |   | Total            |
|                              |                                   | Measure at Amortised Cost | Measured at Cost | Measured At Fair Value through Profit or Loss(P/L)  | Measured At Fair Value through Other Comprehensive Income (OCI) |                  |
| <b>Financial Assets</b>      |                                   |                           |                  |   |   |                  |
| (a)                          | Cash and cash equivalents         | 224.17                    | -                | -   | -   | 224.17           |
| (b)                          | Bank balance other than (a) above | 11.45                     | -                | -   | -   | 11.45            |
| (c)                          | Receivables                       |                           |                  |   |   | -                |
|                              | (I) Trade receivables             | 723.55                    | -                | -   | -   | 723.55           |
|                              | (II) Other receivables            | 0.00#                     | -                | -   | -   | -                |
| (d)                          | Loans                             | 62.93                     | -                | -   | -   | 62.93            |
| (e)                          | Investments                       | -                         | 18,532.79        | 1,307.52  | -   | 19,840.31        |
| (f)                          | Other financial assets            | 981.38                    | -                | -   | -   | 981.38           |
|                              | <b>Total</b>                      | <b>2,003.48</b>           | <b>18,532.79</b> | <b>1,307.52</b>                                     | <b>-</b>  | <b>21,843.79</b> |



### 33E. Category-Wise Classification for applicable Financial Assets and Liabilities (continued)

(₹ in Mn)

| Sr No.                       | Particulars                 | As at 31st March 2020     |                  |  |   | Total           |
|------------------------------|-----------------------------|---------------------------|------------------|--|---|-----------------|
|                              |                             | Measure at Amortised Cost | Measured at Cost | Measured At Fair Value through Profit or Loss(P/L) | Measured At Fair Value through Other Comprehensive Income (OCI) |                 |
| <b>Financial Liabilities</b> |                             |                           |                  |  |   |                 |
| (a)                          | Payables                    |                           |                  |  |   | -               |
|                              | (I) Trade payables          | 91.98                     | -                | -  | -   | 91.98           |
|                              | (II) Other payables         | -                         | -                | -  | -   | -               |
| (b)                          | Finance Lease Obligation    | 3.41                      | -                | -  | -   | 3.41            |
| (c)                          | Other financial liabilities | 1,672.54                  | -                | -  | -   | 1,672.54        |
|                              | <b>Total</b>                | <b>1,767.93</b>           | <b>-</b>         | <b>-</b>   | <b>-</b>  | <b>1,767.93</b> |

#### 33E.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.

#### 33E. 1a. Financial instruments measured at fair value – Fair value hierarchy

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

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

(₹ in Mn)

| Financial instruments measured at fair value | Recurring fair value measurements at 31.03.2021 |              |              |                 |
|--|---|--------------|--------------|-----------------|
|  | Level 1   | Level 2      | Level 3      | Total           |
| <b>Financial Assets</b>                      |   |              |              |                 |
| Investments in Equity instruments- Others    | 0.04  | -            | -            | 0.04            |
| Investments in Mutual funds                  | 1,057.14  | -            | -            | 1,057.14        |
| Investments in Debt securities               | -   | 60.13        | -            | 60.13           |
| Investments in Alternate Investment Funds #  | -   | -            | 72.05        | 72.05           |
| <b>Total Assets</b>                          | <b>1,057.18</b>                                 | <b>60.13</b> | <b>72.05</b> | <b>1,189.36</b> |

# The fair values of these investments are determined basis the NAV published by the funds.

(₹ in Mn)

| Financial instruments measured at fair value | Recurring fair value measurements at 31.03.2020 |               |              |                 |
|--|---|---------------|--------------|-----------------|
|  | Level 1   | Level 2       | Level 3      | Total           |
| <b>Financial Assets</b>                      |   |               |              |                 |
| Investments in Mutual funds                  | 1,098.89  |               | -            | 1,098.89        |
| Investments in Debt securities               |   | 161.42        | -            | 161.42          |
| Investments in Alternate Investment Funds #  | -   | -             | 47.21        | 47.21           |
| <b>Total Assets</b>                          | <b>1,098.89</b>                                 | <b>161.42</b> | <b>47.21</b> | <b>1,307.52</b> |

# The fair values of these investments are determined basis the NAV published by the funds.

Reconciliation of Level 3 fair value measurements

(₹ in Mn)

| Particulars             | As at           | As at           |
|-------------------------|-----------------|-----------------|
|                         | 31st March 2021 | 31st March 2020 |
| Opening Balance         | 47.21           | 80.64           |
| Total gains or losses   |                 |                 |
| - in profit or loss     | 1.23            | 238.17          |
| MTM Gain / ( Loss )     | 33.65           | (23.22)         |
| Purchases               | -               | (0.19)          |
| Disposal/ Settlements   | (10.04)         | (248.19)        |
| Transfer out of Level 3 | -               | -               |
| Closing Balance         | 72.05           | 47.21           |

### 33E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Mn)

|   | As at 31st March 2021 |            | As at 31st March 2020 |            |
|---|-----------------------|------------|-----------------------|------------|
|   | Carrying Value        | Fair Value | Carrying Value        | Fair Value |
| <b>Financial Assets</b>                 |                       |            |                       |            |
| Cash and cash equivalents               | 1,370.95              | 1,370.95   | 224.17                | 224.17     |
| Bank balance other than above           | 13.26                 | 13.26      | 11.45                 | 11.45      |
| <b>Receivables</b>                      |                       |            |                       |            |
| (I) Trade receivables                   | 588.23                | 588.23     | 723.55                | 723.55     |
| (II) Other receivables                  | 69.93                 | 69.93      | 0.00#                 | 0.00#      |
| Loans                                   | 3.61                  | 3.61       | 62.93                 | 62.93      |
| Investments                             | -                     | -          | -                     | -          |
| Other financial assets                  | 1,366.03              | 1,366.03   | 981.38                | 981.38     |
| <b>Financial Liabilities</b>            |                       |            |                       |            |
| (I) Trade payables                      | 115.12                | 115.12     | 91.98                 | 91.98      |
| (II) Other payables                     | -                     | -          | -                     | -          |
| Finance Lease Obligation                | 3.16                  | 3.16       | 3.41                  | 3.41       |
| Borrowings (other than debt securities) | 2,337.31              | 2,337.31   | -                     | -          |
| Other financial liabilities             | 137.28                | 137.28     | 1,672.54              | 1,672.54   |

#### Financial assets measured at amortised cost:

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

#### Financial liabilities measured at amortised cost:

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

34A. The Company i.e. IIFL Wealth Management Limited has implemented equity settled Employee Stock Options Scheme 2012 (ESOP 2012), Employee Stock Options Scheme 2015 (ESOP 2015) and Employee Stock Options Scheme 2019 (ESOP 2019) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Nomination and Remuneration Committee and ESOP Schemes.

The details of various Employee Stock Option Schemes are as under:

| Particulars   | ESOP 2012  | ESOP 2015  | ESOP 2019  |
|---|--|--|--|
| No. of options granted upto March 31, 2021              | 2,731,935  | 9,242,941  | 2,456,439  |
|   | (A - 1,240,900; B - 752,550; C - 607,500; D - 117,100; E - 13,885)   | (A - 4,200,000; B - 2,765,945; C - 900,000; D - 950,000; E - 121,141; F - 135,827; G - 170,028 )   | (A - 1,242,909; B - 1,096,000; C - 61,530; D - 20,000; E - 36,000)   |
| Grant dates   | A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014, E - January 28, 2018                                      | A - July 02, 2015, B - July 02, 2015, C - November 10, 2016 D- July 21, 2017; E - January 13, 2018; F - January 28, 2018; G - January 29, 2019   | A - November 15, 2019, B - November 15, 2019, C - October 23, 2020, D - October 23, 2020, E - February 25, 2021  |
| Method of accounting                                    | Fair value   | Fair value   | Fair value   |
| Vesting plan  | Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options | Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options | Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options |
| Exercise period   | Seven years from the date of grant   | Seven years from the date of grant   | Seven years from the date of grant   |
| Grant price (₹ Per Share)                               | A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, D - ₹ 417.00   | A, B - ₹ 282.00, C - ₹ 339.00, D, E, F - ₹ 417.00, G - ₹ 1661.00   | A - ₹ 861.00, B - ₹ 861.00, C - ₹ 900.00, D - ₹ 900.00, E - ₹ 1147.00  |
| Fair value on the date of grant of option (₹ Per Share) | ₹ 11.80 - ₹ 409.00   | ₹ 274.00 - ₹ 1297.00   | ₹ 899.45 - ₹ 1223.80   |

#### (B) Movement of options granted:

##### As at March 31, 2021

| Particulars   | ESOP 2012           | ESOP 2015             | ESOP 2019             |
|---|---------------------|-----------------------|-----------------------|
| Options outstanding at the beginning of April 01, 2020                                    | 14,245              | 1,320,195             | 2,299,326             |
| Granted during the year   | -                   | -                     | 117,530               |
| Exercised during the year   | 5,131               | 545,077               | 125,026               |
| Lapsed during the year  | 7,000               | 33,425                | 84,127                |
| Options outstanding as at March 31, 2021  | 2,114               | 741,693               | 2,207,703             |
| Exercisable at the end of the year March 31, 2021   | 1,560               | 329,604               | 585,980               |
| Weighted average exercise price for the options exercised during the year FY 20-21        | ₹ 80.94             | ₹ 358.64              | ₹ 861.00              |
| Range of exercise price for the options outstanding at the end of the year March 31, 2021 | ₹ 19.00 to ₹ 417.00 | ₹ 282.00 to ₹ 1661.00 | ₹ 861.00 to ₹ 1147.00 |

## As at March 31, 2020

| Particulars   | ESOP 2012           | ESOP 2015             | ESOP 2019 |
|---|---------------------|-----------------------|-----------|
| Options outstanding at the beginning of April 01, 2019                                    | 19,195              | 3,472,436             | -         |
| Granted during the year   | -                   | -                     | 2,338,909 |
| Exercised during the year   | 4,950               | 1,968,337             | -         |
| Lapsed during the year  | -                   | 183,904               | 39,583    |
| Options outstanding as at March 31, 2020  | 14,245              | 1,320,195             | 2,299,326 |
| Exercisable at the end of the year March 31,2020  | 5,914               | 386,221               | -         |
| Weighted average exercise price for the options exercised during the year FY 19-20        | ₹ 340.19            | ₹ 309.28              | NA        |
| Range of exercise price for the options outstanding at the end of the year March 31, 2020 | ₹ 16.00 to ₹ 417.00 | ₹ 282.00 to ₹ 1661.00 | ₹ 861.00  |

### Fair Value Assumptions:

The fair value of options have been estimated on the date of grant using Black Scholes model.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars                         | ESOP 2012          | ESOP 2015           | ESOP 2019            |
|-------------------------------------|--------------------|---------------------|----------------------|
| Risk free interest rate             | 6.67%-9.09%        | 6.19%-7.86%         | 4.20%-5.99%          |
| Expected average life               | 2-5 years          | 2-5 years           | 2-6 years            |
| Expected volatility of Share Price  | 10.00%             | 10.00%              | 12.24% - 18.50%      |
| Dividend yield                      | 3%-23.19%          | 1.5% - 3%           | 1.95% - 3%           |
| Fair value on the date of the grant | ₹ 11.80 - ₹ 409.00 | ₹ 274.00 - ₹1297.00 | ₹ 899.45 - ₹ 1223.80 |

**34B** In terms of the Composite Scheme of Arrangement (Scheme) amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), the Company ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which was approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013, the equity options holders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (Options holders) shall be granted 1 stock option by the Company for every 7 stock options held in IIFL Finance Limited, on terms and conditions similar to the ESOP Scheme of IIFL Finance Limited. Accordingly, 1,27,912 options of IIFL Wealth Management Limited were granted on August 21, 2019.

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger  |
|---|---|
| No. of options granted upto March 31,2020               | 127,912<br>A - 127,912  |
| Grant dates   | A – 31st May 2019 (i.e. effective date of Demerger)   |
| Method of accounting                                    | NA*   |
| Vesting plan  | Options granted would vest as per the vesting schedule as determined under each series of grant of IIFL Finance Limited (formerly known as IIFL Holdings Limited) after taking the effect of demerger dated May 31, 2019 and as approved by Nomination & Remuneration Committee subject to minimum period of one year from the original date of grant of such options |
| Exercise period   | Five years from the Original date of grant  |
| Grant price (₹ Per Share)                               | ₹ 82.02, ₹218.71, ₹25.79, ₹26.47, ₹31.05, ₹61.40, ₹82.73  |
| Fair value on the date of grant of option (₹ Per Share) | NA*   |

\* the scheme has been implemented on account of Composite Scheme of Arrangement as mentioned above in lieu of existing ESOP scheme of IIFL Finance Limited (formerly Known as IIFL Holdings Ltd.). This, being in the nature of modification of erstwhile ESOP scheme of IIFL Finance Ltd., no separate fair-valuation is required to be carried out by the Company

**(B) Movement of options granted:****As at March 31, 2021**

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger |
|---|--|
| Options outstanding at the beginning of April 01, 2020                                    | 43,687   |
| Granted during the year   | 0  |
| Exercised during the year   | 26,494   |
| Lapsed during the year  | 1,183  |
| Options outstanding as at March 31, 2021  | 16,010   |
| Exercisable at the end of the year March 31, 2021   | 15,324   |
| Weighted average exercise price for the options exercised during the year FY 20-21        | ₹ 86.45  |
| Range of exercise price for the options outstanding at the end of the year March 31, 2021 | ₹ 82.02 to ₹ 218.71                                  |

**As at March 31, 2020**

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger |
|---|--|
| Options outstanding at the beginning of April 01, 2019                                    | 0  |
| Granted during the year   | 127,912  |
| Exercised during the year   | 81,507   |
| Lapsed during the year  | 2,718  |
| Options outstanding as at March 31, 2020  | 43,687   |
| Exercisable at the end of the year March 31, 2020   | 41,255   |
| Weighted average exercise price for the options exercised during the year FY 19-20        | ₹ 43.28  |
| Range of exercise price for the options outstanding at the end of the year March 31, 2020 | ₹ 82.02 to ₹ 218.71                                  |

**35 RELATED PARTY DISCLOSURES:**

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

**a) List of Related Parties:**

| Nature of relationship                               | Name of party  |
|--|--|
| <b>Director/ Key Managerial Personnel</b>            | Mr. Karan Bhagat, Managing Director<br>Mr. Yatin Shah, Non-Executive Director<br>Mr. Nirmal Jain, Director, Non-Executive Director<br>Mr. Venkataraman Rajamani, Non-Executive Director<br>Mr. Nilesh Vikamsey, Independent Director<br>Ms. Geeta Mathur, Independent Director<br>Mr. Sandeep Achyut Naik, Non-Executive Director<br>Mr. Shantanu Rastogi, Non-Executive Director<br>Mr. Pankaj Vaish, Independent Director<br>Mr. Gopalkrishnan Soundarajan, Non-Executive Director<br>Mr. Subbaraman Narayan, Independent Director |
| <b>Subsidiaries including step down subsidiaries</b> | IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)<br>IIFL Asset Management Limited<br>IIFL Investment Adviser and Trustee Services Limited   |

| Nature of relationship | Name of party  |
|------------------------|--|
|                        | IIFL Trustee Limited   |
|                        | IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                 |
|                        | IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)           |
|                        | IIFL Wealth Securities IFSC Limited  |
|                        | IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)                              |
|                        | IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019) |
|                        | IIFL Wealth Employee Welfare benefit Trust   |
|                        | IIFL Private Wealth Management (Dubai) Limited   |
|                        | IIFL Inc.  |
|                        | IIFL Private Wealth Hong Kong Limited *  |
|                        | 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 (w.e.f Jan 20, 2020)  |
|                        | IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited) **                   |
| Other Related Party    | IIFL Finance Limited (Formerly known as IIFL Holdings Limited)   |
|                        | IIFL Securities Limited (Formerly known as India Infoline Limited)   |
|                        | IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)                            |
|                        | IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)                |
|                        | IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)             |
|                        | IIFL Wealth (UK) Limited***  |
|                        | IIFL Capital Inc.  |
|                        | IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)                              |
|                        | IIFL Securities Services IFSC Limited  |
|                        | IIFL Corporate Services Limited (Formerly known as IIFL Asset Reconstruction Limited)                      |
|                        | IIFL Home Finance Limited  |
|                        | Samasta Microfinance Limited   |
|                        | Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)                                    |
|                        | Shreyans Foundation LLP  |
|                        | FIH Mauritius Investment Limited   |
|                        | India Infoline Foundation  |
|                        | 5paisa Capital Limited   |
|                        | 5paisa P2P Limited   |
|                        | 5paisa Insurance Brokers Limited   |

| Nature of relationship | Name of party  |
|------------------------|--|
|                        | Spaisa Trading Limited   |
|                        | General Atlantic Singapore Fund Pte Limited  |
|                        | Mr. Karan Bhagat   |
|                        | Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)  |
|                        | Kush Family Private Trust  |
|                        | Kyra Family Private Trust  |
|                        | Kyrush Investments   |
|                        | Bhagat Family Private Trust  |
|                        | Kyrush Family Private Trust  |
|                        | Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited) |
|                        | Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)   |
|                        | Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)   |
|                        | Yatin Prakash Shah HUF   |
|                        | Yatin Investments  |
|                        | Naykia Realty Private Limited  |
|                        | Naykia Family Private Trust  |
|                        | Prakash Shah Family Private Trust  |
|                        | Naysa Shah Family Private Trust  |
|                        | Kiaan Shah Family Private Trust  |
|                        | India Alternatives Investment Advisors Private Limited resigned w.e.f. 31.05.2020              |
|                        | Financial advisors (India)Private Limited  |
|                        | CDE Real Estate Private Limited Resigned w.e.f January 19, 2021                                |
|                        | Mr. Nirmal Jain  |
|                        | Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)  |
|                        | Ardent Impex Private Limited   |
|                        | Orpheous Trading Private Limited   |
|                        | Sunder Bhawar Ventures Private Limited   |
|                        | Nirmal Madhu Family Private Trust  |
|                        | MNJ Consultants Private Limited  |
|                        | Mr. Venkataraman Rajamani  |
|                        | Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)                                     |
|                        | Kalki Family Private Trust   |

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

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

**35 RELATED PARTY DISCLOSURES: (CONTINUED)**

**a) Significant Transactions With Related parties**

| Nature of Transaction   | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | (₹ in Mn)         |
|---|---|--|-----------------------------|-------------------|
|   |   |  |                             | Total             |
| <b>Investment</b>   |   |  |                             |                   |
| IIFL Capital Pte Limited  | -   | 743.91   | -                           | <b>743.91</b>     |
|   | -   | -  | -                           | -                 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)                             | -   | -  | -                           | -                 |
|   | -   | (299.95)   | -                           | <b>(299.95)</b>   |
| IIFL Wealth Altiore Advisors Limited (Formerly IIFL Altiore Advisors Limited)                                       | -   | -  | -                           | -                 |
|   | -   | (12.50)  | -                           | <b>(12.50)</b>    |
| <b>Slump Sale/Business Transfer</b>   |   |  |                             |                   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)  | -   | -  | -                           | -                 |
|   | -   | (4,190.00)   | -                           | <b>(4,190.00)</b> |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                          | -   | -  | -                           | -                 |
|   | -   | (110.00)   | -                           | <b>(110.00)</b>   |
| <b>Amount received/ receivable on account of reimbursement of Expenses for transition period and creditors paid</b> |   |  |                             |                   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)  | -   | 5.16   | -                           | <b>5.16</b>       |
|   | -   | (167.12)   | -                           | <b>(167.12)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                          | -   | -  | -                           | -                 |
|   | -   | (3.34)   | -                           | <b>(3.34)</b>     |
| <b>Amount paid / payable on account of Transfer of Revenue for transition period &amp; realisation of debtors</b>   |   |  |                             |                   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)  | -   | 335.83   | -                           | <b>335.83</b>     |
|   | -   | (1,117.53)   | -                           | <b>(1,117.53)</b> |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                          | -   | 26.55  | -                           | <b>26.55</b>      |
|   | -   | (89.34)  | -                           | <b>(89.34)</b>    |
| <b>Sale of Investments</b>  |   |  |                             |                   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                          | -   | -  | -                           | -                 |
|   | -   | (33.52)  | -                           | <b>(33.52)</b>    |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)  | -   | 168.69   | -                           | <b>168.69</b>     |
|   | -   | (274.78)   | -                           | <b>(274.78)</b>   |
| <b>Purchase of Investment</b>   |   |  |                             |                   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)  | -   | 1,247.27   | -                           | <b>1,247.27</b>   |
|   | -   | -  | -                           | -                 |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)                          | -   | 900.97   | -                           | <b>900.97</b>     |
|   | -   | -  | -                           | -                 |
| <b>Purchase of Property</b>   |   |  |                             |                   |
| IIFL Facilities Services Limited  | -   | -  | -                           | -                 |
|   | -   | -  | (2,250.00)                  | <b>(2,250.00)</b> |
| <b>ICD taken</b>  |   |  |                             |                   |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)                             | -   | 2,495.00   | -                           | <b>2,495.00</b>   |
|   | -   | (2,036.10)   | -                           | <b>(2,036.10)</b> |



| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | (₹ in Mn)   |
|--|---|--|-----------------------------|-------------|
|  |   |  |                             | Total       |
| IIFL Asset Management Limited  | -   | 9,210.00   | -                           | 9,210.00    |
|  | -   | (7,354.30)   | -                           | (7,354.30)  |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 1,610.00   | -                           | 1,610.00    |
|  | -   | -  | -                           | -           |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 10,960.00  | -                           | 10,960.00   |
|  | -   | (8,562.15)   | -                           | (8,562.15)  |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 35,236.10  | -                           | 35,236.10   |
|  | -   | (47,961.40)  | -                           | (47,961.40) |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 1,210.00   | -                           | 1,210.00    |
|  | -   | (1,474.10)   | -                           | (1,474.10)  |
| <b>ICD Repaid</b>  |   |  |                             |             |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 2,495.00   | -                           | 2,495.00    |
|  | -   | (2,094.00)   | -                           | (2,094.00)  |
| IIFL Asset Management Limited  | -   | 10,710.00  | -                           | 10,710.00   |
|  | -   | (7,240.50)   | -                           | (7,240.50)  |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 1,610.00   | -                           | 1,610.00    |
|  | -   | -  | -                           | -           |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 11,610.00  | -                           | 11,610.00   |
|  | -   | (10,093.75)  | -                           | (10,093.75) |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 37,067.00  | -                           | 37,067.00   |
|  | -   | (46,712.60)  | -                           | (46,712.60) |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 1,480.00   | -                           | 1,480.00    |
|  | -   | (1,600.80)   | -                           | (1,600.80)  |
| <b>ICD Given</b>   |   |  |                             |             |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 8,930.00   | -                           | 8,930.00    |
|  | -   | (383.20)   | -                           | (383.20)    |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 16,610.00  | -                           | 16,610.00   |
|  | -   | (6,119.10)   | -                           | (6,119.10)  |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 5,820.00   | -                           | 5,820.00    |
|  | -   | (6,467.50)   | -                           | (6,467.50)  |
| IIFL Asset Management Limited  | -   | 2,557.00   | -                           | 2,557.00    |
|  | -   | -  | -                           | -           |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 47,315.00  | -                           | 47,315.00   |
|  | -   | (11,116.52)  | -                           | (11,116.52) |
| IIFL Trustee Limited   | -   | 45.00  | -                           | 45.00       |
|  | -   | (4.80)   | -                           | (4.80)      |
| IIFL Wealth Securities IFSC Limited  | -   | -  | -                           | -           |
|  | -   | (0.05)   | -                           | (0.05)      |
| IIFL Wealth Altire Limited (Formerly known as IIFL Altire Advisors Limited)                | -   | 5.89   | -                           | 5.89        |
|  | -   | (25.91)  | -                           | (25.91)     |
| IIFL Wealth Employee Welfare Benefit Trust   | -   | 10.00  | -                           | 10.00       |
|  | -   | (0.24)   | -                           | (0.24)      |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 25.77  | -                           | 25.77       |
|  | -   | -  | -                           | -           |

(₹ in Mn)

| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | Total              |
|--|---|--|-----------------------------|--------------------|
| <b>ICD Received back</b>   |   |  |                             |                    |
| IIFL Investment Adviser and Trustee Services Limited   | -   | 8,930.00   | -                           | <b>8,930.00</b>    |
|  | -   | (383.20)   | -                           | <b>(383.20)</b>    |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)     | -   | 16,610.00  | -                           | <b>16,610.00</b>   |
|  | -   | (6,119.10)   | -                           | <b>(6,119.10)</b>  |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)        | -   | 5,820.00   | -                           | <b>5,820.00</b>    |
|  | -   | (2,216.60)   | -                           | <b>(2,216.60)</b>  |
| IIFL Trustee Limited   | -   | 45.00  | -                           | <b>45.00</b>       |
|  | -   | (4.80)   | -                           | <b>(4.80)</b>      |
| IIFL Asset Management Limited  | -   | 2,557.00   | -                           | <b>2,557.00</b>    |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                               | -   | 47,315.00  | -                           | <b>47,315.00</b>   |
|  | -   | (11,116.52)  | -                           | <b>(11,116.52)</b> |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)                  | -   | 24.08  | -                           | <b>24.08</b>       |
|  | -   | (18.82)  | -                           | <b>(18.82)</b>     |
| IIFL Wealth Employee Welfare Benefit Trust   | -   | 45.70  | -                           | <b>45.70</b>       |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)          | -   | 25.77  | -                           | <b>25.77</b>       |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited) | -   | -  | -                           | <b>-</b>           |
|  | -   | -  | (65.00)                     | <b>(65.00)</b>     |
| <b>Dividend Income</b>   |   |  |                             |                    |
| IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd)       | -   | 74.28  | -                           | <b>74.28</b>       |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Private Wealth Management Dubai Limited   | -   | 90.72  | -                           | <b>90.72</b>       |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                               | -   | 3,207.68   | -                           | <b>3,207.68</b>    |
|  | -   | (1,344.17)   | -                           | <b>(1,344.17)</b>  |
| IIFL Investment Adviser and Trustee Services Limited   | -   | -  | -                           | <b>-</b>           |
|  | -   | (193.74)   | -                           | <b>(193.74)</b>    |
| IIFL Trustee Limited   | -   | 50.00  | -                           | <b>50.00</b>       |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Asset Management Limited  | -   | 1,749.45   | -                           | <b>1,749.45</b>    |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)     | -   | 528.90   | -                           | <b>528.90</b>      |
|  | -   | (199.58)   | -                           | <b>(199.58)</b>    |
| <b>Fees Earned For Services (including Brokerage) rendered</b>                                 |   |  |                             |                    |
| IIFL Securities Limited  | -   | -  | 46.03                       | <b>46.03</b>       |
|  | -   | -  | (60.82)                     | <b>(60.82)</b>     |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)          | -   | 1.29   | -                           | <b>1.29</b>        |
|  | -   | -  | -                           | <b>-</b>           |
| Samasta Microfinance Limited   | -   | -  | 8.28                        | <b>8.28</b>        |
|  | -   | -  | -                           | <b>-</b>           |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                                 | -   | -  | 121.34                      | <b>121.34</b>      |
|  | -   | -  | (114.63)                    | <b>(114.63)</b>    |

(₹ in Mn)

| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | Total           |
|--|---|--|-----------------------------|-----------------|
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 27.18  | -                           | <b>27.18</b>    |
|  | -   | (19.48)  | -                           | <b>(19.48)</b>  |
| IIFL Asset Management Limited  | -   | 27.80  | -                           | <b>27.80</b>    |
|  | -   | (26.61)  | -                           | <b>(26.61)</b>  |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 5.95   | -                           | <b>5.95</b>     |
|  | -   | (1.49)   | -                           | <b>(1.49)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 9.06   | -                           | <b>9.06</b>     |
|  | -   | (2.26)   | -                           | <b>(2.26)</b>   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 63.76  | -                           | <b>63.76</b>    |
|  | -   | (15.94)  | -                           | <b>(15.94)</b>  |
| <b>Interest Income on ICD Given</b>  |   |  |                             |                 |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)              | -   | 0.89   | -                           | <b>0.89</b>     |
|  | -   | (1.04)   | -                           | <b>(1.04)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 22.42  | -                           | <b>22.42</b>    |
|  | -   | (8.83)   | -                           | <b>(8.83)</b>   |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 16.16  | -                           | <b>16.16</b>    |
|  | -   | (0.48)   | -                           | <b>(0.48)</b>   |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 10.68  | -                           | <b>10.68</b>    |
|  | -   | (2.75)   | -                           | <b>(2.75)</b>   |
| IIFL Asset Management Limited  | -   | 4.20   | -                           | <b>4.20</b>     |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Trustee Limited   | -   | 0.02   | -                           | <b>0.02</b>     |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 77.15  | -                           | <b>77.15</b>    |
|  | -   | (9.63)   | -                           | <b>(9.63)</b>   |
| IIFL Wealth Securities IFSC Limited  | -   | 0.05   | -                           | <b>0.05</b>     |
|  | -   | (0.05)   | -                           | <b>(0.05)</b>   |
| IIFL Wealth Employee Welfare Benefit Trust   | -   | 2.96   | -                           | <b>2.96</b>     |
|  | -   | (3.49)   | -                           | <b>(3.49)</b>   |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 0.13   | -                           | <b>0.13</b>     |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Management Services Limited   | -   | -  | -                           | <b>-</b>        |
|  | -   | -  | (3.15)                      | <b>(3.15)</b>   |
| <b>Interest Expense on ICD</b>   |   |  |                             |                 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 14.18  | -                           | <b>14.18</b>    |
|  | -   | (20.81)  | -                           | <b>(20.81)</b>  |
| IIFL Asset Management Limited  | -   | 77.83  | -                           | <b>77.83</b>    |
|  | -   | (132.76)   | -                           | <b>(132.76)</b> |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 12.94  | -                           | <b>12.94</b>    |
|  | -   | (40.39)  | -                           | <b>(40.39)</b>  |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 13.32  | -                           | <b>13.32</b>    |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 61.07  | -                           | <b>61.07</b>    |
|  | -   | (132.80)   | -                           | <b>(132.80)</b> |

(₹ in Mn)

| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | Total           |
|--|---|--|-----------------------------|-----------------|
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 36.33  | -                           | <b>36.33</b>    |
|  | -   | (144.71)   | -                           | <b>(144.71)</b> |
| <b>Fees/Expenses incurred/Reimbursed For Services Procured</b>                             |   |  |                             |                 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | -  | -                           | -               |
|  | -   | (51.66)  | -                           | <b>(51.66)</b>  |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | -  | -                           | -               |
|  | -   | (36.25)  | -                           | <b>(36.25)</b>  |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | -  | -                           | -               |
|  | -   | (15.00)  | -                           | <b>(15.00)</b>  |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)              | -   | -  | -                           | -               |
|  | -   | (19.22)  | -                           | <b>(19.22)</b>  |
| IIFL INC   | -   | -  | -                           | -               |
|  | -   | (101.12)   | -                           | <b>(101.12)</b> |
| <b>Corporate Social Responsibility Exp</b>   |   |  |                             |                 |
| India Infoline Foundation Limited  | -   | -  | -                           | -               |
|  | -   | -  | (26.68)                     | <b>(26.68)</b>  |
| IIFLW CSR Foundation   | -   | 37.27  | -                           | <b>37.27</b>    |
|  | -   | -  | -                           | -               |
| <b>Remuneration paid to Directors/KMP</b>  |   |  |                             |                 |
| Mr. Karan Bhagat   | 49.57                                       | -  | -                           | <b>49.57</b>    |
|  | (50.06)                                     | -  | -                           | <b>(50.06)</b>  |
| Mr. Yatin Shah   | -   | -  | -                           | -               |
|  | (28.17)                                     | -  | -                           | <b>(28.17)</b>  |
| Mr. Varun Bhagat   | -   | -  | -                           | -               |
|  | -   | -  | (2.28)                      | <b>(2.28)</b>   |
| <b>Gratuity Expense</b>  |   |  |                             |                 |
| Mr.Karan Bhagat  | -   | -  | -                           | -               |
|  | (0.06)                                      | -  | -                           | <b>(0.06)</b>   |
| <b>Sitting Fee\Commission Paid to Directors</b>  |   |  |                             |                 |
| Ms. Geeta Mathur   | 2.06  | -  | -                           | <b>2.06</b>     |
|  | (1.85)                                      | -  | -                           | <b>(1.85)</b>   |
| Mr. Nilesh Vikamsey  | 2.18  | -  | -                           | <b>2.18</b>     |
|  | (2.01)                                      | -  | -                           | <b>(2.01)</b>   |
| Mr. Pankaj Vaish   | 1.87  | -  | -                           | <b>1.87</b>     |
|  | (0.24)                                      | -  | -                           | <b>(0.24)</b>   |
| Mr. S Narayan  | 0.87  | -  | -                           | <b>0.87</b>     |
|  | (0.84)                                      | -  | -                           | <b>(0.84)</b>   |
| <b>Dividend Paid</b>   |   |  |                             |                 |
| Mr. Karan Bhagat   | 12.83                                       | -  | -                           | <b>12.83</b>    |
|  | (6.42)                                      | -  | -                           | <b>(6.42)</b>   |
| Mr. Yatin Shah   | 233.12                                      | -  | -                           | <b>233.12</b>   |
|  | (66.28)                                     | -  | -                           | <b>(66.28)</b>  |
| General Atlantic Singapore Fund Pte Ltd  | -   | -  | 1,303.37                    | <b>1,303.37</b> |
|  | -   | -  | (372.39)                    | <b>(372.39)</b> |
| Mrs. Shilpa Bhagat   | -   | -  | 78.81                       | <b>78.81</b>    |
|  | -   | -  | (22.52)                     | <b>(22.52)</b>  |
| Mrs. Aditi Athavankar  | -   | -  | 92.00                       | <b>92.00</b>    |
|  | -   | -  | (0.57)                      | <b>(0.57)</b>   |
| Mrs. Ami Yatin Shah  | -   | -  | 0.04                        | <b>0.04</b>     |
|  | -   | -  | (0.01)                      | <b>(0.01)</b>   |
| Mrs. Madhu Jain  | -   | -  | 96.25                       | <b>96.25</b>    |
|  | -   | -  | (34.50)                     | <b>(34.50)</b>  |

(₹ in Mn)

| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | Total           |
|--|---|--|-----------------------------|-----------------|
| Mr. Nirmal Jain  | 436.02                                      | -  | -                           | <b>436.02</b>   |
|  | (132.58)                                    | -  | -                           | <b>(132.58)</b> |
| Mr. Prakash C. Shah  | -   | -  | -                           | -               |
|  | -   | -  | (0.20)                      | <b>(0.20)</b>   |
| Mr. Venkataraman R.  | 94.44                                       | -  | -                           | <b>94.44</b>    |
|  | (31.38)                                     | -  | -                           | <b>(31.38)</b>  |
| Yatin Prakash Shah (HUF)   | -   | -  | -                           | -               |
|  | -   | -  | (0.23)                      | <b>(0.23)</b>   |
| Ardent Impex Pvt Ltd   | -   | -  | 34.00                       | <b>34.00</b>    |
|  | -   | -  | (7.71)                      | <b>(7.71)</b>   |
| Orpheus Trading Pvt Ltd  | -   | -  | 16.50                       | <b>16.50</b>    |
|  | -   | -  | (3.71)                      | <b>(3.71)</b>   |
| Kyra Family Private Trust  | -   | -  | 105.00                      | <b>105.00</b>   |
|  | -   | -  | -                           | -               |
| Kush Family Private Trust  | -   | -  | 105.00                      | <b>105.00</b>   |
|  | -   | -  | -                           | -               |
| Nirmal Madhu Family Private Trust  | -   | -  | 100.00                      | <b>100.00</b>   |
|  | -   | -  | -                           | -               |
| FIH Mauritius Investment Limited   | -   | -  | 846.41                      | <b>846.41</b>   |
|  | -   | -  | -                           | -               |
| Mr. Nilesh Vikamsey  | 0.71  | -  | -                           | <b>0.71</b>     |
|  | -   | -  | -                           | -               |
| <b>Reimbursement of Interest expenses</b>  |   |  |                             |                 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 134.72   | -                           | <b>134.72</b>   |
|  | -   | (126.35)   | -                           | <b>(126.35)</b> |
| <b>Allocation / Reimbursement of expenses Received</b>                                     |   |  |                             |                 |
| IIFL Asset Management Limited  | -   | 19.97  | -                           | <b>19.97</b>    |
|  | -   | (37.15)  | -                           | <b>(37.15)</b>  |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 3.23   | -                           | <b>3.23</b>     |
|  | -   | (16.01)  | -                           | <b>(16.01)</b>  |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 20.17  | -                           | <b>20.17</b>    |
|  | -   | (4.49)   | -                           | <b>(4.49)</b>   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 113.28   | -                           | <b>113.28</b>   |
|  | -   | (30.33)  | -                           | <b>(30.33)</b>  |
| IIFLW CSR Foundation   | -   | 0.29   | -                           | <b>0.29</b>     |
|  | -   | -  | -                           | -               |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -   | -  | 4.15                        | <b>4.15</b>     |
|  | -   | -  | -                           | -               |
| <b>Allocation / Reimbursement of expenses Paid</b>   |   |  |                             |                 |
| IIFL Securities Limited  | -   | -  | 0.03                        | <b>0.03</b>     |
|  | -   | -  | (3.21)                      | <b>(3.21)</b>   |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -   | -  | 0.18                        | <b>0.18</b>     |
|  | -   | -  | (5.63)                      | <b>(5.63)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | -  | -                           | -               |
|  | -   | (18.27)  | -                           | <b>(18.27)</b>  |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | -  | -                           | -               |
|  | -   | (0.42)   | -                           | <b>(0.42)</b>   |
| IIFL Facilities Services Limited   | -   | -  | -                           | -               |
|  | -   | -  | (1.37)                      | <b>(1.37)</b>   |
| <b>Other funds received</b>  |   |  |                             |                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -   | -  | 0.06                        | <b>0.06</b>     |
|  | -   | -  | (0.99)                      | <b>(0.99)</b>   |

(₹ in Mn)

| Nature of Transaction  | Director/<br>Key<br>Managerial<br>Personnel | Subsidiaries<br>including<br>step down<br>subsidiaries | Other<br>Related<br>Parties | Total           |
|--|---|--|-----------------------------|-----------------|
| IIFL Securities Limited  | -   | -  | 0.30                        | <b>0.30</b>     |
|  | -   | -  | (0.38)                      | <b>(0.38)</b>   |
| IIFL Trustee Limited   | -   | 1.96   | -                           | <b>1.96</b>     |
|  | -   | (0.88)   | -                           | <b>(0.88)</b>   |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 1.18   | -                           | <b>1.18</b>     |
|  | -   | (12.16)  | -                           | <b>(12.16)</b>  |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 8.03   | -                           | <b>8.03</b>     |
|  | -   | (10.87)  | -                           | <b>(10.87)</b>  |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 1.06   | -                           | <b>1.06</b>     |
|  | -   | (7.90)   | -                           | <b>(7.90)</b>   |
| IIFL Wealth Securities IFSC Limited  | -   | 0.83   | -                           | <b>0.83</b>     |
|  | -   | (0.59)   | -                           | <b>(0.59)</b>   |
| IIFL Asset Management Limited  | -   | 235.82   | -                           | <b>235.82</b>   |
|  | -   | (111.19)   | -                           | <b>(111.19)</b> |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 143.73   | -                           | <b>143.73</b>   |
|  | -   | (603.59)   | -                           | <b>(603.59)</b> |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)              | -   | 0.17   | -                           | <b>0.17</b>     |
|  | -   | (4.03)   | -                           | <b>(4.03)</b>   |
| IIFL Home Finance Limited  | -   | -  | 0.06                        | <b>0.06</b>     |
|  | -   | -  | (0.13)                      | <b>(0.13)</b>   |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 2.05   | -                           | <b>2.05</b>     |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Insurance Brokers Limited   | -   | -  | -                           | <b>-</b>        |
|  | -   | -  | (0.06)                      | <b>(0.06)</b>   |
| <b>Other funds paid</b>  |   |  |                             |                 |
| IIFL Securities Limited  | -   | -  | 0.03                        | <b>0.03</b>     |
|  | -   | -  | (1.60)                      | <b>(1.60)</b>   |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -   | -  | -                           | <b>-</b>        |
|  | -   | -  | (0.14)                      | <b>(0.14)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -   | 1.83   | -                           | <b>1.83</b>     |
|  | -   | (0.09)   | -                           | <b>(0.09)</b>   |
| IIFL Asset Management Limited  | -   | 1.04   | -                           | <b>1.04</b>     |
|  | -   | (1.70)   | -                           | <b>(1.70)</b>   |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -   | 1.15   | -                           | <b>1.15</b>     |
|  | -   | (0.29)   | -                           | <b>(0.29)</b>   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -   | 1.50   | -                           | <b>1.50</b>     |
|  | -   | (431.91)   | -                           | <b>(431.91)</b> |
| IIFL Investment Adviser and Trustee Services Limited                                       | -   | 1.64   | -                           | <b>1.64</b>     |
|  | -   | (0.71)   | -                           | <b>(0.71)</b>   |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)              | -   | -  | -                           | <b>-</b>        |
|  | -   | (0.01)   | -                           | <b>(0.01)</b>   |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -   | 0.05   | -                           | <b>0.05</b>     |
|  | -   | -  | -                           | <b>-</b>        |
| IIFL Insurance Brokers Limited   | -   | -  | 0.02                        | <b>0.02</b>     |
|  | -   | -  | (0.03)                      | <b>(0.03)</b>   |

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

(₹ in Mn)

| Particulars  | Key Management Personnel | Subsidiary | Other Related Parties | Total             |
|--|--------------------------|------------|-----------------------|-------------------|
| <b>Sundry payables</b>   |                          |            |                       |                   |
| IIFL Investment Adviser and Trustee Services Limited                                       | -                        | -          | -                     | -                 |
|  | -                        | (29.31)    | -                     | <b>(29.31)</b>    |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -                        | -          | -                     | -                 |
|  | -                        | -          | (0.63)                | <b>(0.63)</b>     |
| IIFL Securities Limited  | -                        | -          | -                     | -                 |
|  | -                        | -          | (0.05)                | <b>(0.05)</b>     |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -                        | 121.38     | -                     | <b>121.38</b>     |
|  | -                        | -          | -                     | -                 |
| <b>Sundry receivables</b>  |                          |            |                       |                   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -                        | -          | -                     | -                 |
|  | -                        | (225.62)   | -                     | <b>(225.62)</b>   |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -                        | 3.89       | -                     | <b>3.89</b>       |
|  | -                        | (9.32)     | -                     | <b>(9.32)</b>     |
| IIFLW CSR Foundation   | -                        | 0.34       | -                     | <b>0.34</b>       |
|  | -                        | -          | -                     | -                 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)    | -                        | 1,304.52   | -                     | <b>1,304.52</b>   |
|  | -                        | (237.89)   | -                     | <b>(237.89)</b>   |
| IIFL Asset Management Limited  | -                        | 44.04      | -                     | <b>44.04</b>      |
|  | -                        | (79.19)    | -                     | <b>(79.19)</b>    |
| IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)              | -                        | -          | -                     | -                 |
|  | -                        | (3.31)     | -                     | <b>(3.31)</b>     |
| IIFL Wealth Securities IFSC Limited  | -                        | 1.53       | -                     | <b>1.53</b>       |
|  | -                        | (0.64)     | -                     | <b>(0.64)</b>     |
| IIFL Investment Adviser and Trustee Services Limited                                       | -                        | 0.19       | -                     | <b>0.19</b>       |
|  | -                        | -          | -                     | -                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                             | -                        | -          | 1.74                  | <b>1.74</b>       |
|  | -                        | -          | -                     | -                 |
| IIFL Wealth Employee Welfare Benefit Trust   | -                        | -          | -                     | -                 |
|  | -                        | (4.32)     | -                     | <b>(4.32)</b>     |
| IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)      | -                        | 2.98       | -                     | <b>2.98</b>       |
|  | -                        | -          | -                     | -                 |
| IIFL Securities Limited  | -                        | -          | 0.06                  | <b>0.06</b>       |
|  | -                        | -          | -                     | -                 |
| IIFL Home Finance Limited  | -                        | -          | 0.01                  | <b>0.01</b>       |
|  | -                        | -          | -                     | -                 |
| Samasta Microfinance Limited   | -                        | -          | 9.15                  | <b>9.15</b>       |
|  | -                        | -          | -                     | -                 |
| <b>ICD Taken</b>   |                          |            |                       |                   |
| IIFL Investment Adviser and Trustee Services Limited                                       | -                        | -          | -                     | -                 |
|  | -                        | (270.00)   | -                     | <b>(270.00)</b>   |
| IIFL Asset Management Limited  | -                        | -          | -                     | -                 |
|  | -                        | (1,500.00) | -                     | <b>(1,500.00)</b> |
| IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) | -                        | -          | -                     | -                 |
|  | -                        | (650.00)   | -                     | <b>(650.00)</b>   |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)                           | -                        | -          | -                     | -                 |

| Particulars   | (₹ in Mn)                |            |                       |                   |
|---|--------------------------|------------|-----------------------|-------------------|
|   | Key Management Personnel | Subsidiary | Other Related Parties | Total             |
|   | -                        | (1,830.90) | -                     | <b>(1,830.90)</b> |
| <b>ICD Given</b>  |                          |            |                       |                   |
| IIFL Wealth Securities IFSC Limited   | -                        | 0.55       | -                     | <b>0.55</b>       |
|   | -                        | (0.55)     | -                     | <b>(0.55)</b>     |
| IIFL Wealth Altire Limited (Formerly known as IIFL Altire Advisors Limited)             | -                        | -          | -                     | -                 |
|   | -                        | (18.19)    | -                     | <b>(18.19)</b>    |
| IIFL Wealth Employee Welfare Benefit Trust  | -                        | -          | -                     | -                 |
|   | -                        | (35.70)    | -                     | <b>(35.70)</b>    |
| <b>Receivable from Broker</b>   |                          |            |                       |                   |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited) | -                        | 10.12      | -                     | <b>10.12</b>      |
|   | -                        | -          | -                     | -                 |
| <b>Gratuity Liability</b>   |                          |            |                       |                   |
| Mr. Karan Bhagat  | 1.26                     | -          | -                     | <b>1.26</b>       |
|   | (1.27)                   | -          | -                     | <b>(1.27)</b>     |
| <b>Allocation of borrowing to demerged broking business*</b>                            |                          |            |                       |                   |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited) | -                        | -          | -                     | -                 |
|   | -                        | (4,250.90) | -                     | <b>(4,250.90)</b> |

Note:

The Company has provided a letter of undertaking-cum-indemnity to IIFL Securities Ltd. towards a civil suit pending against IIFL Wealth (UK )Ltd., a subsidiary of IIFL Securities Ltd, inter-alia, to defend the said suit and indemnify IIFL Securities and its directors against claims if any, arising from the same

\* Represents allocation to demerged Broking operations

Amounts in brackets represents previous year's figures

### 36.1. Maturity analysis of assets and liabilities as at March 31, 2021

| SR. No.  | Particulars                       | (₹ in Mn)        |                  |                  |
|----------|-----------------------------------|------------------|------------------|------------------|
|          |                                   | Within 12 months | After 12 months  | Total            |
|          | <b>ASSETS</b>                     |                  |                  |                  |
| <b>1</b> | <b>Financial Assets</b>           |                  |                  |                  |
| (a)      | Cash and cash equivalents         | 1,370.95         | -                | 1,370.95         |
| (b)      | Bank balance other than (a) above | 3.22             | 10.04            | 13.26            |
| (c)      | Derivative financial instruments  | -                | -                | -                |
| (d)      | Receivables                       |                  |                  |                  |
|          | (I) Trade receivables             | 588.23           | -                | 588.23           |
|          | (II) Other receivables            | 69.93            | -                | 69.93            |
| (e)      | Loans                             | 1.97             | 1.64             | 3.61             |
| (f)      | Investments                       | 1,189.36         | 19,232.89        | 20,422.25        |
| (g)      | Other financial assets            | 1,364.25         | 1.78             | 1,366.03         |
| <b>2</b> | <b>Non-Financial Assets</b>       |                  |                  |                  |
| (a)      | Inventories                       | -                | -                | -                |
| (b)      | Current tax assets (net)          | -                | 295.03           | 295.03           |
| (c)      | Deferred tax assets (net)         | -                | -                | -                |
| (d)      | Property, plant and equipment     | -                | 2,756.11         | 2,756.11         |
| (e)      | Capital work-in-progress          | -                | 6.75             | 6.75             |
| (f)      | Other intangible assets           | -                | 26.68            | 26.68            |
| (g)      | Right to use                      | -                | 2.99             | 2.99             |
| (h)      | Other non-financial assets        | 126.90           | 7.54             | 134.44           |
|          | <b>Total Assets</b>               | <b>4,714.81</b>  | <b>22,341.46</b> | <b>27,056.26</b> |



|                                     |  |                  |                  | (₹ in Mn)        |
|-------------------------------------|--|------------------|------------------|------------------|
| SR. No.                             | Particulars  | Within 12 months | After 12 months  | Total            |
| <b>LIABILITIES AND EQUITY</b>       |  |                  |                  |                  |
| <b>LIABILITIES</b>                  |  |                  |                  |                  |
| <b>1 Financial Liabilities</b>      |  |                  |                  |                  |
| (a)                                 | Derivative financial instruments   | -                | -                | -                |
| (b)                                 | 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 | 115.12           | -                | 115.12           |
| (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 | -                | -                | -                |
| (c)                                 | Finance Lease Obligation   | 1.36             | 1.80             | 3.16             |
| (d)                                 | Debt securities  | 2,337.31         |                  | 2,337.31         |
| (e)                                 | Borrowings (other than debt securities)  | -                | -                | -                |
| (f)                                 | Other financial liabilities  | 137.28           | -                | 137.28           |
| <b>2 Non-Financial Liabilities</b>  |  |                  |                  |                  |
| (a)                                 | Current tax liabilities (net)  | -                | -                | -                |
| (b)                                 | Provisions   | 1.74             | -                | 1.74             |
| (c)                                 | Deferred tax liabilities (net)   | -                | 14.09            | 14.09            |
| (d)                                 | Other non-financial liabilities  | 150.35           | -                | 150.35           |
| <b>3 EQUITY</b>                     |  |                  |                  |                  |
| (a)                                 | Equity share capital   | -                | 175.77           | 175.77           |
| (b)                                 | Other equity   | -                | 24,121.44        | 24,121.44        |
| <b>Total Liabilities and Equity</b> |  | <b>2,743.16</b>  | <b>24,313.10</b> | <b>27,056.26</b> |

**Note 36.2. Maturity analysis of assets and liabilities as at March 31, 2020**

|                               |                                   |                  |                 | (₹ in Mn) |
|-------------------------------|-----------------------------------|------------------|-----------------|-----------|
| SR. No.                       | Particulars                       | Within 12 months | After 12 months | Total     |
| <b>ASSETS</b>                 |                                   |                  |                 |           |
| <b>1 Financial Assets</b>     |                                   |                  |                 |           |
| (a)                           | Cash and cash equivalents         | 224.17           |                 | 224.17    |
| (b)                           | Bank balance other than (a) above | 1.40             | 10.05           | 11.45     |
| (c)                           | Derivative financial instruments  | -                | -               | -         |
| (d)                           | Receivables                       |                  |                 |           |
| (I)                           | Trade receivables                 | 723.55           | -               | 723.55    |
| (II)                          | Other receivables                 | 0.00#            | -               | 0.00#     |
| (e)                           | Loans                             | 62.60            | 0.34            | 62.93     |
| (f)                           | Investments                       | 1,307.52         | 18,532.79       | 19,840.31 |
| (g)                           | Other financial assets            | 979.54           | 1.84            | 981.38    |
| <b>2 Non-Financial Assets</b> |                                   |                  |                 |           |
| (a)                           | Inventories                       | -                | -               | -         |
| (b)                           | Current tax assets (net)          | -                | 380.37          | 380.37    |
| (c)                           | Deferred tax assets (net)         | -                | 27.08           | 27.08     |

**Note 36.2.** Maturity analysis of assets and liabilities as at March 31, 2020 (continued)

|                                     |   | (₹ in Mn)        |                  |                  |
|-------------------------------------|---|------------------|------------------|------------------|
| SR. No.                             | Particulars   | Within 12 months | After 12 months  | Total            |
| (d)                                 | Property, plant and equipment   | -                | 2,862.04         | 2,862.04         |
| (e)                                 | Capital work-in-progress  | -                | 10.31            | 10.31            |
| (f)                                 | Other intangible assets   | -                | 11.06            | 11.06            |
| (g)                                 | Right to use  | -                | 3.22             | 3.22             |
| (h)                                 | Other non-financial assets  | 76.58            | 8.81             | 85.39            |
| <b>Total Assets</b>                 |   | <b>3,375.36</b>  | <b>21,847.90</b> | <b>25,223.26</b> |
| <b>LIABILITIES AND EQUITY</b>       |   |                  |                  |                  |
| <b>LIABILITIES</b>                  |   |                  |                  |                  |
| <b>1 Financial Liabilities</b>      |   |                  |                  |                  |
| (a)                                 | Derivative financial instruments  | -                | -                | -                |
| (b)                                 | 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 | 91.98            | -                | 91.98            |
|                                     | (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 | -                | -                | -                |
| (c)                                 | Finance Lease Obligation  | 1.63             | 1.78             | 3.41             |
| (d)                                 | Borrowings (other than debt securities)   | -                | -                | -                |
| (e)                                 | Other financial liabilities   | 1,672.54         |                  | 1,672.54         |
| <b>2 Non-Financial Liabilities</b>  |   |                  |                  |                  |
| (a)                                 | Current tax liabilities (net)   | 2.04             | -                | 2.04             |
| (b)                                 | Provisions  | 3.89             | -                | 3.89             |
| (c)                                 | Other non-financial liabilities   | 188.98           | -                | 188.98           |
| <b>3 EQUITY</b>                     |   |                  |                  |                  |
| (a)                                 | Equity share capital  | -                | 174.36           | 174.36           |
| (b)                                 | Other equity  | -                | 23,086.06        | 23,086.06        |
| <b>Total Liabilities and Equity</b> |   | <b>1,961.06</b>  | <b>23,262.20</b> | <b>25,223.26</b> |

**37 SEGMENT REPORTING**

The Company's main business is Wealth Management Services comprising of, inter-alia, distribution of financial products, portfolio management services, advisory services and all other activities revolve around the same. All activities of the Company are carried out in India. As such there are no separate reportable segments as per the Indian Accounting Standard 108 (IND AS 108) on Operating Segments.

**38 EVENTS AFTER REPORTING PERIOD**

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

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

#### **40 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issuance by the Board of Directors on May 18, 2021

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

**For and on behalf of the Board of Directors**

**Karan Bhagat**  
Managing Director  
(DIN: 03247753)

**Yatin Shah**  
Director  
(DIN: 03231090)

**Mihir Nanavati**  
Chief Financial Officer

**Amit Bhandari**  
Company Secretary

Place : Mumbai  
Dated: May 18, 2021

# Independent Auditor's Report

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## To The Members of IIFL Wealth Management Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of IIFL Wealth Management Limited ("the Parent"/ "the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter  | Auditors' Response  |
|---------|---|---|
| 1       | <p><b>Impairment of carrying value of loans and advances:</b></p> <p>The Group exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment and estimation of the amount of the impairment provision for loans and advances. This includes assessment of macro-economic overlays on account of change in the economic environment including the COVID 19 pandemic.</p> <p>Since the loans and advances form a major portion of the Group's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Group and a key audit matter.</p> <p>As at March 31, 2021, the Group's gross loans and advances amounted to ₹ 37,030.08 million and the impairment provisions amounted to ₹ 338.16 million.</p> <p>Refer note 38A.1 to the Consolidated Financial Statements.</p> | <p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>We read the Group's Expected Credit Loan Loss policy as per Ind AS 109;</li> <li>We gained understanding of the Group's key credit processes comprising granting, booking, monitoring, collections, staging and provisioning and tested the operating effectiveness of key controls over these processes;</li> <li>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2021;</li> <li>Where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report;</li> <li>For a sample of exposures, we tested the appropriateness of staging into Stage 1, 2 and 3;</li> <li>For provision against exposures, we obtained an understanding of the Group's provisioning methodology, consistency of various inputs and assumptions used for Probability of Default (PD) and Loss Given Default (LGD), the reasonableness of the underlying assumptions and the sufficiency and appropriateness of the data used by the management;</li> <li>Tested disclosures included in the Ind AS financial statements in respect of expected credit losses;</li> </ul> |
| 2       | <p><b>Purchase Price allocation for acquisition of IIFL Wealth Capital Markets Ltd</b></p> <p>IIFL Wealth Prime (formerly known as IIFL Wealth Finance Limited ) the wholly owned subsidiary Company acquired 100% stake in IIFL Wealth Capital Markets Limited on April 24, 2020.</p> <p>Purchase price paid has been accounted for Customer relationship and Goodwill in Consolidated Financial Statements.</p> <p>Accounting for purchase price allocation is considered to be a key audit matter because the transaction and its accounting is non-routine and involves significant management judgements.</p> <p>Refer Note 46C of the Consolidated Financial Statements.</p>  | <p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>Tested management controls over the purchase price allocation and accounting for the acquisition thereon.</li> <li>Obtained the purchase price allocation performed by the management expert. Reviewed the allocation to the respective assets and liabilities.</li> <li>Internal valuation specialist validated the valuation technique used for valuation of Identified Intangibles.</li> <li>Internal specialist assessed the reasonableness of the valuation assumptions used for valuation of identified intangibles viz. discount rate .</li> <li>We evaluated the competence and experience of specialists involved by the Management.</li> <li>We reviewed the underlying data used by the expert for appropriateness and reasonableness.</li> </ul>   |
| 3       | <p><b>Information Technology and General Controls</b></p> <p>The Group is highly dependent on technology due to significant number of transactions that are processed electronically daily.</p> <p>Accordingly, our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations.</p>   | <p><b>Principal audit procedures performed:</b></p> <p>For the key IT systems used to prepare accounting and financial information:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Group's business IT environment and key changes if any, during the audit period that may be relevant to the audit. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audits;</li> </ul>   |

| Sr. No. | Key Audit Matter  | Auditors' Response   |
|---------|---|--|
|         | <p>Absence of segregation of duties may result in a risk of intended or unintended manipulation of data that could have a material effect on the completeness and accuracy of the financial statements.</p> <p>Due to the pervasive nature and use of IT systems, we continued to assess the risk of a material misstatement arising from access to technology as a significant matter for the audit.</p> | <ul style="list-style-type: none"> <li>• We tested the design, implementation and operating effectiveness of the Group's General IT controls over the information systems that are critical to financial reporting. This included evaluation of Group's controls to ensure that access was provided / modified based on duly approved requests, access for exit cases was revoked in a timely manner and access of all users was re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users;</li> <li>• We tested the controls to ensure that segregation of duties was monitored and conflicting access was either removed or mapped to mitigating controls, which were documented and tested;</li> <li>• We tested the controls over network segmentation, restriction of remote access to the Group's network, controls over firewall configurations and mechanisms implemented by the Group to prevent, detect and respond to network security incidents;</li> <li>• We also tested automated business cycle controls and report logic for system generated reports relevant to the audit, for completeness and accuracy.</li> </ul> |

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

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

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated

financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- When we read the Directors' report including Annexures to Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flow and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial

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

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

included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements / financial information of eight subsidiaries, whose financial statements / financial information reflect total assets of ₹ 2,422.40 million as at 31 March 2021, total revenues of ₹ 678.83 million and net cash (outflows) amounting to ₹ 374.80 million for the year ended

on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Seven subsidiaries are located outside India whose financial statements/financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of these subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer note 40);
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts (Refer note 6);
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Pallavi A. Gorakshakar**

(Partner)

(Membership No.105035)

(UDIN:21105035AAAHH8978)

Place: Mumbai

Date: 21 June 2021

## Annexure "A" To The Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of IIFL Wealth Management Limited ("the Parent"/ "the Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of IIFL Wealth Management Limited (hereinafter referred to as "Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in

India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

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

**Pallavi A. Gorakshakar**  
(Partner)  
(Membership No. 105035)  
(UDIN:21105035AAAAHH8978)

Place : Mumbai.  
Date : 21 June 2021

## Consolidated Balance Sheet as at March 31, 2021

|                               |   |          |                      | (₹ in Mn)            |  |  |
|-------------------------------|---|----------|----------------------|----------------------|--|--|
| Particulars                   |   | Note No. | As at March 31, 2021 | As at March 31, 2020 |  |  |
| <b>ASSETS</b>                 |   |          |                      |                      |  |  |
| <b>1</b>                      | <b>Financial Assets</b>   |          |                      |                      |  |  |
| (a)                           | Cash and cash equivalents   | 4        | 3,867.47             | 6,812.19             |  |  |
| (b)                           | Bank balance other than (a) above   | 5        | 4,014.43             | 4,974.86             |  |  |
| (c)                           | Derivative financial instruments  | 6        | 1,664.97             | 1,315.86             |  |  |
| (d)                           | Receivables   |          |                      |                      |  |  |
|                               | (I) Trade receivables   | 7        | 2,261.00             | 2,425.49             |  |  |
|                               | (II) Other receivables  | 7        | 1,157.39             | 1,180.00             |  |  |
| (e)                           | Loans   | 8        | 37,205.90            | 36,318.93            |  |  |
| (f)                           | Investments   | 9        | 25,128.59            | 65,124.39            |  |  |
| (g)                           | Other financial assets  | 10       | 1,529.53             | 4,379.00             |  |  |
| <b>2</b>                      | <b>Non-Financial Assets</b>   |          |                      |                      |  |  |
| (a)                           | Current tax assets (net)  |          | 747.10               | 730.44               |  |  |
| (b)                           | Deferred tax assets (net)   | 11       | 11.21                | 52.92                |  |  |
| (c)                           | Property, plant and equipment   | 12       | 2,878.70             | 2,988.03             |  |  |
| (d)                           | Capital work-in-progress  | 13       | 24.29                | 11.00                |  |  |
| (e)                           | Goodwill on acquisition   | 14       | 3,733.94             | 1,878.51             |  |  |
| (f)                           | Other intangible assets   | 15       | 1,516.09             | 876.89               |  |  |
| (g)                           | Right to use  | 16       | 243.12               | 338.19               |  |  |
| (h)                           | Other non-financial assets  | 17       | 1,415.86             | 856.35               |  |  |
| <b>Total Assets</b>           |   |          | <b>87,399.59</b>     | <b>130,263.05</b>    |  |  |
| <b>LIABILITIES AND EQUITY</b> |   |          |                      |                      |  |  |
| <b>LIABILITIES</b>            |   |          |                      |                      |  |  |
| <b>1</b>                      | <b>Financial Liabilities</b>  |          |                      |                      |  |  |
| (a)                           | Derivative financial instruments  | 6        | 2,207.00             | 2,488.37             |  |  |
| (b)                           | 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 | 18       | 883.38               | 694.45               |  |  |

(₹ in Mn)

| Particulars   | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|---|----------|----------------------|----------------------|
| (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 | 18       | 3,032.20             | 2,347.59             |
| (c) Finance Lease Obligation  | 16       | 268.68               | 354.39               |
| (d) Debt securities   | 19       | 44,079.17            | 54,261.48            |
| (e) Borrowings (other than debt securities)   | 20       | 1,041.55             | 28,499.19            |
| (f) Subordinated liabilities  | 21       | 1,995.69             | 5,620.34             |
| (g) Other financial liabilities   | 22       | 4,077.23             | 5,115.96             |
| <b>2 Non-Financial Liabilities</b>  |          |                      |                      |
| (a) Current tax liabilities (net)   |          | 587.80               | 170.36               |
| (b) Provisions  | 23       | 118.47               | 92.77                |
| (c) Deferred tax liabilities (net)  | 11       | 341.02               | 322.97               |
| (d) Other non-financial liabilities   | 24       | 489.73               | 380.15               |
| <b>3 EQUITY</b>   |          |                      |                      |
| (a) Equity share capital  | 25       | 175.77               | 174.29               |
| (b) Other equity  | 26       | 28,101.90            | 29,740.74            |
| <b>Total Liabilities and Equity</b>   |          | <b>87,399.59</b>     | <b>130,263.05</b>    |

**See accompanying Notes to the Financial Statements**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Pallavi A. Gorakshakar**

Partner

Place : Mumbai

Dated: June 21, 2021

**For and on behalf of the Board of Directors****Karan Bhagat**Managing Director  
(DIN: 03247753)**Mihir Nanavati**

Chief Financial Officer

Place : Mumbai

Dated: May 18, 2021

**Yatin Shah**Director  
(DIN: 03231090)**Amit Bhandari**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

|             |   | (₹ in Mn) |                  |                  |
|-------------|---|-----------|------------------|------------------|
|             | Particulars   | Note No.  | 2020-21          | 2019-20          |
| <b>1</b>    | <b>Revenue from operations</b>                          |           |                  |                  |
| (a)         | Interest income   | 27        | 6,349.27         | 7,799.25         |
| (b)         | Dividend & Distribution income on investments           | 28        | 77.60            | 45.50            |
| (c)         | Fees and commission income                              | 29        | 7,376.78         | 6,775.63         |
| (d)         | Net gain on fair value changes                          | 30        | 1,825.77         | -                |
| (e)         | Sale of products(including Excise Duty)                 |           | 486.85           | 410.41           |
|             | <b>Total revenue from operations</b>                    |           | <b>16,116.27</b> | <b>15,030.79</b> |
| <b>2</b>    | <b>Other income</b>                                     | 31        | 473.93           | 243.97           |
| <b>3</b>    | <b>Total income (1+2)</b>                               |           | <b>16,590.20</b> | <b>15,274.76</b> |
|             | <b>Expenses</b>   |           |                  |                  |
| (a)         | Finance costs   | 32        | 4,135.47         | 5,015.89         |
| (b)         | Fees and commission expenses                            |           | 973.21           | 1,035.85         |
| (c)         | Net loss on fair value changes                          |           |                  | 330.93           |
| (d)         | Net loss on derecognition of financial instruments      |           | 19.78            | -                |
| (e)         | Impairment on financial instruments                     | 33        | 184.84           | (53.01)          |
| (f)         | Purchases of Stock-in-trade                             |           | 538.23           | 222.25           |
| (g)         | Changes in Inventories of stock-in-trade                |           | -                | 197.51           |
| (h)         | Employee benefits expenses                              | 34        | 4,089.61         | 3,729.32         |
| (i)         | Depreciation, amortization and impairment               | 12,15,16  | 429.70           | 410.22           |
| (j)         | Others expenses   | 35        | 1,370.12         | 1,521.59         |
| <b>4</b>    | <b>Total expenses</b>                                   |           | <b>11,740.96</b> | <b>12,410.55</b> |
| <b>(V)</b>  | <b>Profit before exceptional items and tax (III-IV)</b> |           | 4,849.24         | 2,864.21         |
| <b>(VI)</b> | <b>Exceptional items</b>                                |           |                  |                  |
| <b>5</b>    | <b>Profit before tax (3-4)</b>                          |           | <b>4,849.24</b>  | <b>2,864.21</b>  |
| <b>6</b>    | <b>Tax expense:</b>                                     |           |                  |                  |
| (a)         | Current tax   | 36        | 1,239.61         | 693.56           |
| (b)         | Deferred tax  | 36        | (82.29)          | 159.01           |
| <b>7</b>    | <b>Profit for the year (5-6)</b>                        |           | <b>3,691.92</b>  | <b>2,011.64</b>  |

|             |  |                 | (₹ in Mn)       |  |
|-------------|--|-----------------|-----------------|--|
| Particulars | Note No.   | 2020-21         | 2019-20         |  |
| <b>8</b>    | <b>Other comprehensive income/(loss)</b>   |                 |                 |  |
| (a)         | (i) Items that will not be reclassified to profit or loss  |                 |                 |  |
|             | - Remeasurements of Employee Benefits  | 10.20           | (22.43)         |  |
|             | (ii) Income tax relating to items that will not be reclassified to profit or loss  | (2.55)          | 5.65            |  |
|             | Subtotal (a)   | <b>7.65</b>     | <b>(16.78)</b>  |  |
| (b)         | (i) Items that will be reclassified to profit or loss  |                 |                 |  |
|             | - Foreign currency translation reserve   | (6.47)          | 69.60           |  |
|             | (ii) Income tax relating to items that will be reclassified to profit or loss  | -               | -               |  |
|             | Subtotal (b)   | <b>(6.47)</b>   | <b>69.60</b>    |  |
|             | Other comprehensive income (a+b)   | <b>1.18</b>     | <b>52.82</b>    |  |
| <b>9</b>    | <b>Total comprehensive income for the year (7+8)<br/>(Comprising profit and other comprehensive income for the year)</b> | <b>3,693.10</b> | <b>2,064.46</b> |  |
| <b>10</b>   | <b>Earnings per equity share</b>   |                 |                 |  |
|             | Basic (₹)  | 37              | 42.24           |  |
|             | Diluted (₹)  | 37              | 41.76           |  |

**See accompanying Notes to the Financial Statements**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Dated: June 21, 2021

**For and on behalf of the Board of Directors**

**Karan Bhagat**  
Managing Director  
(DIN: 03247753)

**Mihir Nanavati**  
Chief Financial Officer

Place : Mumbai  
Dated: May 18, 2021

**Yatin Shah**  
Director  
(DIN: 03231090)

**Amit Bhandari**  
Company Secretary

## Consolidated Statement of Cashflows for the year ended March 31, 2021

| Particulars   | (₹ in Mn)       |                  |
|---|-----------------|------------------|
|   | 2020-21         | 2019-20          |
| <b>A. Cash flows from operating activities</b>                                |                 |                  |
| <b>Net profit before taxation and extraordinary item</b>                      | <b>4,849.24</b> | <b>2,864.21</b>  |
| <b>Adjustments for:</b>   |                 |                  |
| Depreciation, amortization and impairment                                     | 429.70          | 410.22           |
| Provisions for Employee benefits  | 33.58           | 35.14            |
| Net changes in Fair value through Profit and loss of Investments              | (3,811.89)      | (1,874.76)       |
| Net changes in Fair value through Profit and loss of Investments - Unrealised | (303.52)        | (506.03)         |
| Impairment on financial instruments - Trade receivables                       | 13.88           | 7.79             |
| Impairment on financial instruments - Loans                                   | 170.96          | (60.80)          |
| Net change in fair value of Derivative Financial Instruments                  | (425.70)        | 930.43           |
| Net change in fair value of Borrowings  | 1,116.37        | 2,691.77         |
| Share based payments to employees   | 454.06          | 230.49           |
| Interest Income   | (6,451.40)      | (7,892.66)       |
| Interest expenses   | 4,062.21        | 4,933.62         |
| Net Gain on Sale of Property, plant and equipment                             | 1.56            | 9.35             |
| Interest Paid   | (3,097.21)      | (4,196.37)       |
| Interest received   | 7,188.13        | 7,385.58         |
| <b>Operating profit before working capital changes</b>                        | <b>4,229.97</b> | <b>4,967.98</b>  |
| <b>Changes in working Capital :</b>   |                 |                  |
| (Increase)/ Decrease in Financial/Non-financial Assets                        | 2,640.66        | (4,599.78)       |
| Increase/ (Decrease) in Financial/Non-financial Liabilities                   | (846.30)        | 3,782.69         |
| <b>Cash generated from operations</b>   | <b>6,024.33</b> | <b>4,150.89</b>  |
| (Increase)/ Decrease in Loans   | (1,063.31)      | 13,397.01        |
| <b>Cash generated from operating activities</b>                               | <b>4,961.02</b> | <b>17,547.90</b> |
| <b>Cash flow before extraordinary item</b>                                    |                 |                  |
| Net income tax(paid) / refunds  | (838.82)        | (1,267.04)       |
| <b>Net cash generated from operating activities (A)</b>                       | <b>4,122.20</b> | <b>16,280.86</b> |



| Particulars   | (₹ in Mn)          |                    |
|---|--------------------|--------------------|
|   | 2020-21            | 2019-20            |
| <b>B. Cash flows from investing activities</b>                              |                    |                    |
| Purchase of investments   | (585,557.38)       | (1,265,132)        |
| Sale of investments   | 629,103.58         | 1,233,348          |
| Interest received   | 124.60             | 84.66              |
| Acquisition of subsidiaries   | (2,257.81)         | -                  |
| Fixed Deposit (placed)/matured  | 123.13             | (989.65)           |
| Inter-Corporate Deposits given  | 5.44               | 500.00             |
| Inter-Corporate Deposits returned back                                      | -                  | (500.00)           |
| Purchase/sale of Property, plant and equipment (includes intangible assets) | (252.18)           | (917.81)           |
| Others  | (0.06)             | -                  |
| <b>Net cash generated from/(used in) investing activities (B)</b>           | <b>41,289.32</b>   | <b>(33,606.93)</b> |
| <b>C. Cash flows from financing activities</b>                              |                    |                    |
| Issuance of share capital   | 1.48               | 4.12               |
| Securities premium received   | 339.96             | 609.16             |
| Dividend paid (including dividend distribution tax)                         | (6,125.89)         | (2,096.47)         |
| Treasury stock  |                    | (0.12)             |
| Borrowings -raised  | 5,125,174          | 5,712,624          |
| Borrowings - repaid   | (5,152,633)        | (5,695,960)        |
| Debt Securities and Subordinated Liabilities- taken                         | 280,838            | 189,862.52         |
| Debt Securities and Subordinated Liabilities - repaid                       | (2,95,778.68)      | (182,011.06)       |
| Share issue expenses paid   | -                  | (0.83)             |
| Interest Paid   | (172.73)           | (135)              |
| Shares application money recd   | (0.07)             | 0.07               |
| <b>Net cash generated from / (used in ) financing activities (C)</b>        | <b>(48,356.25)</b> | <b>22,896.68</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>         | <b>(2,944.72)</b>  | <b>5,570.61</b>    |
| Opening Cash & cash equivalents   | 6,812.19           | 1,241.58           |
| <b>Closing Cash &amp; cash equivalents</b>                                  | <b>3,867.47</b>    | <b>6,812.19</b>    |

**See accompanying Notes to the Financial Statements**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Pallavi A. Gorakshakar**  
Partner

Place : Mumbai  
Dated: June 21, 2021

**For and on behalf of the Board of Directors**

**Karan Bhagat**  
Managing Director  
(DIN: 03247753)

**Mihir Nanavati**  
Chief Financial Officer

Place : Mumbai  
Dated: May 18, 2021

**Yatin Shah**  
Director  
(DIN: 03231090)

**Amit Bhandari**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(₹ in Mn)

| Particulars  | Equity attributable to owners of the Company |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      |                    | Total            |
|--|--|-------------------------------|----------------------------|-----------------|--|-------------------------|-----------------|------------------------------------|---------------|-------------------|--------------------------------------|--------------------|------------------|
|  | Equity Share Capital                         | Equity Share pending issuance | Securities Premium Account | General Reserve | Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 | Share application money | Other Equity    |                                    |               |                   |                                      | Total Other Equity |                  |
|  |  |                               |                            |                 |  |                         | Capital Reserve | Debenture Redemption Reserve (DRR) | ESOP Reserve  | Retained Earnings | Foreign currency translation reserve |                    |                  |
| <b>Balance at the beginning of the year April 01,2020</b>  | 174.29                                       | -                             | 18,804.34                  | 196.00          | 1,118.74   | 0.07                    | 111.00          | -                                  | 255.40        | 9,052.45          | 202.74                               | 29,740.74          | <b>29,915.03</b> |
| Shares issued during the year  | 1.34   |                               | 304.43                     |                 |  |                         |                 |                                    |               |                   |                                      | 304.43             | 305.77           |
| Shares transferred from Employee benefit trust   |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Share issue expenses   |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Addition during the year   |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Profit for the year  |  |                               |                            |                 |  |                         |                 |                                    |               | 3,691.92          |                                      | 3,691.92           | 3,691.92         |
| Other comprehensive income   |  |                               |                            |                 |  |                         |                 |                                    |               | 7.65              | (6.47)                               | 1.18               | 1.18             |
| Dividends (including dividend distribution tax)  |  |                               |                            |                 |  |                         |                 |                                    |               | (6,125.89)        |                                      | (6,125.89)         | (6,125.89)       |
| Transfer to DRR  |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Transfer (to)/from other reserves  | 0.07   |                               | 71.20                      | 0.16            | 313.37   | (0.07)                  |                 |                                    | (71.36)       | (313.37)          |                                      | (0.07)             | 0.00             |
| Addition/(deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 3) | -  | -                             |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Treasury stock   | 0.07   |                               | 35.53                      |                 |  |                         |                 |                                    |               |                   |                                      | 35.53              | 35.60            |
| Employee share based payment   |  |                               |                            |                 |  |                         |                 |                                    | 454.06        |                   |                                      | 454.06             | 454.06           |
| Others   |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| <b>Balance at the end of the March 31,2021</b>   | <b>175.77</b>                                | <b>-</b>                      | <b>19,215.50</b>           | <b>196.16</b>   | <b>1,432.11</b>  | <b>-</b>                | <b>111.00</b>   | <b>-</b>                           | <b>638.10</b> | <b>6,312.76</b>   | <b>196.27</b>                        | <b>28,101.90</b>   | <b>28,277.67</b> |

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

| Particulars  | Equity attributable to owners of the Company |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      |                    | Total            |
|--|--|-------------------------------|----------------------------|-----------------|--|-------------------------|-----------------|------------------------------------|---------------|-------------------|--------------------------------------|--------------------|------------------|
|  | Equity Share Capital                         | Equity Share pending issuance | Other Equity               |                 |  |                         |                 |                                    |               |                   |                                      |                    |                  |
|  |  |                               | Securities Premium Account | General Reserve | Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 | Share application money | Capital Reserve | Debenture Redemption Reserve (DRR) | ESOP Reserve  | Retained Earnings | Foreign currency translation reserve | Total Other Equity |                  |
| <b>Balance at the beginning of the year April 01,2019</b>  | 168.97                                       | 1.20                          | 18,124.02                  | 183.50          | 879.25   | -                       | 111.00          | 12.50                              | 97.02         | 9,393.55          | 133.14                               | 28,933.98          | 29,104.15        |
| Shares issued during the year  | 4.12   |                               | 609.16                     |                 |  |                         |                 |                                    |               |                   |                                      | 609.16             | 613.28           |
| Share issue expenses   |  |                               | (0.83)                     |                 |  |                         |                 |                                    |               |                   |                                      | (0.83)             | (0.83)           |
| Addition during the year   |  |                               |                            |                 |  | 0.07                    |                 |                                    |               |                   |                                      | 0.07               | 0.07             |
| Profit for the year  |  |                               |                            |                 |  |                         |                 |                                    |               | 2,011.64          |                                      | 2,011.64           | 2,011.64         |
| Other comprehensive income   |  |                               |                            |                 |  |                         |                 |                                    |               | (16.78)           | 69.60                                | 52.82              | 52.82            |
| Dividends (including dividend distribution tax)  |  |                               |                            |                 |  |                         |                 |                                    |               | (2,096.47)        |                                      | (2,096.47)         | (2,096.47)       |
| Transfer to DRR  |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Transfer (to)/from other reserves  |  |                               | 72.11                      | 12.50           | 239.49   |                         |                 | (12.50)                            | (72.11)       | (239.49)          |                                      | -                  | -                |
| Addition/(deletion) during the year pursuant to the Composite scheme of arrangement (Refer Note 3) | 1.20   | (1.20)                        |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| Treasury stock   | -  |                               | (0.12)                     |                 |  |                         |                 |                                    |               |                   |                                      | (0.12)             | (0.12)           |
| Employee share based payment   |  |                               |                            |                 |  |                         |                 |                                    | 230.49        |                   |                                      | 230.49             | 230.49           |
| Others   |  |                               |                            |                 |  |                         |                 |                                    |               |                   |                                      | -                  | -                |
| <b>Balance at the end of the March 31,2020</b>   | <b>174.29</b>                                | <b>-</b>                      | <b>18,804.34</b>           | <b>196.00</b>   | <b>1,118.74</b>  | <b>0.07</b>             | <b>111.00</b>   | <b>-</b>                           | <b>255.40</b> | <b>9,052.45</b>   | <b>202.74</b>                        | <b>29,740.74</b>   | <b>29,915.03</b> |

### Securities Premium Account

Securities premium account includes the difference between face value of equity shares and consideration in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium account. Further, fair value of exercised stock options are transferred from "ESOP Reserves" to securities premium account.

### General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to Statement of profit or loss.

### Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934

One of the subsidiary of the Group is registered with Reserve Bank of India as Non-Banking Finance company, which is required to transfer at least 20% of its net profits each year before declaration of dividend as per Section 45-IC of the Reserve Bank of India Act, 1934.

### Capital Reserve

This reserve is created pursuant to the transfer of "Wealth Business Undertaking" in accordance with the composite scheme of arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders.

### Debenture Redemption Reserve (DRR)

One of the subsidiary of the group had issued Non-convertible debentures and created DRR in terms of the Companies (Share capital and Debenture) Rules,2014 (as amended). The amounts credited to DRR may not be utilised except to redeem the debentures. The subsidiary had created debenture redemption reserve for the Listed Secured Non-Convertible Debentures for ₹ 12.5 Mn out of Surplus in Statement of Profit & Loss.

### ESOP Reserve

It relates to share options granted to the employees by the Holding Company under its employee stock option plan. It will be transferred to Share Capital and Securities Premium (if any) on exercise of options by the employees.

### Retained Earnings

The balance in Retained Earnings primarily represents surplus after payment of dividend (including tax on dividend) and transfer to reserves.

### Foreign currency translation reserve

This reserve represents exchange difference arising from translation of assets and liabilities of the foreign subsidiaries from their respective reporting currency into Indian rupees for the purpose of consolidation.

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

## 1 CORPORATE INFORMATION:

The Consolidated Financial Statements of IIFL Wealth Management Limited (the Parent Company) consist of IIFL Wealth Management Limited and its subsidiaries namely: IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited), IIFL Investment Advisers and Trustee Services Limited, IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited), IIFL Asset Management Limited, IIFL Trustee Limited, IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Ltd), IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018), IIFL Altiore Advisors Private Limited (Formerly known as Altiore Advisors Private Limited) (w.e.f November 05, 2018), IIFL Wealth Employee Welfare Benefit Trust (w.e.f August 01, 2018), IIFL (Asia) Pte. Ltd, IIFL Securities Pte. Ltd, IIFL Capital Pte. Ltd, IIFL Private Wealth Management (Dubai) Ltd, IIFL Private Wealth Hongkong Ltd, IIFL Inc. (Voluntary liquidated w.e.f. Mar 29, 2021) IIFL Capital (Canada) Ltd. and IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd) IIFL Wealth Capital Markets Limited (w.e.f. April 24, 2021) (Formerly L&T Capital Markets Limited) (the Parent Company including Wealth Business Undertaking and its subsidiaries, collectively referred to as "the Group"). The Group mainly acts as wealth manager and provides financial products distribution, transaction advisory, asset management, portfolio management, lending; credit and investment, trustee services by mobilizing funds and assets of various classes of investors including High Networth Individuals.

## 2 SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of Compliance:

The Group'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. These financial statements have been approved for issuance by the Board of Directors of IIFL Wealth Management at their meeting held on May 18, 2021.

### b) Basis of Consolidation and preparation

The Consolidated Financial Statements comprise the financial statements of the Parent Company (including the Wealth Business Undertaking) and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Parent to enable the Parent to Consolidated the financial statements of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities

of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full.

- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, if any.

### 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 Group generates its revenue.

- Distribution Services and Commissions: Fees and commissions with respect to distribution services are recognised at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- Investment/Fund Management and Trustee fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- Advisory fees: Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements.
- 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 classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
  - Dividend income is accounted in the period in which the right to receive the same is established.

- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow and the amount of income can be measured reliably.

#### **d) Business Combinations**

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### **e) Goodwill on acquisition**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognise an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods. On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

#### **f) 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.

The Group 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 Consolidated 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 considered as depreciable assets having regard to its infinite useful life. Leasehold land and Leasehold improvements are amortized over the period of lease. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

#### **Estimated useful life of the assets is as under:**

| <b>Class of assets</b>    | <b>Useful life in years</b> |
|---------------------------|-----------------------------|
| Computers*                | 3                           |
| Electrical Equipment*     | 5-10                        |
| Office equipment          | 5                           |
| Furniture and fixtures* # | 5-10                        |
| Vehicles*                 | 5                           |
| Air conditioners*         | 5                           |
| Building                  | 51                          |

\* For these class of assets, based on internal assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

# Furniture and fixtures includes leasehold improvements, which is depreciated on a straight-line basis over the period of lease.

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 derecognised 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 recognised in the Consolidated Statement of Profit and Loss when the item is derecognised.

#### **g) Intangible assets**

##### **Measurement at recognition:**

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

**Amortization:**

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

**Estimated useful economic life of the assets is as under:**

| Class of assets         | Useful life in years |
|-------------------------|----------------------|
| Software                | 3-5                  |
| Customer relationships  | 20                   |
| Asset Management Rights | 10                   |

**Derecognition:**

The carrying amount of an intangible asset is derecognised 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 recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

**h) Impairment**

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

An impairment loss is recognised 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 recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Consolidated 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 recognised.

**i) 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 Group recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised 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 Group classifies a financial asset in accordance with the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Based on the above criteria, the Group classifies its financial assets into the following categories:

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

- Financial assets measured at amortized cost:**



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

- The Group'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 receivables, Loans and Other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

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

- The Group'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 recognised in the Consolidated statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognised 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 Consolidated Statement of Profit and Loss.

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

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as mentioned above. This is a residual category applied to all other

investments of the Group excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated 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 derecognised (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

- The contractual rights to cash flows from the financial asset expires;
- The Group 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 Group 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 Group 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 recognised in the Consolidated Statement of Profit and Loss.

#### Impairment of financial assets:

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

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that

the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group recognises 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) recognised at amortised costs.
- (ii) recognised at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

##### **Subsequent measurement:**

- (i) All financial liabilities of the Group are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the group categorized at fair value are subsequently measured at fair value through profit and loss statement.
- (iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

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

#### **j) Derivative financial instruments**

The Group enters into derivative financial contracts, which are initially recognised 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 recognised in profit or 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 recognised at fair value and is subsequently measured at fair value at the each reporting period and the resulting gain or loss is recognised in the Statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

#### k) Fair Value

The Group 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 Consolidated 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 recognised in the Consolidated financial statements at fair value on a recurring basis, the Group 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.

#### l) Foreign Currency Translation

These Consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency.

##### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

##### Measurement of foreign currency items at reporting date:

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

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

##### Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates for the period unless the exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising, if any, on translation are recognised in Other Comprehensive Income and accumulated equity. On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that foreign operation is reclassified to Consolidated Statement of Profit and Loss.

#### m) Income Taxes

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

##### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated 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 recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognised 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 recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 recognised.

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.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised 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 Group 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 Group. 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.

#### **n) Provisions and Contingencies**

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

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

#### **o) 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.

## p) 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 recognised in the period in which the employee renders the related service. The Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### Post-Employment Benefits:

#### i. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Group 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 Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

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

The Group recognises contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services to the Group 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 recognised 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 recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### ii. Defined benefit plans:

Gratuity scheme: The Parent Company, an Indian subsidiary and its foreign subsidiary operates a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

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

## q) Lease accounting

The Group 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 Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

### **As a lessee**

The Group 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 Group's incremental borrowing rate. Generally, the Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its

assessment of whether it will exercise a purchase, extension or termination option.

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

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

The Group 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 Group 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 Group 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 Group 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 Group 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.

#### **r) Borrowing Cost**

Borrowing cost includes interest, amortization

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

#### s) Segment Reporting

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

#### t) Share-based Compensation

The Group recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

#### u) Earnings Per Share:

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

Dilutive potential equity shares are determined independently for each period presented.

#### v) Key Accounting Estimates and Judgements

The preparation of the Group'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.

### 3 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:

#### - Property, Plant and Equipment

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.

#### 4 CASH AND CASH EQUIVALENTS

| Particulars   | (₹ in Mn)               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b> |                         |                         |
| Cash on hand  | 0.47                    | 0.36                    |
| Cheques in hand   | 0.46                    | -                       |
| Balance with banks  |                         |                         |
| - In client account   | -                       | -                       |
| - Others  | 3,866.54                | 3,711.49                |
| In Deposit accounts (with original maturity of three months or less)      | -                       | 3,100.34                |
| Others  |                         |                         |
| <b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b> | <b>3,867.47</b>         | <b>6,812.19</b>         |

#### 5 BANK BALANCE OTHER THAN 4 ABOVE:

| Particulars  | (₹ in Mn)               |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Other Bank Balances</b>   |                         |                         |
| In Earmarked Accounts  | 2,025.82                | 2,852.34                |
| In Deposit accounts (with original maturity of more than 3 months) | 1,988.61                | 2,122.52                |
| <b>Total</b>   | <b>4,014.43</b>         | <b>4,974.86</b>         |

#### Out of the Fixed Deposits shown above:

| Particulars                                 | (₹ in Mn)               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Lien marked against bank guarantee          | 1,327.67                | 1,037.35                |
| Lien marked against overdraft facility      | 50.08                   | 50.80                   |
| Collateral with exchange                    | 116.67                  | 60.84                   |
| Lien marked against derivative transactions | 444.99                  | 910.95                  |
| Other deposits                              | 49.20                   | 62.58                   |
| <b>Total</b>                                | <b>1,988.61</b>         | <b>2,122.52</b>         |

#### 6 DERIVATIVE FINANCIAL INSTRUMENTS (REFER NOTE 38)

| Part I   | Derivative Financial Instruments<br>(Refer Note 38) |                        |                             | (₹ in Mn)           |                        |                             |
|--|---|------------------------|-----------------------------|---------------------|------------------------|-----------------------------|
|  | Notional<br>amounts                                 | Fair value -<br>Assets | Fair value -<br>Liabilities | Notional<br>amounts | Fair value -<br>Assets | Fair value -<br>Liabilities |
| <b>(i) Interest rate derivatives</b>                     |   |                        |                             |                     |                        |                             |
| Interest rate swaps                                      |   |                        |                             | 26,000.00           | -                      | 1,143.59                    |
| <b>Subtotal(i)</b>                                       |   |                        |                             | <b>26,000.00</b>    | <b>-</b>               | <b>1,143.59</b>             |
| <b>(ii) Equity linked derivatives<br/>(Nifty Linked)</b> |   |                        |                             |                     |                        |                             |
| Option premium paid                                      | 5,268.19  | 1,638.58               | -                           | 5,524.85            | 469.40                 | -                           |
| Option premium received                                  | 2,678.91  | -                      | 47.99                       | 3,759.74            | -                      | 871.43                      |
| Derivative component of liabilities                      |   | 26.39                  | 2,159.01                    | -                   | 846.46                 | 473.35                      |
| <b>Subtotal(ii)</b>                                      | <b>7,947.10</b>                                     | <b>1,664.97</b>        | <b>2,207.00</b>             | <b>9,284.59</b>     | <b>1,315.86</b>        | <b>1,344.78</b>             |
| <b>Total Derivative Financial Instruments (i) + (ii)</b> | <b>7,947.10</b>                                     | <b>1,664.97</b>        | <b>2,207.00</b>             | <b>35,284.59</b>    | <b>1,315.86</b>        | <b>2,488.37</b>             |



(₹ in Mn)

| Part II  | As at March 31, 2021 |                     |                          | As at March 31, 2020 |                     |                          |
|--|----------------------|---------------------|--------------------------|----------------------|---------------------|--------------------------|
|  | Notional amounts     | Fair value - Assets | Fair value - Liabilities | Notional amounts     | Fair value - Assets | Fair value - Liabilities |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: |                      |                     |                          |                      |                     |                          |
| (i) Fair value hedging   |                      |                     |                          | -                    | -                   | -                        |
| (ii) Cash flow hedging   |                      |                     |                          | -                    | -                   | -                        |
| (iii) Net investment hedging   |                      |                     |                          | -                    | -                   | -                        |
| (iv) Undesignated derivatives  | 7,947.10             | 1,664.97            | 2,207.00                 | 35,284.59            | 1,315.86            | 2,488.37                 |
| <b>Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)</b>                                   | <b>7,947.10</b>      | <b>1,664.97</b>     | <b>2,207.00</b>          | <b>35,284.59</b>     | <b>1,315.86</b>     | <b>2,488.37</b>          |

## 7 RECEIVABLES (REFER NOTE 38)

(₹ in Mn)

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>(i) Trade receivables</b>                               |                      |                      |
| Receivables considered good - Secured                      | -                    | -                    |
| Receivables considered good - Unsecured                    | 2,261.00             | 2,425.49             |
| Receivables - credit impaired                              | 25.31                | 10.49                |
| <b>Total (i)- Gross</b>                                    | <b>2,286.31</b>      | <b>2,435.98</b>      |
| Less: Impairment loss allowance                            | (25.31)              | (10.49)              |
| <b>Total (i)- Net</b>                                      | <b>2,261.00</b>      | <b>2,425.49</b>      |
| <b>(ii) Other receivables</b>                              |                      |                      |
| Receivables considered good - Secured                      | 673.99               | 324.83               |
| Receivables considered good - Unsecured                    | 483.40               | 855.17               |
| Receivables which have significant increase in credit risk |                      |                      |
| Receivables - credit impaired                              |                      |                      |
| <b>Total (ii)- Gross</b>                                   | <b>1,157.39</b>      | <b>1,180.00</b>      |
| Less: Impairment loss allowance                            | -                    | -                    |
| <b>Total (ii)- Net</b>                                     | <b>1,157.39</b>      | <b>1,180.00</b>      |

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2021 and 31st March 2020.
- Other receivables include receivables on sale of Investments aggregating to ₹ 262.67 mn (PY - ₹ 360.66 mn)
- Other receivables are generally secured by margin money received from clients and/or securities held on behalf of the clients pending settlement.
- No trade receivables and other receivables are interest bearing.

## 8 LOANS (REFER NOTE 38)

(₹ in Mn)

| Loans  | As at March 31, 2021 |  |                              |  |          | As at March 31, 2020 |                     |  |                              |  |          |                  |
|--|----------------------|--|------------------------------|--|----------|----------------------|---------------------|--|------------------------------|--|----------|------------------|
|  | Amor-<br>tised cost  | At Fair value                                    |                              |  | Subtotal | Total                | Amor-<br>tised cost | At Fair value                                    |                              |  | Subtotal | Total            |
|  |                      | Through<br>Other<br>Compre-<br>hensive<br>Income | Through<br>profit or<br>loss | Desig-<br>nated at<br>fair value<br>through<br>profit or<br>loss |          |                      |                     | Through<br>Other<br>Compre-<br>hensive<br>Income | Through<br>profit or<br>loss | Desig-<br>nated at<br>fair value<br>through<br>profit or<br>loss |          |                  |
| <b>(A)</b>   |                      |  |                              |  |          |                      |                     |  |                              |  |          |                  |
| (i) Term loans   | 37,030.08            | -  | -                            | -  | -        | 37,030.08            | 36,469.11           | -  | -                            | -  | -        | 36,469.11        |
| (ii) CBLO Lending  | 499.95               | -  | -                            | -  | -        | 499.95               | -                   | -  | -                            | -  | -        | -                |
| (iii) Inter Corporate<br>Deposits and Interest on<br>ICD | 4.03                 | -  | -                            | -  | -        | 4.03                 | 9.47                | -  | -                            | -  | -        | 9.47             |
| (iv) Others - Staff loan                                 | 10.00                | -  | -                            | -  | -        | 10.00                | 7.55                | -  | -                            | -  | -        | 7.55             |
| <b>Total (A) -Gross</b>                                  | <b>37,544.06</b>     | -  | -                            | -  | -        | <b>37,544.06</b>     | <b>36,486.13</b>    | -  | -                            | -  | -        | <b>36,486.13</b> |
| Less: Impairment loss<br>allowance                       | (338.16)             | -  | -                            | -  | -        | (338.16)             | (167.20)            | -  | -                            | -  | -        | (167.20)         |
| <b>Total (A) - Net</b>                                   | <b>37,205.90</b>     | -  | -                            | -  | -        | <b>37,205.90</b>     | <b>36,318.93</b>    | -  | -                            | -  | -        | <b>36,318.93</b> |
| <b>(B)</b>   |                      |  |                              |  |          |                      |                     |  |                              |  |          |                  |
| (i) Secured by tangible<br>assets                        | 36,052.40            | -  | -                            | -  | -        | 36,052.40            | 34,958.79           | -  | -                            | -  | -        | 34,958.79        |
| (ii) Unsecured   | 1,491.66             | -  | -                            | -  | -        | 1,491.66             | 1,527.34            | -  | -                            | -  | -        | 1,527.34         |
| Less: Impairment loss<br>allowance                       | (338.16)             | -  | -                            | -  | -        | (338.16)             | (167.20)            | -  | -                            | -  | -        | (167.20)         |
| <b>Total (B) -Net</b>                                    | <b>37,205.90</b>     | -  | -                            | -  | -        | <b>37,205.90</b>     | <b>36,318.93</b>    | -  | -                            | -  | -        | <b>36,318.93</b> |
| <b>(C)</b>   |                      |  |                              |  |          |                      |                     |  |                              |  |          |                  |
| <b>(I) Loans in India</b>                                | 37,543.78            | -  | -                            | -  | -        | 37,543.78            | 36,485.54           | -  | -                            | -  | -        | 36,485.54        |
| Less: Impairment loss<br>allowance                       | (338.16)             | -  | -                            | -  | -        | (338.16)             | (167.20)            | -  | -                            | -  | -        | (167.20)         |
| <b>Total(C) (I) -Net</b>                                 | <b>37,205.62</b>     | -  | -                            | -  | -        | <b>37,205.62</b>     | <b>36,318.34</b>    | -  | -                            | -  | -        | <b>36,318.34</b> |
| <b>(II) Loans outside India</b>                          | 0.28                 | -  | -                            | -  | -        | 0.28                 | 0.59                | -  | -                            | -  | -        | 0.59             |
| Less: Impairment loss<br>allowance                       | -                    | -  | -                            | -  | -        | -                    | -                   | -  | -                            | -  | -        | -                |
| <b>Total (C) (II) - Net</b>                              | <b>0.28</b>          | -  | -                            | -  | -        | <b>0.28</b>          | <b>0.59</b>         | -  | -                            | -  | -        | <b>0.59</b>      |
| <b>Total C(I) and C(II)</b>                              | <b>37,205.90</b>     | -  | -                            | -  | -        | <b>37,205.90</b>     | <b>36,318.93</b>    | -  | -                            | -  | -        | <b>36,318.93</b> |

Secured loan & Other Credit Facilities given to customer are secured by :-

- Pledge of Shares / Bonds / Mutual Fund & AIF Units
- Equitable/Registered Mortgage on Property
- Personal Guarantee

## 9 INVESTMENTS (REFER NOTE 38)

(₹ in Mn)

| Investments                         | As at March 31, 2021 |                                    |                        |   |                  | As at March 31, 2020 |                |                                    |                        |   |                  |                  |
|-------------------------------------|----------------------|------------------------------------|------------------------|---|------------------|----------------------|----------------|------------------------------------|------------------------|---|------------------|------------------|
|                                     | Amortised cost       | At Fair value                      |                        |   | Subtotal         | Total                | Amortised cost | At Fair value                      |                        |   | Subtotal         | Total            |
|                                     |                      | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |                  |                      |                | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |                  |                  |
| <b>(A)</b>                          |                      |                                    |                        |   |                  |                      |                |                                    |                        |   |                  |                  |
| Mutual funds                        | -                    | -                                  | 2,325.95               | -   | 2,325.95         | 2,325.95             | -              | -                                  | 12,436.24              | -   | 12,436.24        | 12,436.24        |
| Debt securities                     | -                    | -                                  | 13,076.82              | -   | 13,076.82        | 13,076.82            | -              | -                                  | 12,716.44              | -   | 12,716.44        | 12,716.44        |
| Govt securities                     | -                    | -                                  | 649.00                 | -   | 649.00           | 649.00               | -              | -                                  | 32,164.29              | -   | 32,164.29        | 32,164.29        |
| Equity instruments                  | -                    | -                                  | 252.83                 | -   | 252.83           | 252.83               | -              | -                                  | 107.46                 | -   | 107.46           | 107.46           |
| Alternate investment funds          | -                    | -                                  | 8,443.53               | -   | 8,443.53         | 8,443.53             | -              | -                                  | 7,699.96               | -   | 7,699.96         | 7,699.96         |
| Others                              | -                    | -                                  | 380.46                 | -   | 380.46           | 380.46               | -              | -                                  | -                      | -   | -                | -                |
| <b>Total (A)</b>                    | -                    | -                                  | <b>25,128.59</b>       | -   | <b>25,128.59</b> | <b>25,128.59</b>     | -              | -                                  | <b>65,124.39</b>       | -   | <b>65,124.39</b> | <b>65,124.39</b> |
| <b>(B)</b>                          |                      |                                    |                        |   |                  |                      |                |                                    |                        |   |                  |                  |
| i) Investments outside India        | -                    | -                                  | 209.45                 | -   | 209.45           | 209.45               | -              | -                                  | 85.40                  | -   | 85.40            | 85.40            |
| ii) Investments in India            | -                    | -                                  | 24,919.14              | -   | 24,919.14        | 24,919.14            | -              | -                                  | 65,038.99              | -   | 65,038.99        | 65,038.99        |
| <b>Total (B)</b>                    | -                    | -                                  | <b>25,128.59</b>       | -   | <b>25,128.59</b> | <b>25,128.59</b>     | -              | -                                  | <b>65,124.39</b>       | -   | <b>65,124.39</b> | <b>65,124.39</b> |
| <b>(C)</b>                          |                      |                                    |                        |   |                  |                      |                |                                    |                        |   |                  |                  |
| Less: Allowance for impairment loss | -                    | -                                  | -                      | -   | -                | -                    | -              | -                                  | -                      | -   | -                | -                |
| <b>Total- Net (D) = A-C</b>         | -                    | -                                  | <b>25,128.59</b>       | -   | <b>25,128.59</b> | <b>25,128.59</b>     | -              | -                                  | <b>65,124.39</b>       | -   | <b>65,124.39</b> | <b>65,124.39</b> |

Note: Out of the above investments ₹9,366.83 mn (PY - ₹ 46,356.09 ) are kept as collateral

| Name of Investment  | As at March 31, 2021 |              |              | As at March 31, 2020 |               |              |
|---|----------------------|--------------|--------------|----------------------|---------------|--------------|
|   | Face Value           | No. of Units | Total Amount | Face Value           | No. of Units  | Total Amount |
| <b>Investment in Mutual Funds include :</b>   |                      |              |              |                      |               |              |
| ADITYA BIRLA SL CREDIT RISK DIRECT-GROWTH   | -                    | -            | -            | 10,00,000            | 3,591,505.00  | 52.83        |
| ADITYA BIRLA SL CREDIT RISK DIRECT-GROWTH-Segregated Portfolio 1  | 10,00,000            | 3,591,505.00 | 1.49         | 10,00,000            | 3,591,505.00  | 1.56         |
| ADITYA BIRLA SL MEDIUM TERM DIRECT-GROWTH   | -                    | -            | -            | 10,00,000            | 3,162,822.02  | 72.84        |
| ADITYA BIRLA SL MEDIUM TERM DIRECT-GROWTH-Segregated Portfolio 1  | 10,00,000            | 3,162,822.01 | 4.41         | 10,00,000            | 3,162,822.01  | 4.60         |
| AXIS MUTUAL FUND AXIS TECHNOLOGY ETF FUND   | 100,00,000           | 194,160.00   | 50.19        | -                    | -             | -            |
| AXIS STRATEGIC BOND DIRECT-GROWTH   | -                    | -            | -            | 10,00,000            | 4,205,807.00  | 87.21        |
| DSP FMP SERIES 241-36M DIRECT-GROWTH  | -                    | -            | -            | 10,00,000            | 4,800,000.00  | 55.01        |
| FRANKLIN TEMPLETON ASSET MANAGEMENT (INDIA) PRIVATE LIMITED SHORT TERM INCOME PLAN RETAIL GROWTH OPEN END | 1,00,00,000          | 374.31       | 1.49         | -                    | -             | -            |
| HDFC CREDIT RISK DEBT DIRECT-GROWTH   | -                    | -            | -            | 10,00,000            | 2,108,369.00  | 36.78        |
| HDFC DEBT FUND FOR CANCER CURE - 50% REGULAR OPTION-2014 - DIVIDEND DONATION                              | -                    | -            | -            | 10,00,000            | 1,000,000.00  | 10.02        |
| HDFC EQUITY OPPORTUNITIES FUND II 1126D MAY 2017 (1) REG-GROWTH   | -                    | -            | -            | 10,00,000            | 2,000,000.00  | 16.52        |
| HDFC MUTUAL FUND FMP 1124D JU 18 (1) SR 41 DIR GROWTH 26JL21  | -                    | -            | -            | 10,00,000            | 10,245,000.00 | 117.28       |
| HDFC MUTUAL FUND FMP 1302D SEP 16 (1) SR 37 REG GROWTH 21AP20   | -                    | -            | -            | 10,00,000            | 10,815,013.00 | 143.21       |
| HDFC MUTUAL FUND FMP 1309D SEP 16 (1) SR 37 REG GROWTH 20AP20   | -                    | -            | -            | 10,00,000            | 8,100,000.00  | 107.44       |
| HDFC MUTUAL FUND FMP 3360D MAR2014(1)SR30 REG QTLYDIVPY 06JU23  | 10,00,000            | 2,250,000.00 | 37.69        | 10,00,000            | 5,001,000.00  | 51.19        |
| HDFC MUTUAL FUND LIQUID FUND DIRECT GROWTH OPEN ENDED   | -                    | -            | -            | 1,00,00,000          | 94,758.99     | 370.19       |
| HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED   | 1,00,00,000          | 61,134.00    | 247.32       | 1,00,00,000          | 171,786.76    | 667.15       |

| Name of Investment  | As at March 31, 2021 |               |                 | As at March 31, 2020 |                |                  |
|---|----------------------|---------------|-----------------|----------------------|----------------|------------------|
|   | Face Value           | No. of Units  | Total Amount    | Face Value           | No. of Units   | Total Amount     |
| HDFC MUTUAL FUND SHORT TERM DBT FD DIRECT GROWTH OPEN ENDED                         | 10.00000             | 7,338,251.00  | 183.07          | 10.00000             | 12,228,707.00  | 279.89           |
| HDFC SHORT TERM DEBT FUND - REGULAR   | -                    | -             | -               | 10.00000             | 2,243,540.00   | 50.79            |
| ICICI PRULIQUID -G  | -                    | -             | -               | 100.00000            | 6,841,482.51   | 2,001.14         |
| ICICI PRUDENTIAL MUTUAL FUND FMP SR 82-1136D PL P CUM 30AP21                        | 10.00000             | 269,865.00    | 3.41            | 10.00000             | 5,420,000.00   | 63.26            |
| ICICI PRU MEDIUM TERM BOND DIRECT-GROWTH  | -                    | -             | -               | 10.00000             | 1,522,332.00   | 50.56            |
| ICICI Prudential Overnight Fund Growth  | -                    | -             | -               | 100.00000            | 133,725.35     | 39.11            |
| IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH   | 10.00000             | 20,600,176.14 | 361.94          | 10.00000             | 563,624.61     | 9.29             |
| IIFL FOCUSED EQUITY FUND - DIRECT PLAN - GROWTH                                     | 10.00000             | 826,539.44    | 21.41           | 10.00000             | 826,539.44     | 12.02            |
| IIFL LIQUID FUND - DIRECT PLAN - GROWTH   | 1,000.00000          | 4,769.07      | 7.58            | 1,000.00000          | 4,769.07       | 7.36             |
| IIFL LIQUID FUND - REGULAR PLAN - GROWTH  | 1,000.00000          | 8.08          | 0.01            | 1,000.00000          | 8.08           | 0.01             |
| IIFL MUTUAL FUND INDIA GROWTH FD DIR GROWTH OPEN                                    | -                    | -             | -               | 10.00000             | 6,467,210.37   | 94.01            |
| INVESCO INDIA LIQUID-GROWTH   | -                    | -             | -               | 1,000.00000          | 368,473.73     | 1,000.37         |
| KOTAK FMP SERIES 232 - 1137 DAYS - DIRECT PLAN - GROWTH                             | -                    | -             | -               | 10.00000             | 8,225,000.00   | 95.57            |
| KOTAK MAHINDRA MUTUAL FUND MEDIUM TERM FD DIR GROWTH OP                             | -                    | -             | -               | 10.00000             | 2,854,225.00   | 49.06            |
| KOTAK MAHINDRA MUTUAL FUND CREDIT RISK FUND DIR GROWTH ENED                         | -                    | -             | -               | 10.00000             | 4,838,106.01   | 113.50           |
| L&T RESURGENT INDIA BOND DIRECT-GROWTH  | -                    | -             | -               | 10.00000             | 2,829,354.55   | 43.57            |
| L & T MUTUAL FUND FMP SR XIV SCHEME A(1233D) GROWTH 15MY20                          | -                    | -             | -               | 10.00000             | 8,758,338.00   | 105.92           |
| RELIANCE MUTUAL FUND LIQUID FD-GRW PL-GROWTH - DEMAT MODE                           | -                    | -             | -               | 1,000.00000          | 41,000.00      | 197.72           |
| SBI LIQUID FUND - REGULAR PLAN -GROWTH  | 1,000.00000          | 184,073.98    | 589.61          | 1,000.00000          | 1,532,405.55   | 4,740.68         |
| SBI MUTUAL FUND LIQUID FD-DIRECT GROWTH   | 1,000.00000          | 209,201.31    | 673.97          | 1,000.00000          | 161,704.89     | 502.74           |
| SBI SAVINGS-GROWTH  | 10.00000             | 100,000.88    | 3.26            | 10.00000             | 34,740,162.07  | 1,076.84         |
| SBI SAVINGS FUND - DIRECT PLAN - GROWTH   | 10.00000             | 4,067,953.43  | 139.10          | -                    | -              | -                |
| UTI FIXED TERM INCOME FUND - SERIES XXVII - II (1161 DAYS) REG-GROWTH               | -                    | -             | -               | 10.00000             | 9,776,500.00   | 109.00           |
| <b>Total</b>  |                      |               | <b>2,325.95</b> |                      |                | <b>12,436.24</b> |
| <b>Investment in Government Securities include :</b>                                |                      |               |                 |                      |                |                  |
| 07.32% GOVERNMENT OF INDIA FVRS100 28JAN2024  | 100.00000            | 1,000,000.00  | 107.48          | 100.00000            | 162,500,000.00 | 17,414.61        |
| 08.24% GOVERNMENT OF INDIA GOVT. STOCK 2027   | -                    | -             | -               | 100.00000            | 7,500,000.00   | 830.17           |
| 07.16% GOVT. STOCK 2023   | -                    | -             | -               | 100.00000            | 500,000.00     | 53.61            |
| 07.68% GOVT. STOCK 2023   | -                    | -             | -               | 100.00000            | 5,000,000.00   | 545.81           |
| 07.35% GOVT. STOCK 2024   | 100.00000            | 5,000,000.00  | 541.52          | 100.00000            | 53,500,000.00  | 5,784.00         |
| 08.40% GOVT. STOCK 2024   | -                    | -             | -               | 100.00000            | 50,000,000.00  | 5,556.28         |
| 07.72% GOVT. STOCK 2025   | -                    | -             | -               | 100.00000            | 16,500,000.00  | 1,805.68         |
| 09.15% GOVT. STOCK 2024   | -                    | -             | -               | 100.00000            | 1,500,000.00   | 174.13           |
|   |                      |               | <b>649.00</b>   |                      |                | <b>32,164.29</b> |
| <b>Investment in Debt Securities include :</b>                                      |                      |               |                 |                      |                |                  |
| 0% KOTAK MAHINDRA INVESTMENTS LIMITED KMIL/2018-19/NCD03 ZC NCD 29JN21 FVRS10LAC    |                      |               |                 | 1,000,000.00000      | 8              | 7.55             |
| 0.00% EMBASSY OFFICE PARKS REIT 3-JUNE-22   | -                    | -             | -               | 1,000,000.00000      | 103            | 112.17           |
| 0.00% INDIA GRID TRUST 4-JAN-23   | 1,000,000.00000      | 10            | 11.85           | 1,000,000.00000      | 111            | 120.02           |
| 0.00% TATA CAPITAL FINANCE 17-MARCH-21  | -                    | -             | -               | 1,000,000.00000      | 250            | 248.49           |
| 7.27% PFC LTD TAX FREE BOND 15 YRS SR2A ANNUAL                                      | -                    | -             | -               | 1,000.00000          | 425.00         | 0.51             |
| 7.39% HUDCO TAX FREE BOND 15 YRS TR2IIA ANNUAL                                      | -                    | -             | -               | 1,000.00000          | 602.00         | 0.69             |
| 7.51/8.01 HOUSING AND URBAN DEVELOPMENT CORP. LTD. 7.51/8.01 LOA 16FB28 FVRS1000_N5 | -                    | -             | -               | 1,000.00000          | 1,701.00       | 1.89             |
| 8.1/8.22 HOUSING AND URBAN DEVELOPMENT CORP. LTD. 8.1/8.22 LOA 05MR22 FVRS1000_N3   | -                    | -             | -               | 1,000.00000          | 4,540.00       | 4.76             |
| 8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA 8.2 BD 25JN22 FVRS1000_N1                | -                    | -             | -               | 1,000.00000          | 143,902.00     | 155.70           |
| 8.3% L & T INFR FIN CO LTD NCD 22MR21 FVRS1000                                      | -                    | -             | -               | 1,000.00000          | 9,036.00       | 17.85            |
| 8.30% NATIONAL HIGHWAYS AUTHORITY OF INDIA 8.3 BD 25JN27 FVRS1000_N2                | 1,000.00000          | 6,171.00      | 7.61            | 1,000.00000          | 50,000.00      | 59.08            |

| Name of Investment   | As at March 31, 2021 |              |              | As at March 31, 2020 |              |              |
|--|----------------------|--------------|--------------|----------------------|--------------|--------------|
|  | Face Value           | No. of Units | Total Amount | Face Value           | No. of Units | Total Amount |
| 8.40% INDIGRID 2024 SECURED REDEEMABLE MLD SERIES B FV 10 LAKHS 24JAN24                | -                    | -            | -            | 1,000,000.00000      | 653.00       | 661.62       |
| 8.52 IDFC FIRST BANK LIMITED SR-OBB 17 OPT IV NCD 27FB25 FVRS10LAC                     | -                    | -            | -            | 1,000,000.00000      | 98.00        | 94.99        |
| 8.54% NHPC LTD TAX FREE BOND 15 YRS TR-I SR2-A ANNUAL                                  | -                    | -            | -            | 1,000.00000          | 1,685.00     | 2.14         |
| 8.70% BANK OF BARODA SERIES X NCD PERPETUAL FVRS10LAC                                  | 1,000,000.00000      | 270.00       | 279.36       | 1,000,000.00000      | 150.00       | 147.12       |
| 8.75% SBI SERIES I 8.75 BD PERPETUAL FVRS10LAC   | 1,000,000.00000      | 133.00       | 142.85       | 1,000,000.00000      | 1.00         | 1.04         |
| 8.75% TATA PROJECTS LIMITED SR B 8.75 NCD 11JN23 FVRS10LAC                             | -                    | -            | -            | 1,000,000.00000      | 750.00       | 778.34       |
| 8.85% HDFC BANK BASEL III PERPETUAL BONDS SERIES 1/2017-18                             | 1,000,000.00000      | 15.00        | 16.51        | 1,000,000.00000      | 52.00        | 55.70        |
| 8.90% RELIANCE HOME FINANCE LTD SR-I CAT III & IV 3YRS FV RS 1000                      | 1,000.00000          | 10.00        | 0.00         | 1,000.00000          | 10.00        | 0.00         |
| 8/8.15 INDIAN RAILWAY FINANCE CORPORATION LIMITED 8/8.15 LOA 23FB22 FVRS1000_N1        | -                    | -            | -            | 1,000.00000          | 252,877.00   | 272.13       |
| 9.08% UNION BANK OF INDIA SR-XXIV BD PERPETUAL FVRS10LAC                               | 1,000,000.00000      | 1,094.00     | 1,197.56     | 1,000,000.00000      | 95.00        | 101.58       |
| 9.20% POWER FINANCE CORPORATION LTD. BD 07JL21 FVRS10LAC LOA UPTO 07JL14               | -                    | -            | -            | 1,000,000.00000      | 10.00        | 10.96        |
| 9.37% STATE BANK OF INDIA SERIES II BD PERPETUAL FVRS10LAC                             | 1,000,000.00000      | 30.00        | 32.09        | 1,000,000.00000      | 191.00       | 199.39       |
| 9.45% STATE BANK OF INDIA NCD FV10LAC 22MAR2030  | 1,000,000.00000      | 99.00        | 103.29       | 1,000,000.00000      | 350.00       | 355.53       |
| 9.50 INDUSIND BANK LIMITED BD PERPETUAL FVRS10LAC                                      | -                    | -            | -            | 1,000,000.00000      | 85.00        | 83.26        |
| 9.50% INDUSIND BANK LIMITED BD PERPETUAL FVRS10LAC                                     | -                    | -            | -            | 1,000,000.00000      | 2.00         | 1.95         |
| 9.56% STATE BANK OF INDIA SERIES 1 NCD PERPETUAL FVRS10LAC                             | 1,000,000.00000      | 40.00        | 43.13        | 1,000,000.00000      | 15.00        | 15.80        |
| 9.90% ICICI BANK LIMITED SR DDE18AT 9.90 BD PERPETUAL FVRS10LAC                        | 1,000,000.00000      | 1.00         | 1.09         | 1,000,000.00000      | 226.00       | 234.56       |
| 9.95% SYNDICATE BANK SR-IV LOA PERPETUAL FVRS10LAC                                     | -                    | -            | -            | 1,000,000.00000      | 5.00         | 5.17         |
| 10.50% INDUSIND BANK LIMITED SERIES III-2019 NCD PERPEUAL FVRS10LAC                    | 1,000,000.00000      | 261.00       | 257.62       | 1,000,000.00000      | 377.00       | 369.54       |
| ADITYA BIRLA FINANCE LIMITED SERIES C1 NCD 05JU20 FVRS10LAC                            | -                    | -            | -            | 1,000,000.00000      | 20.00        | 23.33        |
| HDB FINANCIAL SERVICES LIMITED SERIES A/0(ZC)/124 NCD 29OT21 FVRS10LAC                 | -                    | -            | -            | 1,000,000.00000      | 50.00        | 58.55        |
| HDB FINANCIAL SERVICES LIMITED SR-A/0/104 OP 3 NCD 08JL20 FVRS10LAC                    | -                    | -            | -            | 1,000,000.00000      | 7.00         | 8.72         |
| HINDUJA LEYLAND FINANCE LIMITED SR 001 BR NCD 17SP24 FVRS10LAC                         | -                    | -            | -            | 1,000,000.00000      | 228.00       | 255.08       |
| ICICI BANK LIMITED SR- DMR17AT 9.2 BD PERPETUAL FVRS10LAC                              | 1,000,000.00000      | 35.00        | 35.81        | 1,000,000.00000      | 240.00       | 239.96       |
| ICICI BANK LIMITED SR-DMR18AT 9.15 BD PERPETUAL FVRS10LAC                              | 1,000,000.00000      | 50.00        | 54.82        | 1,000,000.00000      | 15.00        | 15.93        |
| INDIA INFOLINE FINANCE LIMITED MLD-2021 G2 NCD 22NOV21                                 | -                    | -            | -            | 1,000,000.00000      | 3.00         | 3.09         |
| INDIA INFOLINE FINANCE LIMITED SR C-12 BR NCD 27AR20 FVRS10LAC                         | -                    | -            | -            | 1,000,000.00000      | 8.00         | 9.15         |
| INDIAN RAILWAY FINANCE CORPORATION LIMITED 8 / 8.15 BD 23FB22 FVRS1000 LOA UPTO 22FB12 | -                    | -            | -            | 1,000.00000          | 150,000.00   | 161.42       |
| KOTAK MAHINDRA INVESTMENTS LIMITED SR-030 NCD 05AG20 FVRS10LAC                         | -                    | -            | -            | 1,000,000.00000      | 5.00         | 4.89         |
| L&T INFRA DEBT FUND LIMITED SR D-FY 2019-20 BR NCD 28FB25 FVRS10LAC                    | -                    | -            | -            | 1,000,000.00000      | 85.00        | 86.16        |
| L&T INFRA DEBT FUND LIMITED SR E-FY 2019-20  | -                    | -            | -            | 1,000,000.00000      | 1,046.00     | 1,081.04     |
| LIC HOUSING FINANCE LIMITED SR TRANCHE 375 LOA 18MY20 FVRS10LAC                        | -                    | -            | -            | 1,000,000.00000      | 50.00        | 55.35        |
| PUNJAB NATIONAL BANK SR-IX9.21BDPERPETUALFVRS10 LACLOAUPTO27AP17                       | 1,000,000.00000      | 1.00         | 1.01         | 1,000,000.00000      | 451.00       | 444.86       |
| PUNJAB NATIONAL BANK SR-VII 9.15 LOA PERPETUAL FVRS10LAC                               | -                    | -            | -            | 1,000,000.00000      | 437.00       | 426.53       |

| Name of Investment   | As at March 31, 2021 |              |              | As at March 31, 2020 |              |              |
|--|----------------------|--------------|--------------|----------------------|--------------|--------------|
|  | Face Value           | No. of Units | Total Amount | Face Value           | No. of Units | Total Amount |
| PUNJAB NATIONAL BANK SR-VIII 8.95 LOA PERPETUAL FVRS10LAC                                      | -                    | -            | -            | 1,000,000.00000      | 781.00       | 774.95       |
| PUNJAB NATIONAL BANK SR-XI 8.98 BD PERPETUALFVRS10LACLOAUPTO03SP17                             | -                    | -            | -            | 1,000,000.00000      | 859.00       | 892.93       |
| RELIANCE CAPITAL LIMITED SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC                             | 100,000.00000        | 239.00       | 8.92         | 100,000.00000        | 239.00       | 8.92         |
| RELIANCE CAPITAL LIMITED SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC                              | 100,000.00000        | 704.00       | 26.25        | 100,000.00000        | 704.00       | 26.25        |
| STATE BANK OF INDIA SR-1 9 BD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 2.00         | 2.12         | 1,000,000.00000      | 29.00        | 30.76        |
| STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL FVRS10LAC   | -                    | -            | -            | 1,000,000.00000      | 437.00       | 452.20       |
| STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 610.00       | 650.24       | 1,000,000.00000      | 1,650.00     | 1,717.20     |
| SYNDICATE BANK SR-V 9.8 LOA PERPETUAL FVRS10LAC  | -                    | -            | -            | 1,000,000.00000      | 1,383.00     | 1,443.18     |
| UNION BANK OF INDIA SR-XXIII TR-2 9.1 BD PERPETUAL FVRS10LAC                                   | -                    | -            | -            | 1,000,000.00000      | 381.00       | 376.46       |
| 0.00% HDB FINANCIAL SERVICES LIMITED SR-A/0/119 NCD 08JU21 FVRS10LAC                           | 1,280,989.00000      | 20.00000     | 25.62        | -                    | -            | -            |
| 0.00% TATA CAPITAL HOUSING FINANCE 24-JAN-24   | 1,000,000.00000      | 3.00000      | 3.04         | -                    | -            | -            |
| 10.99% UNION BANK OF INDIA SR-III10.99 BDPERPETUALFVRS10LACLOAUPTO04AG16                       | 1,000,000.00000      | 42.00000     | 45.53        | -                    | -            | -            |
| 11% RAJDARBAR PSORIASIS RESEARCH CENTRE PRIVATE LIMITED 11 NCD 01FB24 FVRS10LAC                | 1,000,000.00000      | 250.00000    | 256.90       | -                    | -            | -            |
| 6.6861% MINDSPACE BUSINESS PARK REIT 17-MAY-24   | 1,000,000.00000      | 50.00000     | 50.20        | -                    | -            | -            |
| 7.04% HUDCO TAX FREE BOND 10 YRS TR2IA ANNUAL  | 1,000.00000          | 1,000.00000  | 1.13         | -                    | -            | -            |
| 7.04% INDIAN RAILWAY FINANCE CORPORATION LIMITED SR-106 7.04 BD 03MR26 FVRS10LACLOAUPTO 05AP16 | 1,000,000.00000      | 13.00000     | 14.87        | -                    | -            | -            |
| 7.18% REC LTD TAX FREE BOND 20 YRS SR3A ANNUAL   | 1,000.00000          | 229.00000    | 0.30         | -                    | -            | -            |
| 7.35%/7.64% IRFC 22-MAR-2031   | 1,000.00000          | 850.00000    | 1.06         | -                    | -            | -            |
| 7.39/7.64 HUDCO 8-FEB-2031   | 1,000.00000          | 500.00000    | 0.61         | -                    | -            | -            |
| 8.18% NHPC LTD TAX FREE BOND 10 YRS TR-I SR1-A ANNUAL  | 1,000.00000          | 32,210.00000 | 37.55        | -                    | -            | -            |
| 8.2/8.35 HOUSING AND URBAN DEVELOPMENT CORP. LTD. 8.2/8.35 LOA 05MR27 FVRS1000                 | 1,000.00000          | 4,100.00000  | 4.86         | -                    | -            | -            |
| 8.23% IRFC 10YRS SR1A 18022024   | 1,000.00000          | 19,978.00000 | 23.44        | -                    | -            | -            |
| 8.35% INDIAN RAILWAY FINANCE CORPORATION LIMITED SR- 89 OP-I 8.35 LOA 21NV23 FVRS10LAC         | 1,000,000.00000      | 1.00000      | 1.17         | -                    | -            | -            |
| 8.41% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED TRCH-II SR-1A 8.41 LOA 22JN24 FVRS1000      | 1,000.00000          | 5,000.00000  | 5.56         | -                    | -            | -            |
| 8.41% NTPC LTD TAX FREE BOND 10 YRS SR1A ANNUAL_16DC23   | 1,000.00000          | 37,998.00000 | 42.44        | -                    | -            | -            |
| 8.50% / 8.75% NHAI BOND 05-FEB-29 (CORPORATE)  | 1,000.00000          | 25,000.00000 | 31.63        | -                    | -            | -            |
| 8.50% BANK OF BARODA SR XIV 8.50 BD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 25.00000     | 25.71        | -                    | -            | -            |
| 8.50% SBI 22-NOV-24 PERP   | 1,000,000.00000      | 393.00000    | 411.43       | -                    | -            | -            |
| 8.75% AXIS BANK LIMITED SR-28 NCD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 370.00000    | 398.57       | -                    | -            | -            |
| BANK OF BARODA SR XII 8.25 BD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 60.00000     | 62.89        | -                    | -            | -            |
| BANK OF BARODA SRV10.49NCDPERPETUALFVRS10LAC LOAUPTO29MR17                                     | 1,000,000.00000      | 97.00000     | 99.13        | -                    | -            | -            |
| BANK OF BARODA SR-IX 8.65 BD PERPETUAL FVRS10LAC   | 1,000,000.00000      | 110.00000    | 116.88       | -                    | -            | -            |
| BANK OF BARODA SR-VII 9.14 BD PERPETUAL FVRS10LAC  | 1,000,000.00000      | 15.00000     | 15.24        | -                    | -            | -            |
| EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED (EPDPL) - EMBASSY MLD SERIES - I - 28APRIL23     | 1,000,000.00000      | 1,500.00000  | 1,500.45     | -                    | -            | -            |
| EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED BR NCD 02MR30 FVRS10LAC                          | 1,000,000.00000      | 163.00000    | 161.16       | -                    | -            | -            |
| EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED BR NCD 02MR30 FVRS10LAC - SERIES 2               | 1,000,000.00000      | 52.00000     | 52.28        | -                    | -            | -            |
| HDB FINANCIAL SERVICES LIMITED SR 2020 A/0(ML)/4 BR NCD 09MY23 FVRS10LAC                       | 1,000,000.00000      | 14.00000     | 15.24        | -                    | -            | -            |
| ICICI BANK LIMITED SR-DOT17AT 8.55 BD PERPETUAL FVRS10LAC                                      | 1,000,000.00000      | 148.00000    | 156.04       | -                    | -            | -            |
| IIFL HOME FINANCE LIMITED MLD-2028 SERIES C3 FVRS10LAC   | 1,000,000.00000      | 140.00000    | 173.03       | -                    | -            | -            |

| Name of Investment   | As at March 31, 2021 |               |                  | As at March 31, 2020 |              |                  |
|--|----------------------|---------------|------------------|----------------------|--------------|------------------|
|  | Face Value           | No. of Units  | Total Amount     | Face Value           | No. of Units | Total Amount     |
| IIFL HOME FINANCE LIMITED SERIES C12 BR NCD 25AP24 FVRS10LAC                                     | 1,000,000.00000      | 78.00000      | 92.05            | -                    | -            | -                |
| KOTAK MAHINDRA PRIME LIMITED NCD 19JN24 FVRS10LAC  | 1,000,000.00000      | 76.00000      | 65.41            | -                    | -            | -                |
| MINDSPACE BUSINESS PARKS REIT- MLD SERIES 2  | 1,000,000.00000      | 650.00000     | 655.14           | -                    | -            | -                |
| MINDSPACE BUSINESS PARKS REIT SR 2 BR NCD 17MY24 FVRS10LAC                                       | 1,000,000.00000      | 51.00000      | 51.91            | -                    | -            | -                |
| PRIUS COMMERCIAL PROJECTS PRIVATE LIMITED 12 NCD 02MR36 FVRS1000                                 | 1,000.00000          | 633,400.00000 | 633.40           | -                    | -            | -                |
| PRIUS COMMERCIAL PROJECTS PRIVATE LIMITED SR 2 NCD 02MR41 FVRS1000                               | 1,000.00000          | 881,489.00000 | 70.60            | -                    | -            | -                |
| PUNJAB NATIONAL BANK SR-VIII8.95 BDPERPETUALFVRS10LACLOAUP002AP17                                | 1,000,000.00000      | 53.00000      | 53.65            | -                    | -            | -                |
| RAJDARBAR NINE VENTURES PRIVATE LIMITED 11 NCD 18DC23 FVRS10LAC                                  | 1,000,000.00000      | 1,350.00000   | 1,375.99         | -                    | -            | -                |
| REDDY VEERANNA INVESTMENTS PRIVATE LIMITED SR A NCD 30SP22 FVRS10LAC                             | 1,000,000.00000      | 63.00000      | 31.74            | -                    | -            | -                |
| REDDY VEERANNA INVESTMENTS PRIVATE LIMITED SR. 1 NCD 30SP22 FVRS10LAC                            | 1,000,000.00000      | 1,626.00000   | 1,629.40         | -                    | -            | -                |
| REDDY VEERANNA INVESTMENTS PRIVATE LIMITED SR. 1 NCD 30SP22 FVRS10LAC                            | 1,000,000.00000      | 60.00000      | 60.13            | -                    | -            | -                |
| REDDY VEERANNA INVESTMENTS PRIVATE LIMITED SR-A NCD 30SP22 FVRS10LAC                             | 1,000,000.00000      | 105.00000     | 60.33            | -                    | -            | -                |
| SAMASTA MICROFINANCE LIMITED SR-EC975-191021 NCD 19OCT21 FVRS10LAC                               | 100,000.00000        | 69.00000      | 8.94             | -                    | -            | -                |
| VIDYA TRUST 2021 SERIES II SERIES II PTC 26MAR21 (THINK & LEARN PVT LTD PTC 9.55% IRR 15MAR2022) | 10,000.00000         | 167,770.00000 | 1,681.85         | -                    | -            | -                |
|  |                      |               | <b>13,076.63</b> |                      |              | <b>12,716.44</b> |

**Investment in Equity Instrument include :**

|  |          |               |               |          |            |               |
|--|----------|---------------|---------------|----------|------------|---------------|
| FINEWORTHY SOFTWARE SOLUTION PRIVATE LIMITED               | 10.00000 | 489,904.00    | 112.19        | 10.00000 | 489,904.00 | 106.86        |
| MF UTILITIES INDIA PRIVATE LIMITED                         | 1.00000  | 500,000.00    | 0.50          | 1.00000  | 500,000.00 | 0.50          |
| PRIUS COMMERCIAL PROJECTS PRIVATE LIMITED EQ NEW FV ₹ 10/- | 10.00000 | 14,000,000.00 | 140.00        | -        | -          | -             |
| StoveKraft   | -        | 82.00         | 0.04          | -        | -          | -             |
| IIFLW CSR FOUNDATION                                       | 10.00000 | -             | 0.10          | 10.00000 | -          | 0.10          |
|  |          |               | <b>252.83</b> |          |            | <b>107.46</b> |

**Investment in Alternate investment funds include :**

|   |              |               |        |              |               |        |
|---|--------------|---------------|--------|--------------|---------------|--------|
| ABAKKUS EMERGING OPPORTUNITIES FUND - 1 - CLASS E | 1,000.00000  | 10,000.00     | 19.05  | 1,000.00000  | 10,000.00     | 8.12   |
| ABAKKUS GROWTH FUND - 1 - CLASS E                 | 1,000.00000  | 10,000.00     | 16.44  | 1,000.00000  | 10,000.00     | 7.35   |
| ASK SELECT FOCUS FUND - CLASS E                   | 1,000.00000  | 10,597.22     | 14.71  | 1,000.00000  | 10,597.22     | 8.50   |
| BLUME VENTURES (OPPORTUNITIES) FUND IIA           | 100.00000    | 699,068.07    | 129.77 | 100.00000    | 400,045.84    | 43.40  |
| BLUME VENTURES FUND                               | 10,000.00000 | 1.79          | 0.06   | 10,000.00000 | 910.00        | 22.09  |
| Boothbay Fund                                     | -            | -             | 183.32 | -            | -             | -      |
| BOV CAPITAL FUND                                  | 1 USD        | 385,432.00    | 24.98  | 1 USD        | 500,000.00    | 41.78  |
| CERRACAP II LP FUND                               | -            | -             | 75.33  | -            | -             | 43.62  |
| EDELWEISS CATALYST OPPORTUNITIES FUND - CLASS A1  | -            | -             | -      | 10.00000     | 5,595,834.69  | 41.75  |
| HIGH CONVICTION FUND - SERIES 1 - CLASS S         | 10.00000     | 2,500,000.00  | 31.67  | 10.00000     | 2,500,000.00  | 18.02  |
| IA ALL CAP FUND - CLASS S                         | 10.00000     | 10,356,188.09 | 104.54 | 10.00000     | 10,356,188.09 | 60.66  |
| IA BALANCE FUND - CLASS S2                        | -            | -             | -      | 10.00000     | 778,505.41    | 8.73   |
| IA BLENDED FUND - SERIES 2 - CLASS A              | 10.00000     | 14,368,578.45 | 121.51 | 10.00000     | 26,264,366.63 | 259.36 |
| IA BLENDED FUND - SERIES 2 - CLASS S              | 10.00000     | 5,096,412.67  | 42.99  | 10.00000     | 3,611,612.99  | 35.67  |
| IA DIVERSIFIED FUND - CLASS S2                    | 10.00000     | 9,370,981.20  | 110.35 | 10.00000     | 2,514,771.62  | 29.26  |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S1       | 10.00000     | 2,990,919.72  | 43.81  | 10.00000     | 2,990,919.72  | 28.27  |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S2       | 10.00000     | 1,015,710.31  | 14.27  | 10.00000     | 1,015,710.31  | 7.92   |
| IA OPPORTUNITIES FUND - SERIES 1 - CLASS S5       | 10.00000     | 311,276.14    | 8.60   | 10.00000     | 100.10        | 0.18   |
| IA OPPORTUNITIES FUND - SERIES 2 - CLASS S1       | 10.00000     | 4,094,149.34  | 55.46  | 10.00000     | 4,094,149.34  | 36.16  |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S2       | 10.00000     | 192,925.37    | 2.23   | 10.00000     | 192,925.37    | 1.52   |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S4       | 10.00000     | 714,520.61    | 8.20   | 10.00000     | 714,520.61    | 7.70   |
| IA OPPORTUNITIES FUND - SERIES 4 - CLASS S5       | 10.00000     | 192,879.77    | 2.35   | 10.00000     | 192,879.77    | 1.53   |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S1       | -            | -             | -      | 10.00000     | 238,068.95    | 2.23   |

| Name of Investment   | As at March 31, 2021 |               |              | As at March 31, 2020 |               |              |
|--|----------------------|---------------|--------------|----------------------|---------------|--------------|
|  | Face Value           | No. of Units  | Total Amount | Face Value           | No. of Units  | Total Amount |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S2                          | -                    | -             | -            | 10.00000             | 241,854.52    | 1.91         |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S4                          | -                    | -             | -            | 10.00000             | 469,868.62    | 3.88         |
| IA OPPORTUNITIES FUND - SERIES 6 - CLASS S5                          | -                    | -             | -            | -                    | -             | -            |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S1                          | 10.00000             | 147,651.32    | 2.04         | 10.00000             | 100,000.00    | 0.92         |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S2                          | -                    | -             | -            | 10.00000             | 79,902.19     | 0.62         |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S3                          | -                    | -             | -            | 10.00000             | 480,811.87    | 3.81         |
| IA OPPORTUNITIES FUND - SERIES 8 - CLASS S4                          | 10.00000             | 1,286,010.34  | 16.23        | 10.00000             | 359,270.98    | 4.05         |
| IA OPPORTUNITIES FUND - SERIES 9 - CLASS S4                          | 10.00000             | 2,464,149.07  | 29.15        | 10.00000             | 1,485,569.38  | 13.59        |
| IA VALUE FUND - SERIES A - CLASS S4                                  | 7.41030              | 1,697,585.10  | 8.89         | 10.00000             | 1,697,585.10  | 18.23        |
| ICICI PRUDENTIAL REAL ESTATE AIF II - CLASS A                        | 100.00000            | 639,428.06    | 53.56        | 100.00000            | 314,646.58    | 26.86        |
| IIFL ASIA OPPORTUNITIES FEEDER FUND                                  | 10 USD               | 2,500.00      | 184.47       | -                    | -             | -            |
| IIFL BLENDED FUND - SERIES A - CLASS S1                              | 10.00000             | 2,238,190.16  | 22.95        | 10.00000             | 2,238,190.16  | 13.09        |
| IIFL BLENDED FUND - SERIES A - CLASS S2                              | 10.00000             | 2,014,489.69  | 26.48        | 10.00000             | 2,014,489.69  | 16.14        |
| IIFL BLENDED FUND - SERIES A - CLASS S3                              | 10.00000             | 1,962,115.86  | 26.72        | 10.00000             | 1,962,115.86  | 17.75        |
| IIFL BLENDED FUND - SERIES A - CLASS S4                              | 10.00000             | 1,993,820.26  | 28.31        | 10.00000             | 1,993,820.26  | 16.91        |
| IIFL BLENDED FUND - SERIES A - CLASS S5                              | 10.00000             | 2,051,947.16  | 30.97        | 10.00000             | 2,051,947.16  | 16.37        |
| IIFL BLENDED FUND - SERIES B - CLASS S                               | 10.00000             | 3,223,489.50  | 41.04        | 10.00000             | 3,223,489.50  | 26.70        |
| IIFL BLENDED FUND - SERIES C - CLASS B                               | 10.00000             | 2,500.00      | 0.03         | 10.00000             | 2,500.00      | 0.02         |
| IIFL BLENDED FUND - SERIES C - CLASS S                               | 10.00000             | 3,193,222.93  | 39.68        | 10.00000             | 3,193,222.93  | 29.52        |
| IIFL EQUITY OPPORTUNITIES FUND - CLASS A                             | 10.00000             | 14,090,830.26 | 142.34       | -                    | -             | -            |
| IIFL EQUITY OPPORTUNITIES FUND - CLASS S                             | 10.00000             | 6,474,482.85  | 66.43        | 10.00000             | 1,944,390.94  | 18.07        |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S1                       | -                    | -             | -            | 10.00000             | 2,532,726.88  | 35.00        |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S2                       | -                    | -             | -            | 10.00000             | 2,681,829.17  | 18.60        |
| IIFL FOCUSED EQUITY STRATEGIES FUND - CLASS S3                       | -                    | -             | -            | 10.00000             | 2,798,155.07  | 30.78        |
| IIFL HIGH GROWTH COMPANIES FUND - Class A1                           | -                    | -             | -            | 10.00000             | 7,983,908.32  | 69.19        |
| IIFL HIGH GROWTH COMPANIES FUND - Class A2                           | -                    | -             | -            | 10.00000             | 3,043,992.30  | 26.63        |
| IIFL HIGH GROWTH COMPANIES FUND - CLASS S                            | 10.00000             | 9,370,389.59  | 149.09       | 10.00000             | 6,300,855.67  | 56.98        |
| IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CARRY   | 3.99600              | 673.84        | 0.00         | 3.99630              | 673.84        | 0.00         |
| IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CLASS B | 3.99600              | 2,832,165.24  | 3.84         | 3.99630              | 1,899,242.10  | 4.15         |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - Class A1                   | 10.00000             | 11,666,764.59 | 133.58       | 10.00000             | 655,318.43    | 7.11         |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS A3                   | 10.00000             | 1,415,065.24  | 16.27        | 10.00000             | 8,632,170.87  | 93.82        |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS B3                   | -                    | -             | -            | 10.00000             | 8,720,785.37  | 93.77        |
| IIFL INCOME OPPORTUNITIES FUND SERIES 2 - CLASS S                    | 10.00000             | 18,607,307.71 | 215.19       | 10.00000             | 17,500,000.00 | 190.76       |
| IIFL INCOME OPPORTUNITIES FUND SERIES DEBT ADVANTAGE - Class A2      | -                    | -             | -            | 2.15720              | 1,000,000.00  | 2.18         |
| IIFL INCOME OPPORTUNITIES FUND SERIES DEBT ADVANTAGE - CLASS S       | -                    | -             | -            | 2.15720              | 7,102,978.66  | 15.38        |
| IIFL INCOME OPPORTUNITIES FUND SERIES SPECIAL SITUATIONS - CARRY     | 3.99630              | 1,010.77      | 0.00         | 3.99630              | 1,010.77      | 0.00         |
| IIFL INCOME OPPORTUNITIES FUND SERIES SPECIAL SITUATIONS - CLASS B   | 3.99600              | 5,709,898.84  | 7.75         | 3.99630              | 932,923.14    | 2.04         |
| IIFL INDIA PE FUND SERIES 1A - CLASS S                               | 10.00000             | 4,999,750.01  | 66.12        | -                    | -             | -            |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS A                             | 10.00000             | 5,726,134.67  | 56.79        | 10.00000             | 5,726,134.67  | 56.30        |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS B                             | 10.00000             | 18,478,882.92 | 184.40       | 10.00000             | 16,041,035.92 | 158.26       |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS S                             | 10.00000             | 2,373,032.77  | 24.53        | 10.00000             | 1,623,037.43  | 16.26        |
| IIFL LONG TERM EQUITY GROWTH FUND - CLASS S                          | -                    | -             | -            | 10.00000             | 1,000,000.00  | 9.16         |
| IIFL MULTI-STRATEGY FUND - CLASS S                                   | 10.00000             | 10,000,000.00 | 146.94       | 10.00000             | 10,000,000.00 | 84.34        |
| IIFL ONE OPPORTUNITIES FOF - SERIES 1 CLASS S                        | 10.00000             | 999,950.00    | 10.00        | -                    | -             | -            |
| IIFL ONE OPPORTUNITIES FUND - SERIES 20 - CLASS S                    | 10.00000             | 6,657,179.88  | 74.46        | 10.00000             | 5,530,405.69  | 34.77        |
| IIFL RE ORGANIZE INDIA EQUITY FUND - CLASS S                         | -                    | -             | -            | 10.00000             | 11,440,326.99 | 60.98        |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CARRY                  | 4.80700              | 2,064.00      | 0.02         | 6.06340              | 2,139.00      | 0.02         |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CLASS A                | 4.80700              | 8,086,078.81  | 38.07        | 6.06340              | 8,086,078.81  | 47.98        |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CLASS B                | 4.80700              | 6,480,489.66  | 29.93        | 6.06340              | 5,560,256.52  | 32.48        |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS B                | 7.49460              | 27,700,742.21 | 149.87       | 8.59350              | 26,712,466.05 | 190.96       |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS C                | 7.49460              | 3,680,000.00  | 10.56        | 4.27990              | 3,680,000.00  | 12.21        |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 3 - CLASS S                | 7.49460              | 25,000,000.00 | 141.89       | 8.59350              | 25,000,000.00 | 186.35       |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CARRY                  | 8.74040              | 2,375.00      | 0.02         | 9.12670              | 2,500.00      | 0.02         |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS A                | 8.74040              | 33,661,718.26 | 231.88       | 9.12670              | 33,661,718.26 | 263.44       |



| Name of Investment   | As at March 31, 2021 |               |              | As at March 31, 2020 |               |              |
|--|----------------------|---------------|--------------|----------------------|---------------|--------------|
|  | Face Value           | No. of Units  | Total Amount | Face Value           | No. of Units  | Total Amount |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS B  | 8.74040              | 3,486,147.57  | 23.87        |                      |               | -            |
| IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS S  | 8.74040              | 10,000,000.00 | 68.89        | 9.12670              | 10,000,000.00 | 78.25        |
| IIFL SEED VENTURE FUND - KOGTA CO-INVESTMENT   | 10.00000             | 2,499.88      | 0.03         |                      |               | -            |
| IIFL SEED VENTURES FUND - SERIES 2 - CLASS S   | 10.00000             | 5,000,000.00  | 57.05        | 10.00000             | 5,000,000.00  | 50.40        |
| IIFL SEED VENTURES FUND 1 - CARRY  | 7.68840              | 1,500.00      | 0.01         | 9.74920              | 1,500.00      | 0.01         |
| IIFL SEED VENTURES FUND 1 - CLASS B  | 7.68840              | 7,258,512.54  | 166.67       |                      |               | -            |
| IIFL SEED VENTURES FUND 1 - CLASS S  | 7.68840              | 18,584,493.69 | 442.78       | 9.74920              | 18,584,493.69 | 434.50       |
| IIFL SELECT EQUITY FUND - CLASS S  | 4.95400              | 2,011,941.36  | 21.57        | 10.00000             | 3,027,199.07  | 42.47        |
| IIFL SELECT EQUITY FUND - CLASS S1   | 4.95400              | 2,982,721.17  | 31.05        | 10.00000             | 4,168,707.62  | 59.83        |
| IIFL SELECT SERIES I - CLASS S   | 2.61800              | 1,680,799.34  | 8.96         | 8.59450              | 1,680,799.34  | 16.54        |
| IIFL SELECT SERIES II - CLASS S  | 10.00000             | 9,329,693.78  | 132.60       | 10.00000             | 5,000,000.00  | 47.15        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CARRY   | 7.60750              | 2,500.00      | 0.02         | 9.17270              | 2,500.00      | 0.02         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CLASS A2  | 7.60750              | 934,180.94    | 10.88        | 9.17270              | 936,113.06    | 8.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CLASS S   | 7.60750              | 4,345,070.33  | 52.11        | 9.17270              | 4,345,070.33  | 39.99        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S                | 10.00000             | 47,643.75     | 0.36         | 10.00000             | 47,643.75     | 0.14         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S                     | -                    | -             | -            | 10.00000             | 172,476.76    | 1.36         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | 10.00000             | 135,116.11    | 2.32         | 10.00000             | 893,170.63    | 9.26         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S                   | 10.00000             | 67,559.79     | 0.30         | 10.00000             | 474,032.44    | 3.65         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S              | 10.00000             | 485,026.05    | 5.27         | 10.00000             | 485,026.05    | 3.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 5.19480              | 404,782.25    | 4.05         | 5.19480              | 404,782.25    | 3.97         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CARRY   | 7.72460              | 2,500.00      | 0.02         | 9.24810              | 2,500.00      | 0.02         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS A1  | 7.72460              | 2,491,298.29  | 29.07        | 9.24810              | 3,392,046.77  | 30.69        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS S   | 7.72460              | 4,506,593.49  | 52.01        | 9.24810              | 4,506,593.49  | 40.44        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S                | 10.00000             | 47,643.75     | 0.37         | 10.00000             | 47,643.75     | 0.14         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S                     | -                    | -             | -            | 10.00000             | 172,476.76    | 1.36         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | -                    | -             | -            | 10.00000             | 893,068.16    | 9.26         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S                   | -                    | -             | -            | 10.00000             | 474,032.44    | 3.65         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S              | 10.00000             | 485,026.05    | 5.27         | 10.00000             | 485,026.05    | 3.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 5.19480              | 404,782.25    | 4.05         | 10.00000             | 404,782.25    | 3.97         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CARRY   | 7.89000              | 2,500.00      | 0.02         | 9.44490              | 2,500.00      | 0.02         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS A1  | -                    | -             | -            | 9.44490              | 1,008,589.44  | 8.72         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS S   | 7.89000              | 4,591,092.16  | 51.23        | 9.44490              | 4,591,092.16  | 40.03        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - BIKAJI FOODS INTERNATIONAL LIMITED - CLASS S            | 10.00000             | 11,880.01     | 0.19         |                      |               | -            |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - CAPACITE INFRAPROJECTS LIMITED - CLASS S                | 10.00000             | 183,867.75    | 1.34         | 10.00000             | 107,192.25    | 0.31         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S                     | -                    | -             | -            | 10.00000             | 387,868.73    | 3.08         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | -                    | -             | -            | 10.00000             | 1,252,756.36  | 12.96        |

| Name of Investment   | As at March 31, 2021 |               |              | As at March 31, 2020 |               |              |
|--|----------------------|---------------|--------------|----------------------|---------------|--------------|
|  | Face Value           | No. of Units  | Total Amount | Face Value           | No. of Units  | Total Amount |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S                   | 10.00000             | 4,889.20      | 0.05         | 10.00000             | 1,065,906.51  | 8.20         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NORTHERN ARC CAPITAL LTD - CLASS S                      | 10.00000             | 109,267.29    | 1.48         | 10.00000             | 85,723.40     | 0.57         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S              | 10.00000             | 1,212,517.62  | 13.19        | 10.00000             | 485,026.05    | 3.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED - CLASS S | 10.00000             | 1,562,426.40  | 15.62        | 10.00000             | 910,753.70    | 8.93         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CARRY   | 8.44610              | 2,500.00      | 0.02         | 10.00000             | 2,500.00      | 0.03         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS A1  | -                    | -             | -            | 10.00000             | 982,469.75    | 8.11         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS S   | 8.44610              | 4,989,314.11  | 56.34        | 10.00000             | 4,989,314.11  | 41.98        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S                     | -                    | -             | -            | 10.00000             | 172,476.76    | 1.36         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS A2     | 10.00000             | 224,996.60    | 4.13         | 10.00000             | 224,996.60    | 2.33         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | 10.00000             | 890,061.60    | 16.51        | 10.00000             | 890,061.60    | 9.26         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S                   | 10.00000             | 1,773,127.21  | 21.71        | 10.00000             | 7,340,756.54  | 56.13        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S              | 10.00000             | 485,026.05    | 5.27         | 10.00000             | 485,026.05    | 3.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CARRY   | 8.52280              | 2,500.00      | 0.02         | 10.00000             | 2,500.00      | 0.03         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS A1  | 8.52280              | 2,250,628.87  | 24.55        | 10.00000             | 4,307,801.27  | 35.24        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS S   | 8.52280              | 5,061,683.74  | 56.92        | 10.00000             | 5,061,683.74  | 41.97        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - INDIA ENERGY EXCHANGE LTD - CLASS S                     | -                    | -             | -            | 10.00000             | 172,476.76    | 1.36         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | 10.00000             | 890,654.40    | 16.51        | 10.00000             | 890,654.40    | 9.26         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NAZARA TECHNOLOGIES LIMITED - CLASS S                   | 10.00000             | 534,033.05    | 5.32         | 10.00000             | 534,033.05    | 4.11         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CO INVESTMENT - NSDL E-GOVERNANCE INFRASTRUCTURE - CLASS S              | 10.00000             | 485,026.05    | 5.27         | 10.00000             | 485,026.05    | 3.48         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 6 - CLASS S   | 5.05160              | 5,000,000.00  | 37.09        | 10.00000             | 5,000,000.00  | 34.91        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CARRY   | 10.00000             | 2,500.00      | 0.03         | 10.00000             | 2,500.00      | 0.03         |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CLASS S   | 10.00000             | 5,000,000.00  | 70.13        | 10.00000             | 5,000,000.00  | 45.48        |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CO INVESTMENT - NATIONAL STOCK EXCHANGE OF INDIA LIMITED - CLASS S      | 10.00000             | 1,091,070.31  | 16.93        | -                    | -             | -            |
| IIFL SPECIAL OPPORTUNITIES FUND - SERIES 8 - CLASS S   | 10.00000             | 1,249,937.50  | 12.53        | -                    | -             | -            |
| IIFL YIELD ENHANCER FUND - CARRY   | 2.01110              | 2,375.00      | 0.00         | 2.23690              | 2,500.00      | 0.01         |
| IIFL YIELD ENHANCER FUND - CLASS A   | 2.01110              | 21,089,660.16 | 35.68        | 2.23690              | 21,089,660.16 | 41.99        |
| IIFL YIELD ENHANCER FUND - CLASS B   | 2.01110              | 9,641,771.15  | 15.63        | 2.23690              | 9,641,771.15  | 18.56        |
| IIFL YIELD ENHANCER FUND - CLASS S   | 2.01110              | 47,473,236.91 | 85.39        | 2.23690              | 47,473,236.91 | 99.42        |
| IIFL-ONE CORE SOLUTIONS AGGRESSIVE   | 10.00000             | 9,532,149.91  | 103.31       | -                    | -             | -            |
| IIFL-ONE CORE SOLUTIONS BALANCED   | 10.00000             | 5,820,136.79  | 62.14        | -                    | -             | -            |
| IIFL-ONE CORE SOLUTIONS CONSERVATIVE   | 10.00000             | 1,999,900.01  | 20.85        | -                    | -             | -            |
| INDIA ALTERNATIVES PRIVATE EQUITY FUND II  | 100,000.00000        | 3,717.92      | 348.78       | 100,000.00000        | 2,759.69      | 242.24       |
| INDIA HOUSING FUND - CARRY   | 9.66090              | 2,500.00      | 0.02         | 9.91520              | 2,500.00      | 0.02         |
| INDIA HOUSING FUND - CLASS A   | 9.66090              | 3,285,635.65  | 38.60        | 9.91520              | 2,511,105.04  | 27.50        |
| INDIA HOUSING FUND - CLASS B   | 9.66090              | 6,509,282.48  | 76.53        | 9.91520              | 3,696,285.65  | 40.54        |
| INDIA HOUSING FUND - CLASS C   | 9.66090              | 1,432,141.08  | 16.85        | -                    | -             | -            |
| INDIA HOUSING FUND - CLASS E   | 9.66090              | 45,339,033.16 | 534.64       | 9.91520              | 51,788,853.56 | 570.61       |
| INDIA HOUSING FUND - CLASS S   | 9.66090              | 5,000,000.00  | 60.84        | 9.91520              | 5,000,000.00  | 56.71        |
| INDIA HOUSING FUND - SERIES 2 - CLASS A  | 5.42070              | 40,080,258.90 | 181.59       | 10.00000             | 15,000,000.00 | 153.12       |

| Name of Investment   | As at March 31, 2021 |               |                  | As at March 31, 2020 |               |                  |
|--|----------------------|---------------|------------------|----------------------|---------------|------------------|
|  | Face Value           | No. of Units  | Total Amount     | Face Value           | No. of Units  | Total Amount     |
| INDIA HOUSING FUND - SERIES 2 - CLASS B                              | 5.42070              | 64,462,965.46 | 293.15           | 10.00000             | 97,014,772.05 | 991.94           |
| INDIA HOUSING FUND - SERIES 2 - CLASS I                              | 5.42070              | 47,470,456.00 | 210.23           | 10.00000             | 60,343,800.00 | 609.96           |
| INDIA HOUSING FUND - SERIES 2 - CLASS S                              | 5.42070              | 6,999,966.32  | 57.88            | 10.00000             | 5,000,000.00  | 50.65            |
| INDIAREIT APARTMENT FUND - CLASS B                                   | 100,000.00000        | 96.22         | 15.23            | 100,000.00000        | 65.77         | 11.13            |
| INDIAREIT FUND SCHEME I  | -                    | -             | -                | 100,000.00000        | 188.91        | 0.81             |
| IRON PILLAR INDIA FUND1 - CLASS A                                    | 100.00000            | 2,380,985.25  | 380.96           | 100.00000            | 2,285,282.34  | 245.90           |
| KAE CAPITAL FUND II A - CLASS B                                      | 100,000.00000        | 2,100.00      | 225.98           | 100,000.00000        | 2,100.00      | 217.63           |
| MALABAR VALUE FUND   | 100.00000            | 855,837.93    | 165.16           | 100.00000            | 855,837.93    | 61.17            |
| MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS B            | -                    | -             | -                | 10.00000             | 726,967.36    | 7.37             |
| MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND - CLASS C            | -                    | -             | -                | 10.00000             | 16,858.22     | 0.35             |
| PEGASUS INDIA EVOLVING OPPORTUNITIES FUND                            | 100,000.00000        | 500.00        | 49.46            | 100,000.00000        | 363.57        | 35.79            |
| PIRAMAL INDIAREIT FUND V   | 100,000.00000        | 40.88         | 4.68             | 100,000.00000        | 45.75         | 4.73             |
| PRELUDE STRUCTURED ALTERNATIVES MASTER FUND, LP                      | -                    | -             | 235.40           | -                    | -             | -                |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES 1 - CLASS E  | 100,000.00000        | 147.02        | 14.31            | 100,000.00000        | 147.02        | 7.16             |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES II - CLASS E | 100,000.00000        | 153.83        | 14.15            | 100,000.00000        | 153.83        | 6.12             |
| SUNDARAM ALTERNATIVE OPPORTUNITIES FUND NANO CAP SERIES II - CLASS I | 100,000.00000        | 0.91          | 0.08             | 100,000.00000        | 0.91          | 0.04             |
| WHITE OAK INDIA EQUITY FUND - CLASS A                                | 10.00000             | 2,900,564.69  | 50.07            | 10.00000             | 2,900,564.69  | 27.39            |
| WHITE OAK INDIA EQUITY FUND - CLASS I                                | 10.00000             | 1,293,392.79  | 24.02            | 10.00000             | 1,293,392.79  | 12.85            |
| WHITE OAK INDIA EQUITY FUND II - CLASS J                             | 10.00000             | 1,000,000.00  | 17.60            | 10.00000             | 1,000,000.00  | 9.40             |
| WHITE OAK INDIA SELECT EQUITY FUND - CLASS J1                        | 10.00000             | 1,000,000.00  | 17.41            | -                    | -             | -                |
| XPONENTIA OPPORTUNITIES FUND I - CLASS B2                            | 100,000.00000        | 970.00        | 114.74           | 100,000.00000        | 800.00        | 80.56            |
| YOURNEST ANGEL FUND - SCHEME 1 - CARRY                               | 1.00000              | 1,575.00      | 0.00             | 1.00000              | 1,575.00      | 0.00             |
| ZERODHA AIF SCHEME 1   | -                    | -             | -                | 100.00000            | 480,646.76    | 48.75            |
|  |                      |               | <b>8,443.47</b>  |                      |               | <b>7,699.96</b>  |
| <b>Investment in Gold PTC include :</b>                              |                      |               |                  |                      |               |                  |
| LIQUID GOLD SERIES 2 - NOV 2020                                      | 100,000.00000        | 49            | 4.94             | -                    | -             | -                |
| LIQUID GOLD SERIES 3 - DEC 2020                                      | 100,000.00000        | 301           | 30.18            | -                    | -             | -                |
| LIQUID GOLD SERIES 4 - FEB 2021                                      | 100,000.00000        | 43            | 4.32             | -                    | -             | -                |
| LIQUID GOLD SERIES 3 - DEC 2023                                      | 100,000.00000        | 30            | 3.24             | -                    | -             | -                |
|  |                      |               | <b>42.68</b>     |                      |               | <b>-</b>         |
| <b>Investment in Others include :</b>                                |                      |               |                  |                      |               |                  |
| EMBASSY OFFICE PARKS REAL ESTATE INV TRUST                           | 10.00000             | 1,014,400.00  | 330.13           | -                    | -             | -                |
| BROOKFIELD INDIA REAL ESTATE TRUST                                   | 10.00000             | 35,400.00     | 7.90             | -                    | -             | -                |
|  |                      |               | <b>338.03</b>    |                      |               | <b>-</b>         |
| <b>Total</b>   |                      |               | <b>25,128.59</b> |                      |               | <b>65,124.39</b> |

## 10 OTHER FINANCIAL ASSETS

| Particulars   | (₹ in Mn)            |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2021 | As at March 31, 2020 |
| Deposit with exchange                                     | 880.82               | 3,367.28             |
| Deposit with Clearing Corporation of India Limited (CCIL) | 64.10                | 31.60                |
| Other deposits  | 86.10                | 426.56               |
| Income accrued & due                                      | 352.33               | 381.11               |
| Advances to group company                                 | 4.02                 | 1.13                 |
| Receivable from Employees                                 | 0.77                 | 1.48                 |
| Others*   | 141.39               | 169.84               |
| <b>Total</b>  | <b>1,529.53</b>      | <b>4,379.00</b>      |

\* Includes Broker balances and subscription amount paid for purchase of Investments pending allotment

## 11 DEFERRED TAXES

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

|   | (₹ in Mn)       |                                |                              |                             |                              |                                      |                 |
|---|-----------------|--------------------------------|------------------------------|-----------------------------|------------------------------|--------------------------------------|-----------------|
|   | Opening balance | Addition on acquisition/merger | Recognised in profit or loss | Foreign exchange difference | MAT Credit utilised/ Created | Recognised in/ reclassified from OCI | Closing balance |
| <b>Deferred tax assets:</b>   |                 |                                |                              |                             |                              |                                      |                 |
| Difference between book base and tax base of property, plant & equipment and intangible assets                      | 30.56           | 0.86                           | (30.16)                      |                             |                              |                                      | 1.26            |
| Carried forward tax losses  | 5.09            | -                              | (4.92)                       | (0.15)                      |                              |                                      | 0.02            |
| Expenses deductible in future years:  | -               | -                              |                              |                             |                              |                                      |                 |
| Impairment of Assets  | 42.84           | -                              | 48.24                        |                             |                              |                                      | 91.08           |
| Retirement benefits for employees   | 22.37           | 2.86                           | 1.05                         |                             |                              | (2.57)                               | 23.71           |
| Impact of IndAS 116   | 3.95            | -                              | 1.88                         |                             |                              |                                      | 5.83            |
| Unutilised MAT credit   | (0.01)          | -                              |                              |                             |                              |                                      | (0.01)          |
| Provision for expenses  | 3.91            | -                              | (3.91)                       |                             |                              |                                      | -               |
| Unrealised profit on investments etc.   | -               | -                              |                              |                             |                              |                                      | -               |
| Others  |                 |                                |                              | -                           | -                            | -                                    | -               |
| <b>Total deferred tax assets (A)</b>  | <b>108.71</b>   | <b>3.72</b>                    | <b>12.18</b>                 | <b>(0.15)</b>               | <b>-</b>                     | <b>(2.57)</b>                        | <b>121.89</b>   |
| Offsetting of deferred tax (assets) with deferred tax liabilities   | (55.79)         |                                |                              |                             |                              |                                      | (110.68)        |
| <b>Net Deferred tax (assets)</b>  | <b>52.92</b>    |                                |                              |                             |                              |                                      | <b>11.21</b>    |
| <b>Deferred tax liabilities:</b>  |                 |                                |                              |                             |                              |                                      |                 |
| Difference between book base and tax base of property, plant & equipment, investment property and intangible assets | -               |                                | -                            | -                           | -                            | -                                    | -               |
| Unrealised profit on investments etc.   | 191.31          |                                | (49.38)                      | -                           | -                            | -                                    | 141.93          |
| Impairment of Financial Assets  | -               | -                              |                              |                             |                              |                                      | -               |
| Goodwill on acquisition   | 187.45          | 143.05                         | (20.73)                      | -                           | -                            | -                                    | 309.77          |
| <b>Total deferred tax liabilities (B)</b>   | <b>378.76</b>   | <b>143.05</b>                  | <b>(70.11)</b>               | <b>-</b>                    | <b>-</b>                     | <b>-</b>                             | <b>451.70</b>   |
| Offsetting of deferred tax liabilities with deferred tax (assets)   | (55.79)         | -                              | -                            | -                           | -                            | -                                    | (110.68)        |
| <b>Net Deferred tax liabilities</b>   | <b>322.97</b>   | <b>143.05</b>                  | <b>(70.11)</b>               | <b>-</b>                    | <b>-</b>                     | <b>-</b>                             | <b>341.02</b>   |
| <b>Deferred tax assets (A - B)</b>  | <b>(270.05)</b> | <b>(139.33)</b>                | <b>82.29</b>                 | <b>(0.15)</b>               | <b>-</b>                     | <b>(2.57)</b>                        | <b>(329.81)</b> |

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

|  | (₹ in Mn)       |                                |                              |                             |                              |                                      |                 |
|--|-----------------|--------------------------------|------------------------------|-----------------------------|------------------------------|--------------------------------------|-----------------|
|  | Opening balance | Addition on acquisition/merger | Recognised in profit or loss | Foreign exchange difference | MAT Credit utilised/ Created | Recognised in/ reclassified from OCI | Closing balance |
| <b>Deferred tax assets:</b>  |                 |                                |                              |                             |                              |                                      |                 |
| Difference between book base and tax base of property, plant & equipment and intangible assets | 58.24           | -                              | (27.68)                      |                             |                              |                                      | 30.56           |
| Carried forward tax losses   | 7.26            | -                              | (2.66)                       | 0.49                        |                              |                                      | 5.09            |
| Expenses deductible in future years:   | -               | -                              | -                            |                             |                              |                                      |                 |
| Impairment of Assets   | 80.61           | -                              | (37.77)                      |                             |                              |                                      | 42.84           |
| Retirement benefits for employees  | 24.75           | -                              | (8.02)                       |                             |                              | 5.64                                 | 22.37           |
| Impact of IndAS 116  | -               | -                              | 3.95                         |                             |                              |                                      | 3.95            |
| Unutilised MAT credit  | 16.51           | -                              | (3.12)                       |                             | (13.40)                      |                                      | (0.01)          |
| Provision for expenses   | -               | -                              | 3.91                         |                             |                              |                                      | 3.91            |
| <b>Total deferred tax assets (A)</b>   | <b>187.37</b>   | <b>-</b>                       | <b>(71.39)</b>               | <b>0.49</b>                 | <b>(13.40)</b>               | <b>5.64</b>                          | <b>108.71</b>   |
| Offsetting of deferred tax (assets) with deferred tax liabilities                              | (13.04)         |                                |                              |                             |                              |                                      | (55.79)         |
| <b>Net Deferred tax (assets)</b>   | <b>174.33</b>   |                                |                              |                             |                              |                                      | <b>52.92</b>    |
| <b>Deferred tax liabilities:</b>   |                 |                                |                              |                             |                              |                                      |                 |

(₹ in Mn)

|   | Opening balance | Addition on acquisition/merger | Recognised in profit or loss | Foreign exchange difference | MAT Credit utilised/ Created | Recognised in/ reclassified from OCI | Closing balance |
|---|-----------------|--------------------------------|------------------------------|-----------------------------|------------------------------|--------------------------------------|-----------------|
| Difference between book base and tax base of property, plant & equipment, investment property and intangible assets | -               |                                | -                            | -                           | -                            | -                                    | -               |
| Unrealised profit on investments etc.   | 11.68           |                                | 179.63                       | -                           | -                            | -                                    | 191.31          |
| Impairment of Financial Assets  | -               | -                              | -                            | -                           | -                            | -                                    | -               |
| Goodwill on acquisition   | 279.46          |                                | (92.01)                      | -                           | -                            | -                                    | 187.45          |
| <b>Total deferred tax liabilities (B)</b>   | <b>291.14</b>   | <b>-</b>                       | <b>87.62</b>                 | <b>-</b>                    | <b>-</b>                     | <b>-</b>                             | <b>378.76</b>   |
| Offsetting of deferred tax liabilities with deferred tax (assets)   | (13.04)         | -                              | -                            | -                           | -                            | -                                    | (55.79)         |
| <b>Net Deferred tax liabilities</b>   | <b>278.10</b>   | <b>-</b>                       | <b>87.62</b>                 | <b>-</b>                    | <b>-</b>                     | <b>-</b>                             | <b>322.97</b>   |
| <b>Deferred tax assets (A - B)</b>  | <b>(103.77)</b> | <b>-</b>                       | <b>(159.01)</b>              | <b>0.49</b>                 | <b>(13.40)</b>               | <b>5.64</b>                          | <b>(270.05)</b> |

The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company and some of its subsidiaries have opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Group has, during the year ended March 31, 2020, re-measured its Deferred Tax Assets and Liabilities as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Profit and Loss Account under "Tax expense" for the Financial Results of the Year ended March 31, 2020.

## 12 PROPERTY PLANT AND EQUIPMENT

(₹ in Mn)

| Particulars                             | Furniture Fixture | Vehicles     | Office Equipment | Air Conditioner | Computers     | Electrical Equipment | Land            | Building      | Total           |
|---|-------------------|--------------|------------------|-----------------|---------------|----------------------|-----------------|---------------|-----------------|
| <b>Gross Block as on April 01, 2020</b> | <b>732.81</b>     | <b>26.36</b> | <b>61.82</b>     | <b>28.85</b>    | <b>119.06</b> | <b>30.41</b>         | <b>1,488.51</b> | <b>897.63</b> | <b>3,385.45</b> |
| Additions                               | 8.88              | 36.06        | 2.00             | 0.05            | 2.48          |                      |                 |               | 49.47           |
| Addition related to acquisition         | -                 | 3.96         | -                |                 | -             |                      |                 |               | 3.96            |
| Deductions/ adjustments during the year | 4.93              | 11.37        | 2.97             |                 | 2.52          | -                    |                 |               | 21.79           |
| Foreign Currency translation            | (0.10)            |              | (0.09)           |                 | 0.01          | -                    |                 |               | (0.18)          |
| <b>As at March 31, 2021</b>             | <b>736.86</b>     | <b>55.01</b> | <b>60.94</b>     | <b>28.90</b>    | <b>119.01</b> | <b>30.41</b>         | <b>1,488.51</b> | <b>897.63</b> | <b>3,417.27</b> |
| <b>Depreciation</b>                     |                   |              |                  |                 |               |                      |                 |               |                 |
| <b>Upto April 01, 2020</b>              | <b>233.35</b>     | <b>4.21</b>  | <b>27.69</b>     | <b>9.35</b>     | <b>100.09</b> | <b>9.28</b>          | <b>-</b>        | <b>13.45</b>  | <b>397.42</b>   |
| Depreciation for the year               | 89.45             | 7.01         | 11.60            | 5.94            | 14.01         | 4.25                 |                 | 17.60         | 149.86          |
| Deductions/Adjustments during the year  | 3.42              | 1.73         | 1.41             |                 | 2.18          | -                    |                 |               | 8.74            |
| Foreign Currency translation            | (0.02)            |              | (0.02)           |                 | 0.01          | -                    |                 |               | (0.03)          |
| <b>Upto March 31, 2021</b>              | <b>319.40</b>     | <b>9.49</b>  | <b>37.90</b>     | <b>15.29</b>    | <b>111.91</b> | <b>13.53</b>         | <b>-</b>        | <b>31.05</b>  | <b>538.57</b>   |
| <b>Net Block as at March 31, 2021</b>   | <b>417.46</b>     | <b>45.52</b> | <b>23.04</b>     | <b>13.61</b>    | <b>7.10</b>   | <b>16.88</b>         | <b>1,488.51</b> | <b>866.58</b> | <b>2,878.70</b> |

(₹ in Mn)

| Particulars                                 | Furniture Fixture | Vehicles     | Office Equipment | Air Conditioner | Computers     | Electrical Equipment | Land            | Building      | Total           |
|---|-------------------|--------------|------------------|-----------------|---------------|----------------------|-----------------|---------------|-----------------|
| <b>Gross Block as on April 01, 2019</b>     | <b>638.04</b>     | <b>18.92</b> | <b>58.92</b>     | <b>28.29</b>    | <b>112.66</b> | <b>28.70</b>         | <b>1.00</b>     | <b>-</b>      | <b>886.53</b>   |
| Additions                                   | 109.48            | 22.00        | 6.14             | 0.69            | 6.98          | 2.20                 | 1,487.51        | 897.63        | 2,532.63        |
| Deductions/ adjustments during the year     | 15.04             | 14.56        | 3.37             | 0.13            | 0.69          | 0.49                 | -               | -             | 34.28           |
| Foreign Currency translation                | 0.33              | -            | 0.13             | -               | 0.11          | -                    | -               | -             | 0.57            |
| <b>As at March 31, 2020</b>                 | <b>732.81</b>     | <b>26.36</b> | <b>61.82</b>     | <b>28.85</b>    | <b>119.06</b> | <b>30.41</b>         | <b>1,488.51</b> | <b>897.63</b> | <b>3,385.45</b> |
| <b>Depreciation</b>                         |                   |              |                  |                 |               |                      |                 |               |                 |
| <b>Upto April 01, 2019</b>                  | <b>154.27</b>     | <b>10.92</b> | <b>17.40</b>     | <b>3.51</b>     | <b>78.60</b>  | <b>5.53</b>          | <b>-</b>        | <b>-</b>      | <b>270.23</b>   |
| Depreciation for the year (Refer Note 13.1) | 86.15             | 5.63         | 12.88            | 5.93            | 22.08         | 4.16                 | -               | 13.45         | 150.28          |
| Deductions/Adjustments during the year      | 7.12              | 12.34        | 2.63             | 0.09            | 0.66          | 0.41                 | -               | -             | 23.25           |
| Foreign Currency translation                | 0.05              | -            | 0.04             | -               | 0.07          | -                    | -               | -             | 0.16            |
| <b>Upto March 31, 2020</b>                  | <b>233.35</b>     | <b>4.21</b>  | <b>27.69</b>     | <b>9.35</b>     | <b>100.09</b> | <b>9.28</b>          | <b>-</b>        | <b>13.45</b>  | <b>397.42</b>   |
| <b>Net Block as at March 31, 2020</b>       | <b>499.46</b>     | <b>22.15</b> | <b>34.13</b>     | <b>19.50</b>    | <b>18.97</b>  | <b>21.13</b>         | <b>1,488.51</b> | <b>884.18</b> | <b>2,988.03</b> |

### 13 CAPITAL WORK-IN-PROGRESS:

As at March 31, 2021 (₹ in Mn)

| Particulars                 | As at March 31, 2020 |
|-----------------------------|----------------------|
| <b>As at April 01, 2020</b> | 11.00                |
| Additions                   | 213.77               |
| Deductions                  | 200.48               |
| <b>As at March 31, 2021</b> | <b>24.29</b>         |

(₹ in Mn)

| Particulars                 | As at March 31, 2020 |
|-----------------------------|----------------------|
| <b>As at April 01, 2019</b> | 1,734.33             |
| Additions                   | 6.97                 |
| Deductions                  | 1,730.30             |
| <b>As at March 31, 2020</b> | <b>11.00</b>         |

### 14 GOODWILL ON ACQUISITION

A summary of changes in the carrying amount of goodwill is as follows:

(₹ in Mn)

| Particulars                                  | As at March 31, 2021 |
|--|----------------------|
| Carrying value at the beginning of the year  | 1,878.51             |
| Goodwill on business acquisition             | 1,855.43             |
| <b>Carrying value at the end of the year</b> | <b>3,733.94</b>      |

(₹ in Mn)

| Particulars                                  | As at March 31, 2020 |
|--|----------------------|
| Carrying value at the beginning of the year  | 1,878.51             |
| Goodwill on business acquisition             | -                    |
| <b>Carrying value at the end of the year</b> | <b>1,878.51</b>      |

### 15 OTHER INTANGIBLE ASSETS

(₹ in Mn)

| Particulars  | Software      | Customer Relations | Asset Management Rights | Total           |
|--|---------------|--------------------|-------------------------|-----------------|
| <b>Softwares/Customer Relations/Asset management rights acquired</b> |               |                    |                         |                 |
| <b>Gross Block as on April 01, 2020</b>                              | <b>334.03</b> | <b>728.20</b>      | <b>25.05</b>            | <b>1,087.28</b> |
| Additions  | 36.37         |                    | 180.89                  | 217.26          |
| Additions related to acquisitions                                    | 593.71        |                    | -                       | 593.71          |
| Deductions/ Adjustments during the year                              | 5.63          |                    | 25.86                   | 31.49           |
| Foreign Currency translation   | (0.03)        |                    | 0.18                    | 0.15            |
| <b>As at March 31, 2021</b>  | <b>958.51</b> | <b>728.20</b>      | <b>179.90</b>           | <b>1,866.61</b> |
| <b>Amortisation</b>  |               |                    |                         |                 |
| <b>Upto April 01, 2020</b>   | <b>157.78</b> | <b>49.48</b>       | <b>3.13</b>             | <b>210.39</b>   |
| Amortisation for the year  | 98.05         | 36.41              | 12.28                   | 146.74          |
| Deductions/Adjustments during the year                               | 1.74          | -                  | 4.95                    | 6.69            |
| Foreign Currency translation   | (0.04)        | -                  | (0.04)                  | (0.08)          |
| <b>Upto March 31, 2021</b>   | <b>254.13</b> | <b>85.89</b>       | <b>10.50</b>            | <b>350.52</b>   |
| <b>Net Block as at March 31, 2021</b>                                | <b>704.38</b> | <b>642.31</b>      | <b>169.40</b>           | <b>1,516.09</b> |

| Particulars  |               |                    |                         | (₹ in Mn)       |
|--|---------------|--------------------|-------------------------|-----------------|
|  | Software      | Customer Relations | Asset Management Rights | Total           |
| <b>Softwares/Customer Relations/Asset management rights acquired</b> |               |                    |                         |                 |
| <b>Gross Block as on April 01, 2019</b>                              | <b>224.66</b> | <b>728.20</b>      | <b>23.96</b>            | <b>976.82</b>   |
| Additions  | 109.32        |                    |                         | 109.32          |
| Foreign Currency translation   | 0.05          |                    | 1.09                    | 1.14            |
| <b>As at March 31, 2020</b>  | <b>334.03</b> | <b>728.20</b>      | <b>25.05</b>            | <b>1,087.28</b> |
| <b>Amortisation</b>  |               |                    |                         |                 |
| <b>Upto April 01, 2019</b>   | <b>92.21</b>  | <b>12.97</b>       | <b>0.41</b>             | <b>105.59</b>   |
| Amortisation for the year  | 65.53         | 36.51              | 2.63                    | 104.67          |
| Foreign Currency translation   | 0.04          | -                  | 0.09                    | 0.13            |
| <b>Upto March 31, 2020</b>   | <b>157.78</b> | <b>49.48</b>       | <b>3.13</b>             | <b>210.39</b>   |
| <b>Net Block as at March 31, 2020</b>                                | <b>176.25</b> | <b>678.72</b>      | <b>21.92</b>            | <b>876.89</b>   |

## 16 DISCLOSURE PURSUANT TO IND AS 116 "LEASES"

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

| Particular                           |               |              |               | (₹ in Mn) |
|--------------------------------------|---------------|--------------|---------------|-----------|
|                                      | Premises      | Vehicles     | Total         |           |
| <b>Balance as at 01 April, 2020</b>  | 292.06        | 46.13        | 338.19        |           |
| Additions during the year            | 38.50         | 6.96         | 45.46         |           |
| Depreciation charge for the year     | (111.05)      | (22.05)      | (133.10)      |           |
| Deletions during the year            | (0.88)        | (6.23)       | (7.11)        |           |
| Foreign Currency Translation Reserve | (0.32)        | -            | (0.32)        |           |
| <b>Balance as at March 31, 2021</b>  | <b>218.31</b> | <b>24.81</b> | <b>243.12</b> |           |

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

| Particulars                          |               |              |               | Total |
|--------------------------------------|---------------|--------------|---------------|-------|
|                                      | Premises      | Vehicles     | Total         |       |
| <b>Balance as at 01 April, 2019</b>  | 372.49        | 63.21        | 435.70        |       |
| Additions during the year            | 151.14        | 21.45        | 172.59        |       |
| Depreciation charge for the year     | (130.46)      | (24.73)      | (155.19)      |       |
| Deletions during the year            | (100.83)      | (13.80)      | (114.63)      |       |
| Foreign Currency Translation Reserve | (0.28)        | -            | (0.28)        |       |
| <b>Balance as at March 31, 2020</b>  | <b>292.06</b> | <b>46.13</b> | <b>338.19</b> |       |

Following is the break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2020:

| Particulars                   |                      |                      | (₹ in Mn) |
|-------------------------------|----------------------|----------------------|-----------|
|                               | As at March 31, 2021 | As at March 31, 2020 |           |
| Current lease liabilities     | 118.92               | 117.56               |           |
| Non-current lease liabilities | 149.76               | 236.83               |           |
| <b>Total</b>                  | <b>268.68</b>        | <b>354.39</b>        |           |

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

| Particulars                            |               |              |               | (₹ in Mn) |
|--|---------------|--------------|---------------|-----------|
|  | Premises      | Vehicles     | Total         |           |
| Balance as at 01 April, 2020           | 305.47        | 48.92        | 354.39        |           |
| Additions                              | 38.51         | 6.96         | 45.47         |           |
| Deletion                               | (0.07)        | (6.78)       | (6.85)        |           |
| Finance cost accrued during the period | 22.38         | 3.45         | 25.83         |           |
| Payment of lease liabilities           | (124.79)      | (24.99)      | (149.78)      |           |
| Foreign Currency Translation Reserve   | (0.38)        | -            | (0.38)        |           |
| <b>Balance as at March 31, 2021</b>    | <b>241.12</b> | <b>27.56</b> | <b>268.68</b> |           |

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

| Particulars                            | (₹ in Mn)     |              |               |
|--|---------------|--------------|---------------|
|  | Premises      | Vehicles     | Total         |
| <b>Balance as at 01 April, 2019</b>    | 372.49        | 63.21        | 435.70        |
| Additions                              | 150.87        | 21.45        | 172.32        |
| Deletion                               | (102.61)      | (13.95)      | (116.56)      |
| Finance cost accrued during the period | 27.51         | 5.43         | 32.94         |
| Payment of lease liabilities           | (142.72)      | (27.22)      | (169.94)      |
| Foreign Currency Translation Reserve   | (0.07)        | -            | (0.07)        |
| <b>Balance as at March 31, 2020</b>    | <b>305.47</b> | <b>48.92</b> | <b>354.39</b> |

Maturity analysis – contractual undiscounted cash flows

| Particulars   | (₹ in Mn)     |              |               |
|---|---------------|--------------|---------------|
|   | Premises      | Vehicles     | Total         |
| Less than one year  | 117.70        | 17.99        | 135.69        |
| One to five years   | 146.51        | 12.18        | 158.69        |
| More than five years  | 5.70          | -            | 5.70          |
| <b>Total undiscounted lease liabilities at 31 March 2021</b>                              | <b>269.91</b> | <b>30.17</b> | <b>300.08</b> |
| <b>Lease liabilities included in the statement of financial position at 31 March 2021</b> | <b>241.12</b> | <b>27.56</b> | <b>268.68</b> |

| Particulars   | (₹ in Mn)     |              |               |
|---|---------------|--------------|---------------|
|   | Premises      | Vehicles     | Total         |
| Less than one year  | 113.81        | 26.91        | 140.72        |
| One to five years   | 230.71        | 27.50        | 258.21        |
| More than five years  | 9.67          | -            | 9.67          |
| <b>Total undiscounted lease liabilities at 31 March 2020</b>                              | <b>354.19</b> | <b>54.41</b> | <b>408.60</b> |
| <b>Lease liabilities included in the statement of financial position at 31 March 2020</b> | <b>305.47</b> | <b>48.92</b> | <b>354.39</b> |

Amounts recognised in profit or loss

| Particulars                            | (₹ in Mn)            |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2021 | As at March 31, 2020 |
| Interest on lease liabilities          | 26.09                | 32.94                |
| Expenses relating to short-term leases | 149.29               | 61.43                |
| Depreciation relating to leases        | 133.10               | 155.19               |
| <b>Total</b>                           | <b>308.48</b>        | <b>249.56</b>        |

Amounts recognised in the statement of cash flows

| Particulars                   | (₹ in Mn)            |                      |
|-------------------------------|----------------------|----------------------|
|                               | As at March 31, 2021 | As at March 31, 2020 |
| Total cash outflow for leases | 149.78               | 169.94               |

## 17 OTHER NON FINANCIAL ASSETS

| Particulars  | (₹ in Mn)            |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2021 | As at March 31, 2020 |
| <b>Unsecured</b>   |                      |                      |
| Prepaid expenses   | 1,358.71             | 764.74               |
| Advances recoverable in cash or in kind or for value to be received – Unsecured  | 24.28                | 41.12                |
| Employee advance against expenses  | 1.80                 | 2.30                 |
| Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) - Receivable' | 4.97                 | 43.04                |
| Others   | 26.10                | 5.15                 |
| <b>Total</b>   | <b>1,415.86</b>      | <b>856.35</b>        |



## 18 PAYABLES

(₹ in Mn)

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Trade payables  |                         |                         |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)     |                         | -                       |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 883.38                  | 694.45                  |
| <b>Total</b>  | <b>883.38</b>           | <b>694.45</b>           |
| Other payables  |                         |                         |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)     |                         |                         |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,032.20                | 2,347.59                |
| <b>Total</b>  | <b>3,032.20</b>         | <b>2,347.59</b>         |

### 18.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Mn)

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

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

## 19 DEBT SECURITIES

(₹ in Mn)

| Particulars   | As at March 31, 2021 |                                      |   | As at March 31, 2020 |                   |                                      |   |                  |
|---|----------------------|--------------------------------------|---|----------------------|-------------------|--------------------------------------|---|------------------|
|   | At Amortised cost    | At Fair value Through profit or loss | Designated at fair value through profit or loss | Total                | At Amortised cost | At Fair value Through profit or loss | Designated at fair value through profit or loss | Total            |
| Liability component of compound financial instruments | 7,961.92             | -                                    | -   | 7,961.92             | 8,297.51          | -                                    | -   | 8,297.51         |
| Bonds/ Debentures                                     | 24,028.12            | 7,776.84                             | -   | 31,804.96            | 22,405.16         | 23,196.23                            | -   | 45,601.39        |
| Commercial papers                                     | 4,350.00             | -                                    | -   | 4,350.00             | 372.50            | -                                    | -   | 372.50           |
| Less: Prepaid Discount                                | (37.71)              | -                                    | -   | (37.71)              | (9.92)            | -                                    | -   | (9.92)           |
| <b>Total</b>  | <b>36,302.33</b>     | <b>7,776.84</b>                      | <b>-</b>  | <b>44,079.17</b>     | <b>31,065.25</b>  | <b>23,196.23</b>                     | <b>-</b>  | <b>54,261.48</b> |
| Debt securities in India                              | 36,302.33            | 7,776.84                             | -   | 44,079.17            | 31,065.25         | 23,196.23                            | -   | 54,261.48        |
| Debt securities outside India                         | -                    | -                                    | -   | -                    | -                 | -                                    | -   | -                |
| <b>Total</b>  | <b>36,302.33</b>     | <b>7,776.84</b>                      | <b>-</b>  | <b>44,079.17</b>     | <b>31,065.25</b>  | <b>23,196.23</b>                     | <b>-</b>  | <b>54,261.48</b> |

(₹ in Mn)

| Residual maturity<br>At Amortised cost      | As at March 31, 2021   |                           | As at March 31, 2020   |                           |
|---|------------------------|---------------------------|------------------------|---------------------------|
|   | Balance<br>outstanding | Interest rate %<br>(p.a)* | Balance<br>outstanding | Interest rate %<br>(p.a)* |
| Less than 1 year                            | 17,357.47              | 5.85% - 9.25%             | 5,940.11               | 6.75% - 10.00%            |
| 1-5 years                                   | 15,245.45              | 6.75% - 10.25%            | 20,964.16              | 8.50% - 10.25%            |
| Above 5 years                               | 3,699.41               | 9.16% - 10.00%            | 4,160.98               | 9.16% - 10.05%            |
|   | <b>36,302.33</b>       |                           | <b>31,065.25</b>       |                           |
| <b>At Fair value through profit or loss</b> |                        |                           |                        |                           |
| Less than 1 year                            | -                      | Market linked             | 5,560.61               | Market linked             |
| 1-5 years                                   | 4,315.07               | Market linked             | 5,652.29               | Market linked             |
| Above 5 years                               | 3,461.77               | Market linked             | 11,983.33              | Market linked             |
|   | <b>7,776.84</b>        |                           | <b>23,196.23</b>       |                           |

\* Indicates Effective Interest Rate

The Secured Listed Non-Convertible Debentures of the Company are Secured by pari passu mortgage and charge over the Company's Identified Immovable Property, charge on present and future receivables to the extent equal to the principal and interest amount of the secured non-convertible debentures outstanding at any point of time and first exclusive charge by way of pledge on specific identified liquid or debt fund/ identified bonds/ perpetual bonds issued by bank/ marketable debt securities (being non-capital market investments of the Company) for each tranche in accordance with the respective tranche private placement offer document/ information memorandum.

Commercial papers are unsecured short-term papers issued at discount. The cost on outstanding commercial papers is 5.85 - 6.10% p.a. (P.Y. 6.75% to 8.50% p.a)

(₹ in Mn)

| Debentures include :   | Interest rate   | As at<br>March 31, 2021<br>(Issue price) |
|--|-----------------|--|
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-05-2021 | 8.50% to 9.09%  | 5,864.64                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-06-2021 | 8.40%           | 4,258.00                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 09-08-2021 | 9.25%           | 349.19                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 06-09-2021 | 7.50%           | 289.01                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 25-10-2021 | 8.50%           | 176.00                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 25-10-2021 | 9.25%           | 35.83                                    |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 10-01-2022 | 8.25%           | 309.59                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-02-2022 | 7.00%           | 1,762.91                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-05-2022 | 9.35%           | 1,056.49                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-05-2022 | 9.35%           | 1,259.80                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 02-08-2022 | 7.00% to 10.25% | 8,724.48                                 |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 20-10-2022 | 8.88%           | 308.44                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 10-11-2022 | 7.25%           | 432.11                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 30-03-2023 | 6.75%           | 491.93                                   |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-07-2023 | 9.00%           | 30.00                                    |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-02-2024 | Market Linked   | 1,159.35                                 |

(₹ in Mn)

| Debentures include :   | Interest rate  | As at March 31, 2021 (Issue price) |
|--|----------------|------------------------------------|
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 10-04-2024 | 7.00%          | 1,547.25                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-05-2024 | 7.00% to 9.00% | 1,394.94                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-03-2026 | Market Linked  | 3,155.71                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-04-2026 | Market Linked  | 1,779.46                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-04-2026 | Market Linked  | 1,253.65                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 11-12-2028 | 9.48%          | 410.35                             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 22-01-2029 | 9.16%          | 706.90                             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 22-03-2029 | 10.00%         | 1,052.70                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-03-2029 | 10.00%         | 350.00                             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-04-2029 | Market Linked  | 428.67                             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-03-2030 | 10.00%         | 1,032.48                           |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 29-03-2030 | 10.00%         | 147.00                             |
|  |                | <b>39,766.88</b>                   |

(₹ in Mn)

| Commercial Papers include   | Interest rate | As at March 31, 2021 (Issue price) |
|---|---------------|------------------------------------|
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 16-06-2021 | 6.10%         | 1,000.00                           |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 16-06-2021 | 6.10%         | 1,000.00                           |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 20-04-2021 | 6.00%         | 1,500.00                           |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 31-05-2021 | 5.85%         | 850.00                             |
|   |               | <b>4,350.00</b>                    |

(₹ in Mn)

| Debentures include :   | Interest rates  | As at March 31, 2020 |
|--|-----------------|----------------------|
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-05-2020 | 9.25% to 9.60%  | 1,155.08             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 04-08-2020 | 8.50% to 9.00%  | 2,026.02             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 16-10-2020 | 8.50% to 10.00% | 1,296.44             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 26-02-2021 | Market Linked   | 330.43               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 02-03-2021 | Market Linked   | 2,683.81             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-03-2021 | 9.25%           | 1,000.00             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 18-03-2021 | 8.50%           | 100.00               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 22-03-2021 | Market Linked   | 2,546.37             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-04-2021 | Market Linked   | 1,622.65             |

(₹ in Mn)

| Debentures include :   | Interest rates  | As at March 31, 2020 |
|--|-----------------|----------------------|
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-05-2021 | 8.50% to 10.00% | 10,193.70            |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-06-2021 | 9.42%           | 5,048.98             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 09-08-2021 | 9.25%           | 583.67               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 25-10-2021 | 8.50% to 9.25%  | 361.62               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-05-2022 | 9.35%           | 1,374.07             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-05-2022 | 9.35%           | 1,470.89             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 26-06-2022 | Market Linked   | 42.88                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 02-08-2022 | 9.00% to 10.25% | 1,569.94             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 20-10-2022 | 8.88%           | 331.28               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-07-2023 | 9.00%           | 30.00                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-12-2023 | Market Linked   | 178.15               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 28-12-2023 | Market Linked   | 12.69                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 18-01-2024 | Market Linked   | 63.67                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 07-02-2024 | Market Linked   | 25.35                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 14-02-2024 | Market Linked   | 3,706.91             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 26-06-2025 | Market Linked   | 454.66               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-07-2025 | Market Linked   | 581.61               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-03-2026 | Market Linked   | 5,049.22             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 12-04-2026 | Market Linked   | 2,453.35             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-04-2026 | Market Linked   | 2,389.01             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 10-11-2026 | Market Linked   | 13.02                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 13-11-2026 | Market Linked   | 13.00                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 23-11-2026 | Market Linked   | 110.30               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-11-2026 | Market Linked   | 45.35                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 04-12-2026 | Market Linked   | 25.75                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 08-12-2026 | Market Linked   | 12.84                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 10-12-2026 | Market Linked   | 12.94                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 16-12-2026 | Market Linked   | 64.56                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 31-12-2026 | Market Linked   | 25.94                |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-02-2027 | Market Linked   | 25.86                |

(₹ in Mn)

| Debentures include :   | Interest rates | As at March 31, 2020 |
|--|----------------|----------------------|
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 11-12-2028 | 9.48%          | 502.92               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 22-01-2029 | 9.16%          | 706.89               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 15-03-2030 | 10.00%         | 1,032.47             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 22-03-2029 | 10.00%         | 1,037.70             |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 27-03-2029 | 10.00%         | 650.00               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 05-04-2029 | Market Linked  | 705.91               |
| Market Linked Non Convertible Debenture of Face Value ₹ 1,00,000 Each Redeemable on 29-03-2030 | 10.00%         | 231.00               |
|  |                | <b>53,898.90</b>     |

(₹ in Mn)

| Commercial Papers include   | Interest rates | As at March 31, 2020 |
|---|----------------|----------------------|
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 13-05-2020 | 8.25%          | 50.00                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 15-05-2020 | 8.50%          | 50.00                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 18-05-2020 | 6.75%          | 50.00                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 10-07-2020 | 8.50%          | 50.00                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 10-07-2020 | 8.50%          | 62.50                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 28-12-2020 | 7.25%          | 60.00                |
| Commercial Paper of Face Value ₹ 5,00,000 Each Redeemable on 25-02-2021 | 7.25%          | 50.00                |
|   |                | <b>372.50</b>        |

## 20 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Mn)

| Particulars  | As at March 31, 2021 |                                      |   |                 | As at March 31, 2020 |                                      |   |                  |
|--|----------------------|--------------------------------------|---|-----------------|----------------------|--------------------------------------|---|------------------|
|  | At Amortised Cost    | At Fair Value Through profit or loss | Designated at fair value through profit or loss | Total           | At Amortised Cost    | At Fair Value Through profit or loss | Designated at fair value through profit or loss | Total            |
| (a) Loans repayable on demand  | -                    | -                                    | -   | -               | -                    | -                                    | -   | -                |
| (i) from banks   | 500.00               | -                                    | -   | 500.00          | -                    | -                                    | -   | -                |
| (b) Borrowings from Collateralized Borrowing and Lending Obligation (CBLO) | 541.76               | -                                    | -   | 541.76          | 28,500.00            | -                                    | -   | 28,500.00        |
| Less: Prepaid Discount   | (0.21)               | -                                    | -   | (0.21)          | (0.81)               | -                                    | -   | (0.81)           |
| <b>Total</b>   | <b>1,041.55</b>      | <b>-</b>                             | <b>-</b>  | <b>1,041.55</b> | <b>28,499.19</b>     | <b>-</b>                             | <b>-</b>  | <b>28,499.19</b> |

(₹ in Mn)

| Residual maturity | As at March 31, 2021 |                       | As at March 31, 2020 |                       |
|-------------------|----------------------|-----------------------|----------------------|-----------------------|
|                   | Balance outstanding  | Interest rate % (p.a) | Balance outstanding  | Interest rate % (p.a) |
| At Amortised cost |                      |                       |                      |                       |
| Less than 1 year  | 1,041.55             | 3.50% to 5.9%         | 28,499.19            | 0.51%                 |
| 1-5 years         |                      |                       | -                    | -                     |
| Above 5 years     |                      |                       | -                    | -                     |

## Explanatory Notes

| Particulars   | (₹ in Mn)            |
|---|----------------------|
|   | As at March 31, 2021 |
| Collateralized Borrowing and Lending Obligation Repayable on 05/04/2021 | 541.76               |
| Working Capital Demand Loan Repayable on 02/06/2021                     | 500.00               |
|   | <b>1,041.76</b>      |

| Particulars   | (₹ in Mn)            |
|---|----------------------|
|   | As at March 31, 2020 |
| Collateralized Borrowing and Lending Obligation Repayable on 03/04/2020 | 28,500.00            |
|   | <b>28,500.00</b>     |

### 21 SUBORDINATED LIABILITIES:

| Particulars  | As at March 31, 2021 |                                      |   |                 | As at March 31, 2020 |                                      |   |                 |
|--|----------------------|--------------------------------------|---|-----------------|----------------------|--------------------------------------|---|-----------------|
|  | At Amortised cost    | At Fair value through profit or loss | Designated at fair value through profit or loss | Total           | At Amortised cost    | At Fair value through profit or loss | Designated at fair value through profit or loss | Total           |
|  |                      |                                      |   |                 | 1                    | 2                                    | 3   | 4=1+2+3         |
| <b>(A)</b>   |                      |                                      |   |                 |                      |                                      |   |                 |
| Perpetual Debt Instruments to the extent that do not qualify as equity (Unsecured) | 165.00               |                                      |   | 165.00          | 1,500.00             |                                      |   | 1,500.00        |
| Subordinated debt  | 1,830.69             |                                      |   | 1,830.69        | 4,120.34             |                                      |   | 4,120.34        |
| <b>Total (A)</b>   | <b>1,995.69</b>      |                                      |   | <b>1,995.69</b> | <b>5,620.34</b>      | -                                    | -   | <b>5,620.34</b> |
| <b>(B)</b>   |                      |                                      |   |                 |                      |                                      |   |                 |
| Subordinated liabilities in India  | 1,995.69             |                                      |   | 1,995.69        | 5,620.34             | -                                    | -   | 5,620.34        |
| Subordinated liabilities outside India   |                      |                                      |   |                 | -                    | -                                    | -   | -               |
| <b>Total (B)</b>   | <b>1,995.69</b>      |                                      |   | <b>1,995.69</b> | <b>5,620.34</b>      | -                                    | -   | <b>5,620.34</b> |

| Residual maturity | As at March 31, 2021 |                        | As at March 31, 2020 |                        |
|-------------------|----------------------|------------------------|----------------------|------------------------|
|                   | Balance outstanding  | Interest rate % (p.a)* | Balance outstanding  | Interest rate % (p.a)* |
| Less than 1 year  |                      |                        | -                    | -                      |
| 1-5 years         | 1,830.69             | 8.80% -9.36%           | 4,120.34             | 8.8 % to 9.36%         |
| Above 5 years     | 165.00               | 9.00%-10.00%           | 1,500.00             | 10.00 %                |
| Total             | 1,995.69             |                        | 5,620.34             |                        |

\* Indicates Effective Interest Rate

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
|   | Issue price          | Issue price          |
| Perpetual Debt Instruments include  |                      |                      |
| 10.00% Subordinated Perpetual Debt of Face Value ₹ 5,00,000 Each Redeemable on 22/02/2027 |                      | 1,000                |
| 10.00% Subordinated Perpetual Debt of Face Value ₹ 5,00,000 Each Redeemable on 02/03/2027 | 165.00               | 500.00               |
|   | <b>165.00</b>        | <b>1,500.00</b>      |

Subordinated debt include

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| 8.80% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 02-05-2023 | 92.79                   | 92.79                   |
| 9.00% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 02-05-2023 | 375.49                  | 850.14                  |
| 9.00% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 10-01-2024 | 10.00                   | 25.00                   |
| 9.00% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 19-07-2023 | 25.36                   | 25.36                   |
| 9.10% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 12-07-2022 | 10.00                   | 10.00                   |
| 9.10% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 22-07-2022 | 130.00                  | 150.00                  |
| 9.10% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 24-06-2022 | 100.00                  | 100.00                  |
| 9.12% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 02-05-2023 | -                       | 10.00                   |
| 9.15% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 02-05-2023 | 68.05                   | 70.05                   |
| 9.36% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 06-06-2022 | 641.00                  | 2,000.00                |
| 9.36% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 13-06-2022 | 321.00                  | 721.00                  |
| 9.36% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 24-06-2022 | 27.00                   | 36.00                   |
| 9.36% Subordinated Debt of Face Value ₹ 10,00,000 Each Redeemable on 30-06-2022 | 30.00                   | 30.00                   |
| <b>Total</b>  | <b>1,830.69</b>         | <b>4,120.34</b>         |
|   | <b>1,995.69</b>         | <b>5,620.34</b>         |

## 22 OTHER FINANCIAL LIABILITIES

| Particulars   | (₹ in Mn)               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Interest accrued but not due  | 3,650.98                | 2,876.24                |
| Payable on account of purchase of investments                                       | 10.82                   | 174.42                  |
| Margin money  | -                       | 2.27                    |
| Payable to companies under common control and other related parties (Refer note 42) | 0.03                    | 5.33                    |
| Security deposit  | 0.30                    | 0.30                    |
| Deposits from customers   | 5.46                    | 1,622.99                |
| Others  | 409.64                  | 434.41                  |
| <b>Total</b>  | <b>4,077.23</b>         | <b>5,115.96</b>         |

22.1 No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of unclaimed dividend and unclaimed dues on account of NCDs.

## 23 PROVISIONS:

| Particulars  | (₹ in Mn)               |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Provision for employee benefits - Gratuity (Refer note 34.1) | 118.47                  | 92.77                   |
| <b>Total</b>   | <b>118.47</b>           | <b>92.77</b>            |

**24 OTHER NON FINANCIAL LIABILITIES:**

(₹ in Mn)

| Particulars                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Revenue received in advance | 1.06                    | 1.21                    |
| Statutory remittances       | 485.44                  | 377.54                  |
| Others                      | 3.23                    | 1.40                    |
| <b>Total</b>                | <b>489.73</b>           | <b>380.15</b>           |

**25 SHARE CAPITAL:**

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

| Authorised :  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| 132,650,000 (PY - 100,000,000) Equity shares of ₹ 2/- each with voting rights   | 265.30                  | 265.30                  |
| <b>Issued, Subscribed and Paid Up:</b> 871,81,042 (PY - 84,521,324) Equity shares of ₹ 2/- each fully paidup with voting rights | 175.77                  | 174.36                  |
| Less: Treasury stock 36,040 (PY - 35,840) Equity shares of ₹ 2/- each   | -                       | (0.07)                  |
| <b>Total</b>  | <b>175.77</b>           | <b>174.29</b>           |

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

| Particulars                               | As at March 31, 2021 |                   | As at March 31, 2020 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | No. of shares        | Amount<br>₹ in Mn | No. of shares        | Amount<br>₹ in Mn |
| At the beginning of the year              | 87,181,042           | 174.36            | 84,521,324           | 169.04            |
| Add: Issued during the year               | 701,728              | 1.41              | 2,659,718            | 5.32              |
| <b>Subtotal</b>                           | <b>87,882,770</b>    | <b>175.77</b>     | <b>87,181,042</b>    | <b>174.36</b>     |
| <b>Less: Treasury stock</b>               |                      |                   |                      |                   |
| At the beginning of the year              | (36,040)             | (0.07)            | (35,840)             | (0.07)            |
| Movement during the year                  | 36,040               | 0.07              | (200)                | -                 |
| <b>At the end of the year</b>             | <b>-</b>             | <b>-</b>          | <b>(36,040)</b>      | <b>(0.07)</b>     |
| <b>Outstanding at the end of the year</b> | <b>87,882,770</b>    | <b>175.77</b>     | <b>87,145,002</b>    | <b>174.29</b>     |

(c) Movement of shares pursuant to the composite scheme of arrangement (Refer Note 3)

| Particulars   | As at March 31, 2021 |                   | As at March 31, 2020 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | No. of shares        | Amount<br>₹ in Mn | No. of shares        | Amount<br>₹ in Mn |
| At the beginning of the year  | -                    | -                 | <b>600,442</b>       | <b>1.20</b>       |
| Equity Shares of ₹ 2/- pending issuance pursuant to the Composite scheme of arrangement | -                    | -                 | -                    | -                 |
| Less: Equity shares of ₹ 2/- held by IIFL Holdings Limited to be cancelled              | -                    | -                 | -                    | -                 |
| Less: Issued during the year  | -                    | -                 | (600,442)            | (1.20)            |
| <b>Incremental shares to be issued</b>  | <b>-</b>             | <b>-</b>          | <b>-</b>             | <b>-</b>          |

(d) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian



Rupees. During the year ended March 31, 2021, a special dividend of ₹ 40/- (P.Y. Nil) and an interim dividend of ₹ 30/- (P.Y. ₹ 20/-) has been paid and recognised as distribution to equity shareholders.

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

**(e) Details of shareholders holding more than 5% shares after giving effect to the Composite scheme of arrangement (Refer note 3):**

| Particulars                             | As at March 31, 2021 |           | As at March 31, 2020 |           |
|---|----------------------|-----------|----------------------|-----------|
|   | No. of shares        | % holding | No. of shares        | % holding |
| General Atlantic Singapore Fund Pte Ltd | 18,619,550.00        | 21.2%     | 18,619,550           | 21.4%     |
| FIH Mauritius Investments Ltd           | 12,091,635.00        | 13.8%     | 12,091,635           | 13.9%     |
| Nirmal Jain                             | 6,228,856.00         | 7.1%      | 6,228,856            | 7.1%      |
| Karan Bhagat                            | 245,911.00           | 0.3%      | 136,300              | 0.2%      |

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Holding company, please refer note. 39A

**(f) During the period of 5 years immediately preceding the Balance Sheet date, the Holding company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares other than those issued under the composite scheme of arrangement (Refer note 3).**

**26 OTHER EQUITY:**

| Particulars  | (₹ in Mn)            |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2021 | As at March 31, 2020 |
| Securities premium   | 19,215.50            | 18,804.34            |
| General reserve  | 196.16               | 196.00               |
| Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934 | 1,432.11             | 1,118.74             |
| Capital reserve  | 111.00               | 111.00               |
| Share application money  | -                    | 0.07                 |
| ESOP Reserve   | 638.10               | 255.40               |
| Retained earnings  | 6,312.76             | 9,052.45             |
| Foreign exchange fluctuation reserve   | 196.27               | 202.74               |
| <b>Total</b>   | <b>28,101.90</b>     | <b>29,740.74</b>     |

**27 INTEREST INCOME**

| Particulars                      | 2020-21  |  |   |                 | 2019-20  |  |   |                 |
|----------------------------------|--|--|---|-----------------|--|--|---|-----------------|
|                                  | On financial assets measured at fair value through OCI | On financial assets measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | Total           | On financial assets measured at fair value through OCI | On financial assets measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | Total           |
| Interest on loans                | -  | 3,596.18                                       | -   | 3,596.18        | -  | 4,651.97                                       | -   | 4,651.97        |
| Interest income from investments | -  | -  | 2,641.52  | 2,641.52        | -  | -  | 3,126.24  | 3,126.24        |
| Interest on deposits with banks  | -  | 84.41  | -   | 84.41           | -  | 13.48  | -   | 13.48           |
| Other interest income            | -  | -  | 27.16   | 27.16           | -  | 7.56   | -   | 7.56            |
| <b>Total</b>                     | <b>-</b>   | <b>3,680.59</b>                                | <b>2,668.68</b>   | <b>6,349.27</b> | <b>-</b>   | <b>4,673.01</b>                                | <b>3,126.24</b>   | <b>7,799.25</b> |

## 28 DIVIDEND & DISTRIBUTION INCOME ON INVESTMENTS

| (₹ in Mn)                          |                    |              |              |
|------------------------------------|--------------------|--------------|--------------|
| Particulars                        | Apr 2018- Dec 2018 | 2020-21      | 2019-20      |
| Dividend Income                    |                    | 27.96        | 17.71        |
| Distribution income on investments |                    | 49.64        | 27.79        |
| <b>TOTAL</b>                       |                    | <b>77.60</b> | <b>45.50</b> |

## 29 FEES AND COMMISSION INCOME

Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The fees are recognised as per the terms and periodicity defined in the respective contracts. The table also includes a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

| (₹ in Mn)                         |                    |                 |                 |
|-----------------------------------|--------------------|-----------------|-----------------|
| Particulars                       | Apr 2018- Dec 2018 | 2020-21         | 2019-20         |
| Distribution Fees                 |                    | 3,297.63        | 3,755.38        |
| Commission Income                 |                    | 606.43          | 376.17          |
| Investment / Fund Management Fees |                    | 879.00          | 651.36          |
| Management fees from Mutual fund  |                    | 95.22           | 54.55           |
| Management fees from AIF and VCF  |                    | 1,554.72        | 1,299.59        |
| Research Fees                     |                    | 139.47          | 102.32          |
| Management fees from clients      |                    | 702.56          | 385.22          |
| Advisory Fees                     |                    | 1.14            | 67.32           |
| Trustee Fees                      |                    | 89.58           | 81.57           |
| Marketing Supporting Income       |                    | 8.90            | -               |
| Others                            |                    | 2.13            | 2.15            |
| <b>TOTAL</b>                      |                    | <b>7,376.78</b> | <b>6,775.63</b> |

## 30 NET GAIN/LOSS ON FAIR VALUE CHANGE:

| (₹ in Mn)  |                 |                 |   |
|--|-----------------|-----------------|---|
| Particulars  | 2020-21         | 2019-20         |   |
| (A) Net gain/ (loss) on financial instruments at fair value through profit or loss |                 |                 |   |
| (i) On trading portfolio   |                 |                 |   |
| - Investments  | 3,811.89        | 2,300.40        |   |
| - Derivatives  | (869.75)        | 60.44           |   |
| - Borrowings   | (1,116.37)      | (2,691.77)      |   |
| (ii) On financial instruments designated at fair value through profit or loss      |                 |                 |   |
| (B) Others   |                 |                 | - |
| <b>Total net gain/(loss) on fair value changes (C)</b>                             | <b>1,825.77</b> | <b>(330.93)</b> |   |
| Fair value changes:  |                 |                 |   |
| - Realised   | 7.41            | 2,636.82        |   |
| - Unrealised   | 1,818.36        | (2,967.75)      |   |
| <b>Total net gain/(loss) on fair value changes</b>                                 | <b>1,825.77</b> | <b>(330.93)</b> |   |

**31 OTHER INCOME**

(₹ in Mn)

| Particulars                                      | 2020-21       | 2019-20       |
|--|---------------|---------------|
| Profit/ (Loss) on cancellation of lease          | 0.09          | (1.17)        |
| Rent income                                      | 46.03         | 60.82         |
| Interest Income                                  | 122.41        | 96.13         |
| Change in fair value of investments - realised   | 251.72        | 62.71         |
| Change in fair value of investments - unrealised | 51.80         | 18.08         |
| Dividend Income                                  | 1.00          | -             |
| Miscellaneous income                             | 0.88          | 7.40          |
| <b>Total</b>                                     | <b>473.93</b> | <b>243.97</b> |

**32 FINANCE COST**

(₹ in Mn)

| Particulars                          | 2020-21  |   |                 | 2019-20  |   |                 |
|--------------------------------------|--|---|-----------------|--|---|-----------------|
|                                      | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total           | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total           |
| Interest on borrowings               |  | 756.70  | 756.70          |  | 2,038.56  | 2,038.56        |
| Interest on debt securities          | -  | 2,827.55  | 2,827.55        | 1.4  | 2,288.86  | 2,290.26        |
| Interest on subordinated liabilities | -  | 477.95  | 477.95          |  | 605.65  | 605.65          |
| Other finance Costs                  |  | 73.27   | 73.27           |  | 81.42   | 81.42           |
| <b>Total</b>                         | <b>-</b>   | <b>4,135.47</b>                                     | <b>4,135.47</b> | <b>1.40</b>  | <b>5,014.49</b>                                     | <b>5,015.89</b> |

**33 IMPAIRMENT ON FINANCIAL INSTRUMENTS (REFER NOTE 38)**

(₹ in Mn)

| Particulars         | 2020-21   |   | 2019-20   |   |
|---------------------|---|---|---|---|
|                     | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost |
| On loans            | -   | 170.96  | -   | (60.80)   |
| On financial assets | -   | 13.88   | -   | 7.79  |
| <b>Total</b>        | <b>-</b>  | <b>184.84</b>                                       | <b>-</b>  | <b>(53.01)</b>                                      |

**34 EMPLOYEE BENEFIT EXPENSES**

(₹ in Mn)

| Particulars                               | 2020-21         | 2019-20         |
|---|-----------------|-----------------|
| Salaries and wages                        | 3,436.61        | 3,290.19        |
| Contribution to provident and other funds | 95.43           | 103.37          |
| Share based payments to employees         | 453.58          | 230.00          |
| Staff welfare expenses                    | 69.70           | 70.62           |
| Gratuity expense (Refer Note 34.1)        | 34.29           | 35.10           |
| Leave encashment                          | -               | 0.04            |
| <b>Total</b>                              | <b>4,089.61</b> | <b>3,729.32</b> |

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

| Particulars                      | 2020-21  | 2019-20  |
|----------------------------------|--|--|
| Type of benefit                  | Gratuity   | Gratuity   |
| Country                          | India /Dubai   | India /Dubai   |
| Reporting currency               | INR  | INR  |
| Reporting standard               | Indian Accounting Standard 19 (Ind AS 19)                      | Indian Accounting Standard 19 (Ind AS 19)                      |
| Funding status                   | Funded/Unfunded  | Funded/Unfunded  |
| Starting period                  | 01-Apr-20  | 01-Apr-19  |
| Date of reporting                | 31-Mar-21  | 31-Mar-20  |
|                                  | 12 Months  | 12 Months  |
| <b>Assumptions</b>               |  |  |
| Expected return on plan assets   | 6.04%  | 6.04%  |
| Rate of discounting              | 6.04%-6.56%  | 6.04%-6.56%  |
| 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 period                 | 217.41  | 185.00   |
| Interest cost  | 14.33   | 13.04    |
| Current service cost   | 31.77   | 29.35    |
| Past service cost  | (4.32)  | -        |
| Liability transferred in/ acquisitions   | 38.36   | 134.43   |
| (Liability transferred out/ divestments)   | (15.40) | (138.52) |
| (Gains)/ losses on curtailment   | -       | -        |
| (Liabilities extinguished on settlement)   | -       | -        |
| (Benefit paid directly by the employer)  | (21.24) | (12.25)  |
| (Benefit paid from the fund)   | (7.68)  | (18.11)  |
| The effect of changes in foreign exchange rates                                    | (0.11)  | 0.24     |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | 0.75    | -        |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions   | (6.92)  | 25.22    |
| Actuarial (gains)/losses on obligations - due to experience                        | (2.84)  | (0.99)   |
| Present value of benefit obligation at the end of the period                       | 244.11  | 217.41   |

**Table showing change in the fair value of plan assets**

|   |        |          |
|---|--------|----------|
| Fair value of plan assets at the beginning of the period                    | 124.63 | 99.36    |
| Interest income   | 7.53   | 7.29     |
| Contributions by the employer   | -      | 34.28    |
| Expected contributions by the employees                                     | -      | -        |
| Assets transferred in/acquisitions  | -      | 103.21   |
| (assets transferred out/ divestments)                                       | -      | (103.21) |
| (benefit paid from the fund)  | (7.68) | (18.11)  |
| (assets distributed on settlements)   | -      | -        |
| (expenses and tax for managing the benefit obligations- paid from the fund) | -      | -        |
| Effects of asset ceiling  | -      | -        |

| Particulars   | 2020-21  | 2019-20  |
|---|----------|----------|
| The effect of changes in foreign exchange rates                                       |          | -        |
| Return on plan assets, excluding interest income                                      | 1.15     | 1.81     |
| Fair value of plan assets at the end of the period                                    | 125.63   | 124.63   |
| <b>Amount recognized in the balance sheet</b>   |          |          |
| (Present value of benefit obligation at the end of the period)                        | (244.11) | (217.41) |
| Fair value of plan assets at the end of the period                                    | 125.63   | 124.63   |
| Funded status (surplus/ (deficit))  | (118.48) | (92.78)  |
| Net (liability)/asset recognized in the balance sheet                                 | (118.48) | (92.78)  |
| <b>Net interest cost for current period</b>   |          |          |
| Present value of benefit obligation at the beginning of the period                    | 217.41   | 185.00   |
| (fair value of plan assets at the beginning of the period)                            | (124.64) | (99.36)  |
| Net liability/(asset) at the beginning  | 92.77    | 85.64    |
| Interest cost   | 14.33    | 13.04    |
| (Interest income)   | (7.53)   | (7.29)   |
| Net interest cost for current period  | 6.80     | 5.75     |
| <b>Expenses recognized in the statement of profit or loss for current period</b>      |          |          |
| Current service cost  | 31.81    | 29.35    |
| Net interest cost   | 6.80     | 5.75     |
| Past service cost   | (4.32)   | -        |
| (Expected contributions by the employees)   |          | -        |
| (Gains)/losses on curtailments and settlements  |          | -        |
| Net effect of changes in foreign exchange rates                                       |          | -        |
| Expenses recognized   | 34.29    | 35.10    |
| <b>Expenses recognized in the other comprehensive income (OCI) for current period</b> |          |          |
| Actuarial (gains)/losses on obligation for the period                                 | (9.05)   | 24.23    |
| Return on plan assets, excluding interest income                                      | (1.15)   | (1.80)   |
| Change in asset ceiling   |          | -        |
| Net (income)/expense for the period recognized in oci                                 | (10.20)  | 22.43    |
| <b>Balance sheet reconciliation</b>   |          |          |
| Opening net liability   | 92.77    | 85.64    |
| Expenses recognized in statement of profit or loss                                    | 34.25    | 35.10    |
| Expenses recognized in OCI  | (10.16)  | 22.43    |
| Net liability/(asset) transfer in   | (0.11)   | 31.21    |
| Net (liability)/asset transfer out  | 38.36    | (35.31)  |
| (Benefit paid directly by the employer)   | (15.40)  | (12.25)  |
| (Employer's contribution)   | (21.24)  | (34.28)  |
| The Effect Of Changes in Foreign Exchange Rates                                       | -        | 0.23     |
| Net liability/(asset) recognized in the balance sheet                                 | 118.47   | 92.77    |
| <b>Category of assets</b>   |          |          |
| Government of india assets  |          | -        |
| State government securities   |          | -        |
| Special deposits scheme   |          | -        |
| Debt instruments  |          | -        |
| Corporate bonds   |          | -        |
| Cash and cash equivalents   |          | -        |
| Insurance fund  | 125.64   | 124.64   |
| Asset-backed securities   |          | -        |
| Structured debt   |          | -        |
| Other   |          | -        |
| Total   | 125.64   | 124.64   |

| Particulars   | 2020-21  | 2019-20  |
|---|----------|----------|
| <b>Other details</b>  |          |          |
| No of active members  |          | -        |
| Per month salary for active members   |          | 81.53    |
| Weighted average duration of pbo  | -        | 76.00    |
| Average expected future service   | -        | 62.00    |
| Projected benefit obligation (pbo)  | 244.11   | 217.41   |
| Prescribed contribution for next year (12 months)                           | 57.84    | 63.64    |
| <b>Net Interest Cost for Next Year</b>                                      |          |          |
| Present Value of Benefit Obligation at the End of the Period                | 217.41   | 217.41   |
| (Fair Value of Plan Assets at the End of the Period)                        | (124.64) | (124.64) |
| Net Liability/(Asset) at the End of the Period                              | 92.77    | 92.77    |
| Interest Cost   | 14.33    | 12.90    |
| (Interest Income)   | (7.53)   | (7.53)   |
| Net Interest Cost for Next Year   | 6.80     | 5.37     |
| <b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b> |          |          |
| Current Service Cost  | 31.77    | 28.77    |
| Net Interest Cost   | 6.80     | 5.37     |
| Past service cost   | (4.32)   | -        |
| (Expected Contributions by the Employees)                                   |          |          |
| Expenses Recognized   | 34.25    | 34.14    |
| Maturity analysis of the benefit payments                                   |          |          |
| 1st following year  | 23.03    | 14.54    |
| 2nd following year  | 18.39    | 12.81    |
| 3rd following year  | 19.55    | 13.22    |
| 4th following year  | 18.90    | 13.87    |
| 5th following year  | 20.35    | 13.51    |
| Sum of years 6 to 10  | 92.26    | 62.18    |
| Sum of years 11 and above   | 246.15   | 180.53   |
| Sensitivity analysis  |          |          |
| PBO on current assumptions  | 244.11   | 210.19   |
| Delta effect of +1% change in rate of discounting                           | (17.49)  | (16.32)  |
| Delta effect of -1% change in rate of discounting                           | 20.07    | 18.84    |
| Delta effect of +1% change in rate of salary increase                       | 10.81    | 10.35    |
| Delta effect of -1% change in rate of salary increase                       | (10.74)  | (10.29)  |
| Delta effect of +1% change in rate of employee turnover                     | 1.42     | 0.58     |
| Delta effect of -1% change in rate of employee turnover                     | (1.68)   | (0.78)   |

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

### 34.2 Defined Contribution Plans:

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

| Particulars                         | (₹ in Mn)    |               |
|-------------------------------------|--------------|---------------|
|                                     | 2020-21      | 2019-20       |
| Contribution to provident fund      | 95.37        | 103.23        |
| Contribution to ESIC                | 0.06         | 0.14          |
| Contribution to labour welfare fund | -            | -             |
| <b>Total</b>                        | <b>95.43</b> | <b>103.37</b> |

### 35 OTHER EXPENSES:

| Particulars  | (₹ in Mn)       |                 |
|--|-----------------|-----------------|
|  | 2020-21         | 2019-20         |
| Operations and fund management expenses  | 247.81          | 128.91          |
| Rent and energy cost   | 38.31           | 44.17           |
| Insurance  | 10.73           | 9.23            |
| Repairs & maintenance  | 25.22           | 13.37           |
| Marketing, advertisement and business promotion expenses   | 81.99           | 274.36          |
| Travelling & conveyance  | 70.72           | 178.39          |
| Legal & professional fees  | 419.09          | 358.76          |
| Communication  | 31.20           | 37.59           |
| Software charges / Technology cost   | 187.13          | 163.76          |
| Office & other expenses  | 107             | 172.33          |
| Directors' fees and commission   | 17.66           | 14.77           |
| Remuneration to Auditors :   |                 |                 |
| Audit fees (net of GST input credit)*  | 18.20           | 22.53           |
| Certification expenses   | 1.89            | 2.12            |
| Out Of pocket expenses   | 0.59            | 0.60            |
| Corporate social responsibility expenses & donation (Refer Note 43) {Includes Donation amounting to ₹ 0.40 mn (P.Y 1.31 mn)} | 88.41           | 91.35           |
| Profit/loss on sale of assets  | 23.93           | 9.35            |
| <b>Total</b>   | <b>1,370.12</b> | <b>1,521.59</b> |

\*Includes fees amounting to ₹ Nil (P.Y. ₹ 6.5 Mn) for audit of restated financials for listing purpose

### 36 INCOME TAXES

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

| Sr. No. | Particulars  | (₹ in Mn)       |               |
|---------|--|-----------------|---------------|
|         |  | 2020-21         | 2019-20       |
|         | Consolidated statement of Profit and Loss:   |                 |               |
| (a)     | Profit and Loss section:   |                 |               |
| (i)     | Current Income tax :   |                 |               |
|         | Current income tax expense   | 1,238.19        | 683.37        |
|         | Effect of previously unrecognised tax losses and tax offsets used during the current year                |                 |               |
|         | Tax expense in respect of earlier years  | 1.42            | 10.19         |
|         |  | <u>1,239.61</u> | <u>693.56</u> |
| (ii)    | Deferred Tax:  |                 |               |
|         | Tax expense on origination and reversal of temporary differences   | (82.24)         | 195.04        |
|         | Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised |                 | -             |
|         | Effect on deferred tax balances due to the change in income tax rate                                     | (0.05)          | (36.03)       |
|         |  | <u>(82.29)</u>  | <u>159.01</u> |
|         | <b>Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)]</b>            | <b>1,157.32</b> | <b>852.57</b> |
| (b)     | Other Comprehensive Income (OCI) Section:  |                 |               |
| (i)     | Items not to be reclassified to profit or loss in subsequent periods:                                    |                 |               |
| (A)     | Current tax expense/(income):  |                 |               |
|         | On re-measurement of defined benefit plans   |                 | -             |
| (B)     | Deferred tax expense/(income):   |                 |               |
|         | On re-measurement of defined benefit plans   | (2.55)          | 5.65          |
|         | <b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>                          | <b>(2.55)</b>   | <b>5.65</b>   |

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

|         |   | (₹ in Mn)         |                 |
|---------|---|-------------------|-----------------|
| Sr. No. | Particulars   | 2020-21           | 2019-20         |
| (a)     | <b>Profit/(loss) before tax</b>   | 4,849.24          | 2,864.21        |
| (b)     | Income tax expense at tax rates applicable to individual entities   | 2,720.53          | 1,261.37        |
| (c)     | (i) Tax on income subject to lower tax rate   | -                 | -               |
|         | (A) Gains on investments (including fair valuation)   | (161.60)          | 39.16           |
| (d)     | (ii) Tax on Income exempt from Tax  | -                 |                 |
|         | (A) Income from Investments (Including tax suffered income on investment in AIF)                              | (23.72)           | (443.06)        |
|         | (B) Income exempt on account of Merger  | -                 | 0.01            |
|         | (iii) Tax on expense not tax deductible   |                   |                 |
|         | Expenses not allowable as tax deductible as per tax laws  | 26.70             | 11.90           |
| (iv)    | Tax effect of losses of current year on which no deferred tax benefit is recognised                           |                   | 13.60           |
| (v)     | Tax effect of losses/ provisions of previous year on which deferred tax benefit is recognised in current year |                   | (0.92)          |
| (vi)    | Dividend Income exempt due to applicability of provisions of Sec 80M  | (1,434.84)        | -               |
|         | (vii) Effect on deferred tax due to change in Income tax  |                   | (36.03)         |
|         | (viii) Tax expense in respect of earlier years  | 1.42              | 10.19           |
|         | (ix) Tax effect on various other items  | 28.83             | (3.65)          |
|         | <b>Total effect of tax adjustments [(i) to (vi)]</b>  | <b>(1,563.21)</b> | <b>(408.80)</b> |
| (e)     | Tax expense recognised during the year  | <b>1,157.32</b>   | <b>852.57</b>   |

**37 EARNINGS PER SHARE:**

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

| Particulars   |       | 2020-21    | 2019-20    |
|---|-------|------------|------------|
| Face value of equity shares in ₹ fully paid up  |       | 2.00       | 2.00       |
| <b>BASIC</b>  |       |            |            |
| Profit after tax as per consolidated statement of profit and loss before Other Comprehensive Income (₹ in Mn) | A     | 3,691.92   | 2,011.64   |
| Weighted average number of shares subscribed  | B     | 87,395,794 | 86,072,427 |
| Face value of equity shares (in ₹) fully paid   |       | 2.00       | 2.00       |
| Basic EPS (₹)   | A/B   | 42.24      | 23.37      |
| <b>DILUTED</b>  |       |            |            |
| Profit after tax as per consolidated statement of profit and loss before Other Comprehensive Income (₹ in Mn) | A     | 3,691.92   | 2,011.64   |
| Weighted average number of shares subscribed  | B     | 87,395,794 | 86,072,427 |
| Add: Potential equity shares on account of conversion of employee stock option                                | C     | 1,007,730  | 2,051,759  |
| Weighted average number of shares outstanding   | D=B+C | 88,403,524 | 88,124,186 |
| Diluted EPS (₹)   | A/D   | 41.76      | 22.83      |

**38A.1. Credit Risk**

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

**1) Lending operations – Loans**

The Lending Operations of the Group have a well-defined framework within which credit risk is assumed, managed



and monitored. Credit function closely oversees management and control of credit risks and associated operational risks. The credit proposals are evaluated having regard to specified prudent exposure limits and approved by the appropriate authority, approved by the Board of Directors (the Board) of the entity engaged in lending business. The risk management policies including exposure limits are defined and reviewed along with the Board.

The Group sanctions and monitors the loan based on underlying security offered by borrower. The Group has not implemented the system for credit grading of borrowers since most of its lendings are against liquid collaterals. In order to manage credit risk, Loan to Value (LTV) ratio is decided/re-adjusted at the time of sanction and on ongoing basis at the time of monitoring of loan.

The carrying amount of Loans arising from lending business which may be subject to credit risk are as per table below:

(₹ in Mn)

| Particulars                        | Apr 2020- Mar 2021   |  |  |   | Total     |
|------------------------------------|--|--|--|---|-----------|
|                                    | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) |           |
| Loans to Customers *               | 36,228.02  | 802.06   | -  | -   | 37,030.08 |
| <b>Total gross carrying amount</b> | 36,228.02  | 802.06   | -  | -   | 37,030.08 |
| Loss allowance                     | (176.86)   | (161.30)   | -  | -   | (338.16)  |
| Carrying amount                    | 36,051.16  | 640.76   | -  | -   | 36,691.92 |

\* Excludes loans to staff, loans under CBLO and Inter corporate Deposits.

(₹ in Mn)

| Particulars                        | Apr 2019- Mar 2020   |  |  |   | Total     |
|------------------------------------|--|--|--|---|-----------|
|                                    | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) |           |
| Loans to Customers *               | 36,469.11  | -  | -  | -   | 36,469.11 |
| <b>Total gross carrying amount</b> | 36,469.11  | -  | -  | -   | 36,469.11 |
| Loss allowance                     | (167.20)   | -  | -  | -   | (167.20)  |
| Carrying amount                    | 36,301.91  | -  | -  | -   | 36,301.91 |

\* Excludes loans to staff, loans under CBLO and Inter corporate Deposits.

**Reconciliation of Expected Credit Loss/ Impairment Loss allowance with regards to lending operations for F.Y 20-21 is as follows**

(₹ in Mn)

| Particulars                                     | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total           |
|---|--|--|--|---|-----------------|
| <b>Loss allowance as at 01.04.2020</b>          | 160.24   | 6.96   | -  | -   | <b>167.20</b>   |
| Provision on loans originated during the year   | 79.55  | -  | -  | -   | <b>79.55</b>    |
| Net change in provision on continuing loans     | 91.00  | 154.34   | -  | -   | <b>245.34</b>   |
| Provision on loans derecognised during the year | (153.93)   | -  | -  | -   | <b>(153.93)</b> |
| <b>Loss allowance as at 31.03.2021</b>          | <b>176.86</b>  | <b>161.30</b>  | -  | -   | <b>338.16</b>   |

**Reconciliation of Expected Credit Loss/ Impairment Loss allowance with regards to lending operations for F.Y 19-20 is as follows**

| Particulars                                     |  |  |  |   |                 | (₹ in Mn) |
|---|--|--|--|---|-----------------|-----------|
|   | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Purchased or originated credit-impaired financial assets (POCI) | Total           |           |
| <b>Loss allowance as at 01.04.2019</b>          | 228.00   | -  | -  | -   | <b>228.00</b>   |           |
| Provision on loans originated during the year   | 44.53  | -  | -  | -   | <b>44.53</b>    |           |
| Net change in provision on continuing loans     | 48.75  | -  | -  | -   | <b>48.75</b>    |           |
| Provision on loans derecognised during the year | (154.08)   |  |  |   | <b>(154.08)</b> |           |
| <b>Loss allowance as at 31.03.2020</b>          | <b>167.20</b>  | -  | -  | -   | <b>167.20</b>   |           |

In addition to loans from lending business, the Group has outstanding loans under CBLO arrangement, staff and Inter corporate deposits. The Group has not made any provision for ECL on these loans as credit risk is considered insignificant.

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the modification gain /loss based on discounted cash flows on it is as below:

| Particulars  | As at           | As at           |
|--|-----------------|-----------------|
|  | 31st March 2021 | 31st March 2020 |
| Value of modified assets at the time of modification | 792.93          | -               |
| Value of modified assets outstanding at end of year  | 802.06          | -               |
| Modification gain/ loss- Considered as ECL Provision | 85.13           |                 |

**Credit concentration and gradation**

The Group provides loans mainly to High Net Worth Individuals (HNIs) against securities/collaterals in form of financial instruments (Loans against Securities - LAS). The Company does not have a significant concentration with regard to single/group borrower and industry.

The Group sanctions and monitors these loans based on underlying securities. In order to manage credit risk Loan to Value (representing value of securities/collateral against the loans outstanding) is decided/re-adjusted at the time of sanction and on ongoing basis as a part of monitoring of loans. As such the Group has not implemented the system for credit grading of borrowers since most of its loans are against collaterals in from underlying financial instruments.

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

The Group's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Group has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

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

| Particulars   | Year Ended   | Year Ended   |
|---|--------------|--------------|
|   | 31/03/2021   | 31/03/2020   |
| <b>Balance at the beginning of the year</b>                     | 10.49        | 3.19         |
| Movement in expected credit loss allowances on trade receivable | 13.88        | 6.79         |
| Foreign Currency Translation                                    | 0.93         | 0.51         |
| <b>Balance at the end of the year</b>                           | <b>25.30</b> | <b>10.49</b> |

### 3) Others

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds, derivative financial instruments 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.

The credit risk in respect of Derivative Financial instruments and investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments. Derivative transactions are transacted on exchanges with central counterparties or entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. Considering the above, the credit risk on such instruments is considered to be insignificant.

Credit Risk on Other Receivables and Other Financial assets is considered very low as the counterparty is mainly stock exchanges.

### 38B. Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group 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 Group 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 Group 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:

| (₹ in Mn)                               |                       |                    |                      |                    |                      |                   |
|---|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| Financial liabilities                   | As at 31st March 2021 |                    |                      |                    |                      |                   |
|   | Total                 | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Derivative financial instruments        | 2,207.00              | -                  | 245.60               | 40.21              | 1,528.32             | 392.87            |
| Trade Payables                          | 883.38                | 595.12             | 220.82               | 1.44               | 66.00                | -                 |
| Other Payables                          | 3,032.20              | 3,032.20           | -                    | -                  | -                    | -                 |
| Debt Securities                         | 44,079.17             | 1,495.38           | 13,577.76            | 2,284.33           | 19,560.52            | 7,161.18          |
| Borrowings (Other than Debt Securities) | 1,041.55              | 541.55             | 500.00               | -                  | -                    | -                 |
| Subordinated Liabilities                | 1,995.69              | -                  | -                    | -                  | 1,830.69             | 165.00            |
| Other financial liabilities             | 4,077.23              | 122.49             | 1,123.07             | 221.97             | 1,759.89             | 849.81            |
| <b>Total</b>                            | <b>57,316.22</b>      | <b>5,786.74</b>    | <b>15,667.25</b>     | <b>2,547.95</b>    | <b>24,745.42</b>     | <b>8,568.86</b>   |

| (₹ in Mn)                               |                       |                    |                      |                    |                      |                   |
|---|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| Financial liabilities                   | As at 31st March 2020 |                    |                      |                    |                      |                   |
|   | Total                 | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Derivative financial instruments        | 2,488.37              | -                  | 49.05                | 110.82             | 2,328.50             | -                 |
| Trade Payables                          | 694.45                | 318.58             | 372.16               | 3.71               | -                    | -                 |
| Other Payables                          | 2,347.59              | 2,347.59           | -                    | -                  | -                    | -                 |
| Debt Securities                         | 54,261.48             | -                  | 3,439.78             | 8,060.94           | 26,616.45            | 16,144.31         |
| Borrowings (Other than Debt Securities) | 28,499.19             | 28,499.19          | -                    | -                  | -                    | -                 |
| Subordinated Liabilities                | 5,620.34              | -                  | -                    | -                  | 4,120.34             | 1,500.00          |
| Other financial liabilities             | 5,115.96              | 2,237.44           | 323.33               | 104.42             | 2,300.12             | 150.65            |
| <b>Total</b>                            | <b>99,027.38</b>      | <b>33,402.80</b>   | <b>4,184.32</b>      | <b>8,279.89</b>    | <b>35,365.41</b>     | <b>17,794.96</b>  |

For Finance Lease Obligation maturity refer note 16

### 38C. 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.

### 38C.1 Currency Risk

The Group (including its foreign subsidiaries) does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the Group has exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies.

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

| Particulars               | (₹ in Mn) |      |       |       |       |       |      |
|---------------------------|-----------|------|-------|-------|-------|-------|------|
|                           | USD       | MUR  | INR   | Euro  | HKD   | GBP   | CAD  |
| Cash and Cash Equivalents | 10.97     | 0.23 |       | 0.00# | 0.03  | 0.03  | 0.01 |
| Investments               | 703.50    | -    |       |       |       | -     |      |
| Other Financial Assets    | 0.37      | -    |       |       |       | -     |      |
| Other Receivables         | 59.22     | -    |       |       | 69.95 | 0.50  |      |
| Trade Payables            | 156.71    | -    |       |       |       | 41.26 | 7.06 |
| Trade Receivables         | 71.72     | -    | 20.63 |       |       | -     |      |

| Particulars               | (₹ in Mn) |      |       |      |      |      |
|---------------------------|-----------|------|-------|------|------|------|
|                           | AED       | CHF  | RIYAL | RMB  | SGD  | OMR  |
| Cash and Cash Equivalents | 0.00#     | 0.03 | 0.00# | 0.03 | 0.02 | 0.09 |

# Amount less than ₹ 10,000

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

| Particulars               | (₹ in Mn) |      |       |       |      |       |
|---------------------------|-----------|------|-------|-------|------|-------|
|                           | USD       | MUR  | INR   | Euro  | CHF  | GBP   |
| Cash and Cash Equivalents | 93.68     | 0.45 | -     | 0.00# | 0.03 | 0.03  |
| Trade Receivables         | 274.30    | -    | 31.86 | -     | -    | -     |
| Other Receivables         | -         | -    | -     | 0.98  | -    | -     |
| Other Financial Assets    | 0.39      | -    | -     | -     | -    | -     |
| Trade Payables            | 54.38     | -    | 0.17  | -     | 0.27 | 18.30 |

| Particulars               | (₹ in Mn) |      |      |      |       |      |
|---------------------------|-----------|------|------|------|-------|------|
|                           | AED       | CAD  | HKD  | OMR  | QAR   | RMB  |
| Cash and Cash Equivalents | 0.00#     | 0.01 | 0.03 | 0.09 | 0.00# | 0.03 |

| Particulars               | SGD  |
|---------------------------|------|
| Cash and Cash Equivalents | 0.02 |

# Amount less than ₹ 10,000

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

|                                     | 2020-21 | 2019-20 |
|-------------------------------------|---------|---------|
| <b>Increase</b>                     |         |         |
| Impact on Profit and Loss after tax | 11.42   | 2.78    |
| Impact on Equity                    | 11.42   | 2.78    |
| <b>Decrease</b>                     |         |         |
| Impact on Profit and Loss after tax | (11.42) | (2.78)  |
| Impact on Equity                    | (11.42) | (2.78)  |

### 38C.2 Interest rate risk

The Group has considered interest rate risk on financial assets and liabilities accounted for on amortised cost basis.

The Group's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings/debt securities.

The carrying amount of floating rate liabilities and related interest rate sensitivity is as below:

| Particulars  | (₹ in Mn)                |                          |
|--|--------------------------|--------------------------|
|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
| Floating Rate Liabilities (Debt Securities and Borrowings) | 6,450.25                 | 5,049.18                 |

A hypothetical 0.25% shift in underlying benchmark rates will have the below impact :

| Impact on Profit and Loss after tax and equity | 2020-21 | 2019-20 |
|--|---------|---------|
| Increase of 0.25%                              | (12.07) | (9.45)  |
| Decrease of 0.25%                              | 12.07   | 9.45    |

The loans arising from lending operations generally provide for of reset of the interest rates based on its Prime lending Rate (PLR). The Group aims to reset PLR on its loan book on the basis of, inter-alia, actualized /expected change in its overall borrowing costs. This enables the Group to mitigate interest risk on revision/ repricing of interest bearing liabilities. As such the Group does not carry any interest rate risk on account of the above. As required under applicable accounting standard, impact of hypothetical change in PLR on its loan books by 0.25% would be as follows:

| Particulars | (₹ in Mn)                |                          |
|-------------|--------------------------|--------------------------|
|             | As at<br>31st March 2021 | As at<br>31st March 2020 |
| Loans       | 36,228.02                | 36,469.11                |

| Impact on Profit and Loss after tax and equity | (₹ in Mn) |         |
|--|-----------|---------|
|  | 2020-21   | 2019-20 |
| Increase of 0.25%                              | 67.78     | 68.23   |
| Decrease of 0.25%                              | (67.78)   | (68.23) |

### 38C3. Other Price Risk

Other price risk is related to the change in market reference price of the derivative financial instruments, investments and debt securities which are fair valued and exposes the Group to price risks.

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

| Particulars                      | (₹ in Mn)                |                          |
|----------------------------------|--------------------------|--------------------------|
|                                  | As at<br>31st March 2021 | As at<br>31st March 2020 |
| <b>Financial Assets</b>          |                          |                          |
| Derivative financial instruments | 1,664.97                 | 1,315.86                 |
| Investments                      | 25,128.59                | 65,124.39                |
|                                  | <b>26,793.56</b>         | <b>66,440.25</b>         |
| <b>Financial Liabilities</b>     |                          |                          |
| Derivative financial instruments | 2,207.00                 | 2,488.37                 |
| Debt securities                  | 7,776.84                 | 23,196.23                |
|                                  | <b>9,983.84</b>          | <b>25,684.60</b>         |

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

|   |  |
|---|--|
| Investments in AIFs / MFs /others   | 1% change in the NAV/price   |
| Financial assets and liabilities including derivative assets and liabilities linked to equity index/ others   | 1% change in the underlying index or in value of the instruments as the case may be                        |
| Investments in Debt securities and Government Securities, Debt Securities issued (Liabilities), and interest rate derivatives linked to underlying interest/ price movements in the interest bearing securities | 0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value |

Below is the Sensitivity analysis for the year :

|                                     | (₹ in Mn) |          |
|-------------------------------------|-----------|----------|
|                                     | 2020-21   | 2019-20  |
| <b>Increase</b>                     |           |          |
| Impact on Profit and Loss after tax | 80.87     | 349.37   |
| Impact on Equity                    | 80.87     | 349.37   |
| <b>Decrease</b>                     |           |          |
| Impact on Profit and Loss after tax | (80.87)   | (349.37) |
| Impact on Equity                    | (80.87)   | (349.37) |

### 38D. Capital Management

The Group'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 Group and regulatory capital requirements of its businesses and constituent entities.

### 38E. Category-wise Classification for applicable Financial Assets and Liabilities

| Sr No.                       | Particulars   | As at 31st March 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) |                  |
| <b>Financial Assets</b>      |   |                           |   |   |                  |
| (a)                          | Cash and cash equivalents   | 3,867.47                  | -   | -   | 3,867.47         |
| (b)                          | Bank balance other than (a) above   | 4,014.43                  | -   | -   | 4,014.43         |
| (c)                          | Derivative financial instruments  | -                         | 1,664.97  | -   | 1,664.97         |
| (d)                          | Receivables   |                           |   |   | -                |
|                              | (I) Trade receivables   | 2,261.00                  | -   | -   | 2,261.00         |
|                              | (II) Other receivables  | 1,157.39                  | -   | -   | 1,157.39         |
| (e)                          | Loans   | 37,205.90                 |   |   | 37,205.90        |
| (f)                          | Investments   | -                         | 25,128.59   | -   | 25,128.59        |
| (g)                          | Other financial assets  | 1,529.53                  | -   | -   | 1,529.53         |
|                              | <b>Total</b>  | <b>50,035.72</b>          | <b>26,793.56</b>                                    | <b>-</b>  | <b>76,829.28</b> |
| <b>Financial Liabilities</b> |   |                           |   |   |                  |
| (a)                          | Derivative financial instruments  | -                         | 2,207.00  | -   | 2,207.00         |
| (b)                          | 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 | 883.38                    | -   | -   | 883.38           |
|                              | (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 | 3,032.20                  |   |   | 3,032.20         |
| (c)                          | Finance Lease Obligations   | 268.68                    |   |   | 268.68           |
| (d)                          | Debt securities   | 36,302.33                 | 7,776.84  | -   | 44,079.17        |
| (e)                          | Borrowings (other than debt securities)   | 1,041.55                  | -   | -   | 1,041.55         |
| (f)                          | Subordinated liabilities  | 1,995.69                  | -   | -   | 1,995.69         |
| (g)                          | Other financial liabilities   | 4,077.23                  | -   | -   | 4,077.23         |
|                              | <b>Total</b>  | <b>47,601.06</b>          | <b>9,983.84</b>                                     | <b>-</b>  | <b>57,584.90</b> |

(₹ in Mn)

| Sr No.                       | Particulars   | As at 31st March 2020     |  |   | Total             |
|------------------------------|---|---------------------------|--|---|-------------------|
|                              |   | Measure at Amortised Cost | Measured At Fair Value through Profit or Loss(P/L) | Measured At Fair Value through Other Comprehensive Income (OCI) |                   |
| <b>Financial Assets</b>      |   |                           |  |   |                   |
| (a)                          | Cash and cash equivalents   | 6,812.19                  | -  | -   | 6,812.19          |
| (b)                          | Bank balance other than (a) above   | 4,974.86                  | -  | -   | 4,974.86          |
| (c)                          | Derivative financial instruments  | -                         | 1,315.86   | -   | 1,315.86          |
| (d)                          | Receivables   |                           |  |   | -                 |
|                              | (I) Trade receivables   | 2,425.49                  | -  | -   | 2,425.49          |
|                              | (II) Other receivables  | 1,180.00                  | -  | -   | 1,180.00          |
| (e)                          | Loans   | 36,318.93                 |  |   | 36,318.93         |
| (f)                          | Investments   | -                         | 65,124.39  | -   | 65,124.39         |
| (g)                          | Other financial assets  | 4,379.00                  | -  | -   | 4,379.00          |
|                              | <b>Total</b>  | <b>56,090.47</b>          | <b>66,440.25</b>                                   | <b>-</b>  | <b>122,530.72</b> |
| <b>Financial Liabilities</b> |   |                           |  |   |                   |
| (a)                          | Derivative financial instruments  | -                         | 2,488.37   | -   | 2,488.37          |
| (b)                          | 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 | 694.45                    | -  | -   | 694.45            |
|                              | (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 | 2,347.59                  |  |   | 2,347.59          |
| (c)                          | Finance Lease Obligations   | 354.39                    |  |   | 354.39            |
| (d)                          | Debt securities   | 31,065.25                 | 23,196.23  | -   | 54,261.48         |
| (e)                          | Borrowings (other than debt securities)   | 28,499.19                 | -  | -   | 28,499.19         |
| (f)                          | Subordinated liabilities  | 5,620.34                  | -  | -   | 5,620.34          |
| (g)                          | Other financial liabilities   | 5,115.96                  | -  | -   | 5,115.96          |
|                              | <b>Total</b>  | <b>73,697.17</b>          | <b>25,684.60</b>                                   | <b>-</b>  | <b>99,381.77</b>  |

### 38E.1. Fair values of financial instruments

The Group 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 Group 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.

### 38E. 1a. Financial instruments measured at fair value – Fair value hierarchy

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

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

|  |   | (₹ in Mn)        |                 |                  |  |
|--|---|------------------|-----------------|------------------|--|
| Financial instruments measured at fair value         | Recurring fair value measurements at 31.03.2021 |                  |                 |                  |  |
|  | Level 1   | Level 2          | Level 3         | Total            |  |
| <b>Financial Assets</b>                              |   |                  |                 |                  |  |
| Investments in Mutual funds                          | 2,325.95  |                  |                 | 2,325.95         |  |
| Investments in Debt securities                       |   | 13,076.82        |                 | 13,076.82        |  |
| Investments in Government Securities                 |   | 649.00           |                 | 649.00           |  |
| Investments in Equity Shares *                       |   |                  | 252.83          | 252.83           |  |
| Investments in Alternate Investment Funds #          |   |                  | 8,443.53        | 8,443.53         |  |
| Investments in Others                                | -   | 380.46           |                 | 380.46           |  |
| Derivatives financial Assets                         |   | 1,664.97         |                 | 1,664.97         |  |
| <b>Total Assets</b>                                  | <b>2,325.95</b>                                 | <b>15,771.25</b> | <b>8,696.36</b> | <b>26,793.56</b> |  |
| <b>Financial Liabilities measured at Fair values</b> |   |                  |                 |                  |  |
| Bonds/ Debentures                                    |   | 7,776.84         |                 | 7,776.84         |  |
| Derivative financial liabilities                     |   | 2,207.00         |                 | 2,207.00         |  |
| <b>Total Liabilities</b>                             | <b>-</b>  | <b>9,983.84</b>  | <b>-</b>        | <b>9,983.84</b>  |  |

\* The fair values of unlisted equity are determined basis the independent third party valuations.

# The fair values of these investments are determined basis the NAV published by the funds.

|  |   | (₹ in Mn)        |                 |                  |  |
|--|---|------------------|-----------------|------------------|--|
| Financial instruments measured at fair value         | Recurring fair value measurements at 31.03.2020 |                  |                 |                  |  |
|  | Level 1   | Level 2          | Level 3         | Total            |  |
| <b>Financial Assets</b>                              |   |                  |                 |                  |  |
| Investments in Mutual funds                          | 12,436.24                                       |                  |                 | 12,436.24        |  |
| Investments in Debt securities                       |   | 12,716.44        |                 | 12,716.44        |  |
| Investments in Government Securities                 |   | 32,164.29        |                 | 32,164.29        |  |
| Investments in Equity Shares *                       |   |                  | 107.46          | 107.46           |  |
| Investments in Alternate Investment Funds #          |   |                  | 7,699.96        | 7,699.96         |  |
| Investments in Others                                | -   |                  |                 | -                |  |
| Derivatives financial Assets                         |   | 1,315.86         |                 | 1,315.86         |  |
| <b>Total Assets</b>                                  | <b>12,436.24</b>                                | <b>46,196.59</b> | <b>7,807.42</b> | <b>66,440.25</b> |  |
| <b>Financial Liabilities measured at Fair values</b> |   |                  |                 |                  |  |
| Bonds/ Debentures                                    |   | 23,196.23        |                 | 23,196.23        |  |
| Derivative financial liabilities                     |   | 2,488.37         |                 | 2,488.37         |  |
| <b>Total Liabilities</b>                             | <b>-</b>  | <b>25,684.60</b> | <b>-</b>        | <b>25,684.60</b> |  |

\* The fair values of unlisted equity are determined basis the independent third party valuations.

# The fair values of these investments are determined basis the NAV published by the funds.



Reconciliation of Level 3 fair value measurements

| Particulars             | (₹ in Mn)                |                          |
|-------------------------|--------------------------|--------------------------|
|                         | As at<br>31st March 2021 | As at<br>31st March 2020 |
| <b>Opening Balance</b>  | <b>7,807.42</b>          | <b>5,013.93</b>          |
| Total gains or losses   |                          |                          |
| - in profit or loss     | 248.88                   | 320.89                   |
| MTM Gain / ( Loss )     | 1,152.50                 | (506.00)                 |
| Purchases               | 8,285.07                 | 10,440.90                |
| Disposal/ Settlements   | (8,797.50)               | (7,462.30)               |
| Transfer out of Level 3 |                          | -                        |
| <b>Closing Balance</b>  | <b>8,696.37</b>          | <b>7,807.42</b>          |

**38E. 1b Fair value of financial assets and financial liabilities measured at amortised cost**

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed

|   | (₹ in Mn)             |            |                       |            |
|---|-----------------------|------------|-----------------------|------------|
|   | As at 31st March 2021 |            | As at 31st March 2020 |            |
|   | Carrying Value        | Fair Value | Carrying Value        | Fair Value |
| <b>Financial Assets</b>   |                       |            |                       |            |
| Cash and cash equivalents   | 3,867.47              | 3,867.47   | 6,812.19              | 6,812.19   |
| Bank balance other than above   | 4,014.43              | 4,014.43   | 4,974.86              | 4,974.86   |
| <b>Receivables</b>  |                       |            |                       |            |
| (I) Trade receivables   | 2,261.00              | 2,261.00   | 2,425.49              | 2,425.49   |
| (II) Other receivables  | 1,157.39              | 1,157.39   | 1,180.00              | 1,180.00   |
| Loans   | 37,205.90             | 37,205.90  | 36,318.93             | 36,318.93  |
| Other financial assets  | 1,529.53              | 1,529.53   | 4,379.00              | 4,379.00   |
| <b>Financial Liabilities</b>  |                       |            |                       |            |
| (I) Trade payables  |                       |            |                       |            |
| (i) total outstanding dues of micro enterprises and small enterprises                       | -                     | -          |                       |            |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 883.38                | 883.38     | 694.45                | 694.45     |
| (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 | 3,032.20              | 3,032.20   | 2,347.59              | 2,347.59   |
| Finance Lease Obligations   | 268.68                | 268.68     | 354.39                | 354.39     |
| Debt securities   | 36,302.33             | 34,018.92  | 31,065.25             | 31,123.79  |
| Borrowings (other than debt securities)   | 1,041.55              | 1,041.55   | 28,499.19             | 28,499.19  |
| Subordinated liabilities  | 1,995.69              | 1,995.58   | 5,620.34              | 4,972.04   |
| Other financial liabilities   | 4,077.23              | 4,077.23   | 5,115.96              | 5,115.96   |

**Financial assets measured at amortised cost:**

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

**Financial liabilities measured at amortised cost:**

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their nature of liabilities. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

Other financial liabilities includes those nature of liabilities whose fair value approx to amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Mn)

|                              | As at 31.03.2021 |           |         |           |
|------------------------------|------------------|-----------|---------|-----------|
|                              | Level 1          | Level 2   | Level 3 | Total     |
| <b>Financial Liabilities</b> |                  |           |         |           |
| Debt securities              |                  | 34,018.92 |         | 34,018.92 |
| Subordinated liabilities     |                  | 1,995.58  |         | 1,995.58  |

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Mn)

|                              | As at at 31.03.2020 |           |         |           |
|------------------------------|---------------------|-----------|---------|-----------|
|                              | Level 1             | Level 2   | Level 3 | Total     |
| <b>Financial Liabilities</b> |                     |           |         |           |
| Debt securities              |                     | 31,123.79 |         | 31,123.79 |
| Subordinated liabilities     |                     | 4,972.04  |         | 4,972.04  |

**Note 39 A** The Parent Company i.e. IIFL Wealth Management Limited has implemented equity settled Employee Stock Options Scheme 2012 (ESOP 2012) and Employee Stock Options Scheme 2015 (ESOP 2015) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Nomination and Remuneration Committee and ESOP Schemes. Similarly, the ESOPs were granted to employees in November 2019 by implementing Employee Stock Options Scheme 2019 (ESOP 2019).

The details of various Employee Stock Option Schemes are as under:

| Particulars   | ESOP 2012  | ESOP 2015  | ESOP 2019  |
|---|--|--|--|
| No. of options granted upto March 31,2021               | 2,731,935  | 9,242,941  | 2,456,439  |
|   | (A – 1,240,900; B – 752,550; C – 607,500; D – 117,100; E – 13,885)   | (A – 6,965,945; B – 900,000; C – 950,000; D – 121,141; E – 135,827; F – 170,028 )  | (A – 1,242,909; B – 1,096,000; C – 61,530; D – 20,000; E – 36,000)   |
| Grant dates   | A - March 28, 2012; B - August 29, 2013; C - March 26, 2014; D - Jun 03, 2014, E - January 28, 2018                                      | A - July 02, 2015, B - November 10, 2016 C- July 21, 2017; D - January 13, 2018; E - January 28, 2018; F - January 29, 2019  | A - November 15, 2019, B - November 15, 2019, C - October 23, 2020, D - October 23, 2020, E - February 25, 2021  |
| Method of accounting                                    | Fair value   | Fair value   | Fair value   |
| Vesting plan  | Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options | Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options | Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of one year from the date of grant of such options |
| Exercise period   | Seven years from the date of grant   | Seven years from the date of grant   | Seven years from the date of grant   |
| Grant price (₹ Per Share)                               | A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 19.00, D - ₹ 417 .00  | A - ₹ 282.00, B - ₹ 339.00, C,D E - ₹ 417.00, F - ₹ 1661.00  | A - ₹ 861.00, B – ₹ 861.00, C - ₹ 900.00, D - ₹ 900.00, E - ₹ 1147.00  |
| Fair value on the date of grant of option (₹ Per Share) | ₹ 11.80 - ₹ 409.00   | ₹ 274.00 - ₹1297.00  | ₹ 899.45 - ₹ 1223.80   |

**(B) Movement of options granted:****As at March 31, 2021**

| Particulars   | ESOP 2012           | ESOP 2015             | ESOP 2019             |
|---|---------------------|-----------------------|-----------------------|
| Options outstanding at the beginning of April 01, 2020                                    | 14,245              | 1,320,195             | 2,299,326             |
| Granted during the year   | 0                   | 0                     | 117,530               |
| Exercised during the year   | 5,131               | 545,077               | 125,026               |
| Lapsed during the year  | 7,000               | 33,425                | 84,127                |
| Options outstanding as at March 31, 2021  | 2,114               | 741,693               | 2,207,703             |
| Exercisable at the end of the year March 31,2021  | 1,560               | 329,604               | 585,980               |
| Weighted average exercise price for the options exercised during the year FY 20-21        | ₹ 80.94             | ₹ 358.64              | ₹ 861.00              |
| Range of exercise price for the options outstanding at the end of the year March 31, 2021 | ₹ 19.00 to ₹ 417.00 | ₹ 282.00 to ₹ 1661.00 | ₹ 861.00 to ₹ 1147.00 |

**As at March 31, 2020**

| Particulars   | ESOP 2012           | ESOP 2015             | ESOP 2019 |
|---|---------------------|-----------------------|-----------|
| Options outstanding at the beginning of April 01, 2019                                    | 19,195              | 3,472,436             | -         |
| Granted during the year   | 0                   | 0                     | 2,338,909 |
| Exercised during the year   | 4,950               | 1,968,337             | -         |
| Lapsed during the year  | 0                   | 183,904               | 39,583    |
| Options outstanding as at March 31, 2020  | 14,245              | 1,320,195             | 2,299,326 |
| Exercisable at the end of the year March 31,2020  | 5,914               | 386,221               | -         |
| Weighted average exercise price for the options exercised during the year FY 19-20        | ₹ 340.19            | ₹ 309.28              | NA        |
| Range of exercise price for the options outstanding at the end of the year March 31, 2020 | ₹ 16.00 to ₹ 417.00 | ₹ 282.00 to ₹ 1661.00 | ₹ 861.00  |

## Fair Value Assumptions:

The fair value of options have been estimated on the date of grant using Black Scholes model.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars                         | ESOP 2012          | ESOP 2015            | ESOP 2019            |
|-------------------------------------|--------------------|----------------------|----------------------|
| Risk free interest rate             | 6.67%-9.09%        | 6.19%-7.86%          | 4.20%-5.99%          |
| Expected average life               | 2-5 years          | 2-5 years            | 2-6 years            |
| Expected volatility of Share Price  | 10.00%             | 10.00%               | 12.24% - 18.50%      |
| Dividend yield                      | 3%-23.19%          | 1.5% - 3%            | 1.95% - 3%           |
| Fair value on the date of the grant | ₹ 11.80 - ₹ 409.00 | ₹ 274.00 - ₹ 1297.00 | ₹ 899.45 - ₹ 1223.80 |

**Note 39 B**

In terms of the Composite Scheme of Arrangement (Scheme) amongst IIFL Finance Limited (formerly known as IIFL Holdings Limited), India Infoline Finance Limited, India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), the Company ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which was approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013, the equity options holders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (Options holders) shall be granted 1 stock option by the Parent Company for every 7 stock options held in IIFL Finance Limited, on terms and conditions similar to the ESOP Scheme of IIFL Finance Limited. Accordingly, 1,27,912 options of IIFL Wealth Management Limited were granted on August 21, 2019.

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger  |
|---|---|
| No. of options granted upto March 31,2020               | 127,912   |
|   | A - 127,912   |
| Grant dates   | A – 31st May 2019 (i.e. effective date of Demerger)   |
| Method of accounting                                    | NA*   |
| Vesting plan  | Options granted would vest as per the vesting schedule as determined under each series of grant of IIFL Finance Limited (formerly known as IIFL Holdings Limited) after taking the effect of demerger dated May 31, 2019 and as approved by Nomination & Remuneration Committee subject to minimum period of one year from the original date of grant of such options |
| Exercise period   | Five years from the Original date of grant  |
| Grant price (` Per Share)                               | ₹ 82.02, ₹ 218.71, ₹ 25.79, ₹ 26.47, ₹31.05, ₹ 61.40, ₹ 82.73   |
| Fair value on the date of grant of option (` Per Share) | NA*   |

\* the scheme has been implemented on account of Composite Scheme of Arrangement as mentioned above in lieu of existing ESOP scheme of IIFL Finance Limited (formerly Known as IIFL Holdings Ltd.). This, being in the nature of modification of erstwhile ESOP scheme of IIFL Finance Ltd., no separate fair-valuation is required to be carried out by the Parent Company.

#### (B) Movement of options granted:

##### As at March 31, 2021

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger |
|---|--|
| Options outstanding at the beginning of April 01, 2020                                    | 43,687   |
| Granted during the year   | 0  |
| Exercised during the year   | 26,494   |
| Lapsed during the year  | 1,183  |
| Options outstanding as at March 31, 2021  | 16,010   |
| Exercisable at the end of the year March 31,2021  | 15,324   |
| Weighted average exercise price for the options exercised during the year FY 20-21        | ₹ 86.45  |
| Range of exercise price for the options outstanding at the end of the year March 31, 2021 | ₹ 82.02 to ₹ 218.71                                  |

##### As at March 31, 2020

| Particulars   | ESOP Scheme Pursuant to Composite Scheme of Demerger |
|---|--|
| Options outstanding at the beginning of April 01, 2019                                    | 0  |
| Granted during the year   | 127,912  |
| Exercised during the year   | 81,507   |
| Lapsed during the year  | 2,718  |
| Options outstanding as at March 31, 2020  | 43,687   |
| Exercisable at the end of the year March 31,2020  | 41,255   |
| Weighted average exercise price for the options exercised during the year FY 19-20        | ₹ 43.28  |
| Range of exercise price for the options outstanding at the end of the year March 31, 2020 | ₹ 82.02 to ₹ 218.71                                  |

#### 40 CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

##### Capital and Other Commitments

| Particulars  | (₹ in Mn)               |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets | 17.85                   | 34.50                   |
| Commitments on investments   | 1,811.46                | 2,442.07                |
| <b>Total</b>   | <b>1,829.31</b>         | <b>2,476.57</b>         |

##### Contingent Liabilities

| Particulars                       | (₹ in Mn)               |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Bank guarantees (refer note 40.1) | 2,499.44                | 1,687.40                |
| Corporate guarantee               | 2,100.00                | 2,100.00                |
| Disputed income tax demand*       | 436.68                  | 323.88                  |
| <b>Total</b>                      | <b>5,036.12</b>         | <b>4,111.28</b>         |

\* Amount paid under protest with respect to income tax demand ₹ 47.62 mn (P.Y ₹ 64.14 mn)

40.1 Fixed Deposits(excluding accrued interest) amounting to ₹ 1458.70 (P.Y. ₹ 1015.59 mn) are pledged against this.

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

#### 41 DISCLOSURE AS PER IND AS 108 "SEGMENT REPORTING":

##### 41.1 Services from which reportable segments derive their revenues

The Group'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.

- Wealth Management:** Wealth management segment comprises distribution of financial products, advisory, equity and debt broking, estate planning and managing financial products essentially in the nature of advisory. The Segment also includes Lending and Investment activities which are complimentary to Wealth management activities and largely provided to or arise from servicing its clients under Wealth management.
- Asset Management:** Asset management segment generally comprises management of pooled funds under various products and structures such as mutual funds, alternative asset funds, portfolio management and related activities.

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.

##### 41.2 Segment revenues and results

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

|                   | (₹ in Mn)                            |                    |                                      |                    |
|-------------------|--------------------------------------|--------------------|--------------------------------------|--------------------|
|                   | For the year ended<br>March 31, 2021 |                    | For the year ended<br>March 31, 2020 |                    |
|                   | Segment<br>Revenue                   | Segment<br>Results | Segment<br>Revenue                   | Segment<br>Results |
| Wealth Management | 13,781.11                            | 3,946.81           | 13,256.99                            | 2,586.75           |
| Asset Management  | 2,788.82                             | 882.15             | 2,017.77                             | 277.46             |
| Unallocated       | 20.27                                | 20.28              |                                      |                    |
| <b>Total</b>      | <b>16,590.20</b>                     | <b>4,849.24</b>    | <b>15,274.76</b>                     | <b>2,864.21</b>    |

The accounting policies of the reportable segments are the same as the group'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.

### 41.3 Segment assets and liabilities

| (₹ in Mn)                        |                         |                         |
|----------------------------------|-------------------------|-------------------------|
| Segment assets                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Wealth Management                | 83,859.48               | 127,566.81              |
| Asset Management                 | 2,781.80                | 1,912.88                |
| <b>Total segment assets</b>      | <b>86,641.28</b>        | <b>129,479.69</b>       |
| Unallocated assets               | 758.31                  | 783.36                  |
| <b>Consolidated total assets</b> | <b>87,399.59</b>        | <b>130,263.05</b>       |

| (₹ in Mn)                             |                         |                         |
|---------------------------------------|-------------------------|-------------------------|
| Segment liabilities                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| Wealth Management                     | 57,576.52               | 99,383.96               |
| Asset Management                      | 616.59                  | 470.73                  |
| <b>Total segment liabilities</b>      | <b>58,193.11</b>        | <b>99,854.69</b>        |
| Unallocated liabilities               | 928.82                  | 493.32                  |
| <b>Consolidated total liabilities</b> | <b>59,121.93</b>        | <b>100,348.01</b>       |

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

- All assets are allocated to reportable segments other than tax assets.
- All liabilities are allocated to reportable segments other than tax liabilities.

### 41.4 Other segment information

| (₹ in Mn)                     |                                      |                                      |
|-------------------------------|--------------------------------------|--------------------------------------|
| Depreciation and amortisation | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Wealth Management             | 389.43                               | 374.40                               |
| Asset Management              | 40.27                                | 35.82                                |
| <b>Total</b>                  | <b>429.70</b>                        | <b>410.22</b>                        |

| (₹ in Mn)                                   |                                      |                                      |
|---|--------------------------------------|--------------------------------------|
| Interest Income included in segment revenue | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Wealth Management                           | 6,459.13                             | 7,891.53                             |
| Asset Management                            | 12.55                                | 3.85                                 |
| <b>Total</b>                                | <b>6,471.68</b>                      | <b>7,895.38</b>                      |

| (₹ in Mn)         |                                      |                                      |
|-------------------|--------------------------------------|--------------------------------------|
| Finance Cost      | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Wealth Management | 4,134.24                             | 5,014.98                             |
| Asset Management  | 1.23                                 | 0.91                                 |
| <b>Total</b>      | <b>4,135.47</b>                      | <b>5,015.89</b>                      |

## 41.5 Geographical information

(₹ in Mn)

|              | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--------------|--------------------------------------|--------------------------------------|
|              | Segment Revenue                      | Segment Revenue                      |
| India        | 16,348.30                            | 15,031.96                            |
| Mauritius    | 18.84                                | 125.88                               |
| Singapore    | 221.74                               | 116.63                               |
| Others       | 1.32                                 | 0.29                                 |
| <b>Total</b> | <b>16,590.20</b>                     | <b>15,274.76</b>                     |

## 42 RELATED PARTY DISCLOSURES:

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

### a) List of Related Parties:

| Nature of relationship                       | Name of party  |
|--|--|
| <b>Director/ Key Managerial Personnel</b>    | Mr. Karan Bhagat, Managing Director  |
|  | Mr. Yatin Shah, Non-Executive Director   |
|  | Mr. Nirmal Jain, Director  |
|  | Mr. Venkataraman Rajamani, Director  |
|  | Mr. Nilesh Vikamsey, Independent Director  |
|  | Ms. Geeta Mathur, Independent Director   |
|  | Mr. Sandeep Achyut Naik, Director  |
|  | Mr. Shantanu Rastogi, Director   |
|  | Mr. Pankaj Vaish, Independent Director   |
|  | Mr. Gopalkrishnan Soundarajan, Independent Director  |
| Mr. Subbaraman Narayan, Independent Director |  |
| <b>Subsidiary</b>                            | IIFLW CSR Foundation (w.e.f Jan 20, 2020)  |
| <b>Other Related Party</b>                   | IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                                 |
|  | IIFL Securities Limited (Formerly known as India Infoline Limited)                             |
|  | IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)                |
|  | IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)    |
|  | IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited) |
|  | IIFL Wealth (UK) Limited   |
|  | IIFL Capital Inc.  |
|  | IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)                  |
|  | IIFL Securities Services IFSC Limited  |
|  | IIFL Corporate Services Limited (Formerly known as IIFL Asset Reconstruction Limited)          |
|  | IIFL Home Finance Limited  |
|  | Samasta Microfinance Limited (w.e.f March 01, 2017)  |
|  | Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)                        |
|  | Shreyans Foundation LLP  |
|  | FIH Mauritius Investment Limited   |
|  | India Infoline Foundation  |
|  | 5paisa Capital Limited   |
|  | 5paisa P2P Limited   |
|  | 5paisa Insurance Brokers Limited   |
|  | 5paisa Trading Limited   |
|  | General Atlantic Singapore Fund Pte Limited  |
| Mr. Karan Bhagat                             |  |

| Nature of relationship | Name of party  |
|------------------------|--|
|                        | Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)  |
|                        | Mr. Varun Bhagat (Brother of Mr. Karan Bhagat)   |
|                        | Kush Family Private Trust  |
|                        | Kyra Family Private Trust  |
|                        | Kyrush Investments   |
|                        | Bhagat Family Private Trust  |
|                        | Kyrush Family Private Trust  |
|                        | Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited) |
|                        | Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)   |
|                        | Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)   |
|                        | Yatin Prakash Shah HUF   |
|                        | Yatin Investments  |
|                        | Naykia Realty Private Limited  |
|                        | Naykia Family Private Trust  |
|                        | Prakash Shah Family Private Trust  |
|                        | Naysa Shah Family Private Trust  |
|                        | Kiaan Shah Family Private Trust  |
|                        | India Alternatives Investment Advisors Private Limited resigned w.e.f. 31.05.2020              |
|                        | Financial advisors (India)Private Limited  |
|                        | CDE Real Estate Private Limited Resigned w.e.f January 19, 2021                                |
|                        | Mr. Nirmal Jain  |
|                        | Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)  |
|                        | Ardent Impex Private Limited   |
|                        | Orpheous Trading Private Limited   |
|                        | Sunder Bhawar Ventures Private Limited   |
|                        | Nirmal Madhu Family Private Trust  |
|                        | MNJ Consultants Private Limited  |
|                        | Mr. Venkataraman Rajamani  |
|                        | Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)                                     |
|                        | Kalki Family Private Trust   |

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

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

#### b) List of Transactions of the Group with the related parties net off Eliminations

| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | (₹ in Mn)  |   |
|--|---------|--|---|-----------------------|------------|---|
|  |         |  |   |                       | Total      |   |
| <b>Subscription of NCD</b>                                     |         |  |   |                       |            |   |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | -                     | -          | - |
|  | 2019-20 | -  | -   | (4,983.00)            | (4,983.00) |   |
| <b>Purchase of Investment</b>                                  |         |  |   |                       |            |   |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 2,011.10              | 2,011.10   |   |
|  | 2019-20 | -  | -   | (507.93)              | (507.93)   |   |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | 80.18                 | 80.18      |   |
|  | 2019-20 | -  | -   | (1,325.25)            | (1,325.25) |   |
| <b>Sale of Investment</b>                                      |         |  |   |                       |            |   |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 813.46                | 813.46     |   |
|  | 2019-20 | -  | -   | (1,297.89)            | (1,297.89) |   |



(₹ in Mn)

| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | Total             |
|--|---------|--|---|-----------------------|-------------------|
| IIFL Home Finance Limited                                      | 2020-21 | -  | -   | 224.97                | <b>224.97</b>     |
|  | 2019-20 | -  | -   | (739.83)              | <b>(739.83)</b>   |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (22.07)               | <b>(22.07)</b>    |
| IIFL Facilities Services Limited                               | 2020-21 | -  | -   | 50.01                 | <b>50.01</b>      |
|  | 2019-20 | -  | -   | -                     | -                 |
| <b>ICD Given</b>   |         | -  | -   | -                     | -                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (500.00)              | <b>(500.00)</b>   |
| <b>ICD received back</b>                                       |         | -  | -   | -                     | -                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (500.00)              | <b>(500.00)</b>   |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (65.00)               | <b>(65.00)</b>    |
| <b>Loan Given</b>  |         | -  | -   | -                     | -                 |
| Mr. Karan Bhagat   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (331.52)                                     | -   | -                     | <b>(331.52)</b>   |
| Mr. Yatin Shah   | 2020-21 | 499.95                                       | -   | -                     | <b>499.95</b>     |
|  | 2019-20 | (35.00)                                      | -   | -                     | <b>(35.00)</b>    |
| Mr. Nirmal Jain  | 2020-21 | 1,499.99                                     | -   | -                     | <b>1,499.99</b>   |
|  | 2019-20 | (1,999.99)                                   | -   | -                     | <b>(1,999.99)</b> |
| Mr. Venkataraman Rajamani                                      | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (999.99)                                     | -   | -                     | <b>(999.99)</b>   |
| Mrs. Madhu Jain  | 2020-21 | -  | -   | 3,896.83              | <b>3,896.83</b>   |
|  | 2019-20 | -  | -   | (2,000.00)            | <b>(2,000.00)</b> |
| Mrs. Shilpa Bhagat   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (911.25)              | <b>(911.25)</b>   |
| Mrs. Ami Yatin Shah  | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (293.35)              | <b>(293.35)</b>   |
| Yatin Investment   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (1,749.99)            | <b>(1,749.99)</b> |
| Kyrush Investments   | 2020-21 | -  | -   | 327.22                | <b>327.22</b>     |
|  | 2019-20 | -  | -   | (1,749.99)            | <b>(1,749.99)</b> |
| <b>Loan Received Back</b>                                      |         | -  | -   | -                     | -                 |
| Mr. Karan Bhagat   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (489.22)                                     | -   | -                     | <b>(489.22)</b>   |
| Mr. Yatin Shah   | 2020-21 | 499.95                                       | -   | -                     | <b>499.95</b>     |
|  | 2019-20 | (94.20)                                      | -   | -                     | <b>(94.20)</b>    |
| Mr. Nirmal Jain  | 2020-21 | 1,499.99                                     | -   | -                     | <b>1,499.99</b>   |
|  | 2019-20 | (1,999.99)                                   | -   | -                     | <b>(1,999.99)</b> |
| Mr. Venkataraman Rajamani                                      | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (999.99)                                     | -   | -                     | <b>(999.99)</b>   |
| Mrs. Madhu Jain  | 2020-21 | -  | -   | 3,896.83              | <b>3,896.83</b>   |
|  | 2019-20 | -  | -   | (2,000.00)            | <b>(2,000.00)</b> |
| Mrs. Shilpa Bhagat   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (911.25)              | <b>(911.25)</b>   |
| Mrs. Ami Yatin Shah  | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (293.35)              | <b>(293.35)</b>   |
| Yatin Investment   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (1,749.99)            | <b>(1,749.99)</b> |

| (₹ in Mn)  |         |  |   |                       |                   |
|--|---------|--|---|-----------------------|-------------------|
| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | Total             |
| Kyrush Investments   | 2020-21 | -  | -   | 284.85                | <b>284.85</b>     |
|  | 2019-20 | -  | -   | (1,749.99)            | <b>(1,749.99)</b> |
| <b>Purchase of Property</b>  |         | -  | -   | -                     | -                 |
| IIFL Facilities Services Limited   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (2,250.00)            | <b>(2,250.00)</b> |
| <b>Fees Earned For Services (including Brokerage) rendered</b>                                 |         |  |   |                       |                   |
| IIFL Securities Limited  | 2020-21 | -  | -   | 46.03                 | <b>46.03</b>      |
|  | 2019-20 | -  | -   | (60.82)               | <b>(60.82)</b>    |
| Samasta Microfinance Limited   | 2020-21 | -  | -   | 8.28                  | <b>8.28</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                                 | 2020-21 | -  | -   | 121.34                | <b>121.34</b>     |
|  | 2019-20 | -  | -   | (114.63)              | <b>(114.63)</b>   |
| Mr. Karan Bhagat   | 2020-21 | 0.10   | -   | -                     | <b>0.10</b>       |
|  | 2019-20 | (0.06)                                       | -   | -                     | <b>(0.06)</b>     |
| Mr. Yatin Shah   | 2020-21 | 0.01   | -   | -                     | <b>0.01</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| Mr. Nirmal Jain  | 2020-21 | 0.13   | -   | -                     | <b>0.13</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| Kalki Family Private Trust   | 2020-21 | -  | -   | 0.01                  | <b>0.01</b>       |
|  | 2019-20 | -  | -   | (0.01)                | <b>(0.01)</b>     |
| Kyrush Investments   | 2020-21 | -  | -   | 0.35                  | <b>0.35</b>       |
|  | 2019-20 | -  | -   | (0.17)                | <b>(0.17)</b>     |
| Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited) | 2020-21 | -  | -   | 0.01                  | <b>0.01</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| Kush Family Private Trust  | 2020-21 | -  | -   | 0.10                  | <b>0.10</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| Kyra Family Private Trust  | 2020-21 | -  | -   | 0.10                  | <b>0.10</b>       |
|  | 2019-20 | -  | -   | -                     | -                 |
| <b>Interest Income on ICD Given</b>  |         | -  | -   | -                     | -                 |
| IIFL Management Services Limited   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (3.15)                | <b>(3.15)</b>     |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                                 | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (18.41)               | <b>(18.41)</b>    |
| <b>Income on Investment</b>  |         | -  | -   | -                     | -                 |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited)                                 | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (0.05)                | <b>(0.05)</b>     |
| IIFL Home Finance Limited  | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | -  | -   | (5.14)                | <b>(5.14)</b>     |
| <b>Interest Income on Loan Given</b>   |         | -  | -   | -                     | -                 |
| Mr. Karan Bhagat   | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (4.47)                                       | -   | -                     | <b>(4.47)</b>     |
| Mr. Yatin Shah   | 2020-21 | 1.34   | -   | -                     | <b>1.34</b>       |
|  | 2019-20 | (6.11)                                       | -   | -                     | <b>(6.11)</b>     |
| Mr. Nirmal Jain  | 2020-21 | 2.19   | -   | -                     | <b>2.19</b>       |
|  | 2019-20 | (7.36)                                       | -   | -                     | <b>(7.36)</b>     |
| Mr. Venkataraman Rajamani  | 2020-21 | -  | -   | -                     | -                 |
|  | 2019-20 | (2.62)                                       | -   | -                     | <b>(2.62)</b>     |

(₹ in Mn)

| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | Total           |
|--|---------|--|---|-----------------------|-----------------|
| Mrs. Madhu Jain  | 2020-21 | -  | -   | 5.46                  | <b>5.46</b>     |
|  | 2019-20 | -  | -   | (4.58)                | <b>(4.58)</b>   |
| Mrs. Shilpa Bhagat   | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | -  | -   | (6.65)                | <b>(6.65)</b>   |
| Mrs. Ami Yatin Shah  | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | -  | -   | (11.55)               | <b>(11.55)</b>  |
| Yatin Investment   | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | -  | -   | (7.29)                | <b>(7.29)</b>   |
| Kyrush Investments   | 2020-21 | -  | -   | 2.01                  | <b>2.01</b>     |
|  | 2019-20 | -  | -   | (7.20)                | <b>(7.20)</b>   |
| <b>Fees/Expenses incurred/Reimbursed For Services Procured</b> |         |  |   |                       |                 |
| IIFL Securities Limited  | 2020-21 | -  | -   | 48.24                 | <b>48.24</b>    |
|  | 2019-20 | -  | -   | (124.45)              | <b>(124.45)</b> |
| IIFL Wealth (UK) Limited                                       | 2020-21 | -  | -   | 32.29                 | <b>32.29</b>    |
|  | 2019-20 | -  | -   | (87.94)               | <b>(87.94)</b>  |
| <b>Corporate Social Responsibility Expenses (CSR)</b>          |         |  |   |                       |                 |
| India Infoline Foundation                                      | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | -  | -   | (54.93)               | <b>(54.93)</b>  |
| IIFLW CSR Foundation**   | 2020-21 | -  | 109.73  | -                     | <b>109.73</b>   |
|  | 2019-20 | -  | -   | -                     | -               |
| <b>Remuneration To Director/KMP/Other related party</b>        |         |  |   |                       |                 |
| Mr. Karan Bhagat   | 2020-21 | 49.57  | -   | -                     | <b>49.57</b>    |
|  | 2019-20 | (50.06)                                      | -   | -                     | <b>(50.06)</b>  |
| Mr. Yatin Shah   | 2020-21 | 28.80  | -   | -                     | <b>28.80</b>    |
|  | 2019-20 | (36.36)                                      | -   | -                     | <b>(36.36)</b>  |
| Mr. Varun Bhagat   | 2020-21 | -  | -   | 4.53                  | <b>4.53</b>     |
|  | 2019-20 | -  | -   | (5.20)                | <b>(5.20)</b>   |
| <b>Gratuity Expenses</b>                                       |         |  |   |                       |                 |
| Mr. Karan Bhagat   | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | (0.06)                                       | -   | -                     | <b>(0.06)</b>   |
| Mr. Yatin Shah   | 2020-21 | -  | -   | -                     | -               |
|  | 2019-20 | (0.06)                                       | -   | -                     | <b>(0.06)</b>   |
| Mr. Varun Bhagat   | 2020-21 | -  | -   | 0.04                  | <b>0.04</b>     |
|  | 2019-20 | -  | -   | (0.10)                | <b>(0.10)</b>   |
| <b>Sitting Fees/Commission To Directors</b>                    |         |  |   |                       |                 |
| Ms. Geeta Mathur   | 2020-21 | 2.06   | -   | -                     | <b>2.06</b>     |
|  | 2019-20 | (1.85)                                       | -   | -                     | <b>(1.85)</b>   |
| Mr. Nilesh Vikamsey  | 2020-21 | 2.18   | -   | -                     | <b>2.18</b>     |
|  | 2019-20 | (2.01)                                       | -   | -                     | <b>(2.01)</b>   |
| Mr. S Narayan  | 2020-21 | 2.53   | -   | -                     | <b>2.53</b>     |
|  | 2019-20 | (2.38)                                       | -   | -                     | <b>(2.38)</b>   |
| Mr. Pankaj Vaish   | 2020-21 | 1.87   | -   | -                     | <b>1.87</b>     |
|  | 2019-20 | (0.24)                                       | -   | -                     | <b>(0.24)</b>   |
| <b>Dividend Paid</b>   |         |  |   |                       |                 |
| Mr. Karan Bhagat   | 2020-21 | 12.83  | -   | -                     | <b>12.83</b>    |
|  | 2019-20 | (6.42)                                       | -   | -                     | <b>(6.42)</b>   |
| Mr. Yatin Shah   | 2020-21 | 233.12                                       | -   | -                     | <b>233.12</b>   |
|  | 2019-20 | (66.28)                                      | -   | -                     | <b>(66.28)</b>  |
| Mr. Nilesh Vikamsey  | 2020-21 | 0.71   | -   | -                     | <b>0.71</b>     |
|  | 2019-20 | -  | -   | -                     | -               |

(₹ in Mn)

| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | Total           |
|--|---------|--|---|-----------------------|-----------------|
| General Atlantic Singapore Fund Pte Ltd                        | 2020-21 | -  | -   | 1,303.37              | <b>1,303.37</b> |
|  | 2019-20 | -  | -   | (372.39)              | <b>(372.39)</b> |
| Mrs. Shilpa Bhagat   | 2020-21 | -  | -   | 78.81                 | <b>78.81</b>    |
|  | 2019-20 | -  | -   | (22.52)               | <b>(22.52)</b>  |
| Mrs. Aditi Athavankar  | 2020-21 | -  | -   | 92.00                 | <b>92.00</b>    |
|  | 2019-20 | -  | -   | (0.57)                | <b>(0.57)</b>   |
| Mrs. Ami Yatin Shah  | 2020-21 | -  | -   | 0.04                  | <b>0.04</b>     |
|  | 2019-20 | -  | -   | (0.01)                | <b>(0.01)</b>   |
| Mrs. Madhu Jain  | 2020-21 | -  | -   | 96.25                 | <b>96.25</b>    |
|  | 2019-20 | -  | -   | (34.50)               | <b>(34.50)</b>  |
| Mr. Nirmal Jain  | 2020-21 | 436.02                                       | -   | -                     | <b>436.02</b>   |
|  | 2019-20 | -  | -   | (132.58)              | <b>(132.58)</b> |
| Mr. Prakash C. Shah  | 2020-21 | -  | -   | -                     | <b>-</b>        |
|  | 2019-20 | -  | -   | (0.20)                | <b>(0.20)</b>   |
| Mr. Venkataraman Rajamani                                      | 2020-21 | 94.44  | -   | -                     | <b>94.44</b>    |
|  | 2019-20 | -  | -   | (31.38)               | <b>(31.38)</b>  |
| Yatin Prakash Shah (HUF)                                       | 2020-21 | -  | -   | -                     | <b>-</b>        |
|  | 2019-20 | -  | -   | (0.23)                | <b>(0.23)</b>   |
| Ardent Impex Pvt Ltd   | 2020-21 | -  | -   | 34.00                 | <b>34.00</b>    |
|  | 2019-20 | -  | -   | (7.71)                | <b>(7.71)</b>   |
| Orpheus Trading Pvt Ltd  | 2020-21 | -  | -   | 16.50                 | <b>16.50</b>    |
|  | 2019-20 | -  | -   | (3.71)                | <b>(3.71)</b>   |
| Kyra Family Private Trust                                      | 2020-21 | -  | -   | 105.00                | <b>105.00</b>   |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
| Kush Family Private Trust                                      | 2020-21 | -  | -   | 105.00                | <b>105.00</b>   |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
| Nirmal Madhu Family Private Trust                              | 2020-21 | -  | -   | 100.00                | <b>100.00</b>   |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
| FIH Mauritius Investment Limited                               | 2020-21 | -  | -   | 846.41                | <b>846.41</b>   |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
|  |         | -  | -   | -                     | <b>-</b>        |
| <b>Reimbursement of expenses Received</b>                      |         | -  | -   | -                     | <b>-</b>        |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 4.15                  | <b>4.15</b>     |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
| IIFL Capital Inc.  | 2020-21 | -  | -   | 3.94                  | <b>3.94</b>     |
|  | 2019-20 | -  | -   | (3.76)                | <b>(3.76)</b>   |
| IIFLW CSR Foundation   | 2020-21 | -  | 0.72  | -                     | <b>0.72</b>     |
|  | 2019-20 | -  | -   | -                     | <b>-</b>        |
| <b>Reimbursement of expenses Paid</b>                          |         | -  | -   | -                     | <b>-</b>        |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 0.18                  | <b>0.18</b>     |
|  | 2019-20 | -  | -   | (5.64)                | <b>(5.64)</b>   |
| IIFL Securities Limited  | 2020-21 | -  | -   | 0.03                  | <b>0.03</b>     |
|  | 2019-20 | -  | -   | (3.21)                | <b>(3.21)</b>   |
| IIFL Capital Inc.  | 2020-21 | -  | -   | 0.16                  | <b>0.16</b>     |
|  | 2019-20 | -  | -   | (5.41)                | <b>(5.41)</b>   |
| IIFL Facilities Services Limited                               | 2020-21 | -  | -   | 0.02                  | <b>0.02</b>     |
|  | 2019-20 | -  | -   | (1.37)                | <b>(1.37)</b>   |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | 0.05                  | <b>0.05</b>     |
|  | 2019-20 | -  | -   | (2.27)                | <b>(2.27)</b>   |

| (₹ in Mn)  |         |  |   |                       |               |
|--|---------|--|---|-----------------------|---------------|
| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Subsidiaries including step down subsidiaries | Other Related Parties | Total         |
| <b>Other funds received</b>                                    |         |  |   |                       |               |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | -                     | -             |
|  | 2019-20 | -  | -   | (0.50)                | <b>(0.50)</b> |
| IIFL Securities Limited  | 2020-21 | -  | -   | 0.37                  | <b>0.37</b>   |
|  | 2019-20 | -  | -   | -                     | -             |
| IIFL Insurance Brokers Ltd.                                    | 2020-21 | -  | -   | -                     | -             |
|  | 2019-20 | -  | -   | (0.06)                | <b>(0.06)</b> |
| IIFL Home Finance Limited                                      | 2020-21 | -  | -   | 0.06                  | <b>0.06</b>   |
|  | 2019-20 | -  | -   | (0.13)                | <b>(0.13)</b> |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 0.06                  | <b>0.06</b>   |
|  | 2019-20 | -  | -   | (8.48)                | <b>(8.48)</b> |
| <b>Other funds paid</b>  |         |  |   |                       |               |
| IIFL Securities Limited  | 2020-21 | -  | -   | 0.03                  | <b>0.03</b>   |
|  | 2019-20 | -  | -   | (1.60)                | <b>(1.60)</b> |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -   | 0.59                  | <b>0.59</b>   |
|  | 2019-20 | -  | -   | (2.75)                | <b>(2.75)</b> |
| IIFL Management Services Limited                               | 2020-21 | -  | -   | -                     | -             |
|  | 2019-20 | -  | -   | (0.50)                | <b>(0.50)</b> |
| IIFL Insurance Brokers Ltd.                                    | 2020-21 | -  | -   | 0.02                  | <b>0.02</b>   |
|  | 2019-20 | -  | -   | (0.03)                | <b>(0.03)</b> |

c) Amount due to / from related parties (Closing Balance)

| (₹ in Mn)  |         |  |                       |  |                |
|--|---------|--|-----------------------|--|----------------|
| Nature of Transaction  | Year    | Whole Time Director/Key Managerial Personnel | Other Related Parties | Other Related Parties *(Fellow Subsidiaries upto April 01, 2018) | Total          |
| <b>Sundry payables:</b>  |         |  |                       |  |                |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -                     | -  | -              |
|  | 2019-20 | -  | -                     | (3.09)   | <b>(3.09)</b>  |
| IIFL Capital Inc.  | 2020-21 | -  | -                     | -  | -              |
|  | 2019-20 | -  | -                     | (0.80)   | <b>(0.80)</b>  |
| IIFL Securities Limited  | 2020-21 | -  | -                     | 15.12  | <b>15.12</b>   |
|  | 2019-20 | -  | -                     | (29.57)  | <b>(29.57)</b> |
| IIFL Wealth (UK) Limited                                       | 2020-21 | -  | -                     | 4.26   | <b>4.26</b>    |
|  | 2019-20 | -  | -                     | (14.38)  | <b>(14.38)</b> |
| IIFL Management Services Limited                               | 2020-21 | -  | -                     | 0.03   | <b>0.03</b>    |
|  | 2019-20 | -  | -                     | (0.26)   | <b>(0.26)</b>  |
| <b>Sundry receivables:</b>                                     |         |  |                       |  |                |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -                     | 1.74   | <b>1.74</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| IIFL Home Finance Limited                                      | 2020-21 | -  | -                     | 0.01   | <b>0.01</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| Samasta Microfinance Limited                                   | 2020-21 | -  | -                     | 9.15   | <b>9.15</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| IIFL Capital Inc.  | 2020-21 | -  | -                     | 3.01   | <b>3.01</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| IIFLW CSR Foundation   | 2020-21 | -  | 0.85                  | -  | <b>0.85</b>    |
|  | 2019-20 | -  | -                     | -  | -              |

(₹ in Mn)

| Nature of Transaction  |         | Whole Time Director/Key Managerial Personnel | Other Related Parties | Other Related Parties *(Fellow Subsidiaries upto April 01, 2018) | Total          |
|--|---------|--|-----------------------|--|----------------|
| Kyrush Investments   | 2020-21 | -  | -                     | 0.31   | <b>0.31</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| Kush Family Private Trust                                      | 2020-21 | -  | -                     | 0.12   |                |
|  | 2019-20 | -  | -                     | -  |                |
| Kyra Family Private Trust                                      | 2020-21 | -  | -                     | 0.12   |                |
|  | 2019-20 | -  | -                     | -  |                |
| <b>Loan Given:</b>   |         | -  | -                     | -  | -              |
| Kyrush Investments   | 2020-21 | -  | -                     | 42.37  | <b>42.37</b>   |
|  | 2019-20 | -  | -                     | -  | -              |
| <b>Receivable From Client</b>                                  |         | -  | -                     | -  | -              |
| Kalki Family Private Trust                                     | 2020-21 | -  | -                     | 2.44   |                |
|  | 2019-20 | -  | -                     | -  |                |
| Naykia Family Private Trust                                    | 2020-21 | -  | -                     | 0.00   | <b>0.00</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| Mrs. Ami Yatin Shah  | 2020-21 | -  | -                     | 0.00   | <b>0.00</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| Mrs. Madhu Jain  | 2020-21 | -  | -                     | 0.00   | <b>0.00</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| <b>Payable to Client</b>                                       |         | -  | -                     | -  | -              |
| Yatin Investment   | 2020-21 | -  | -                     | 0.39   | <b>0.39</b>    |
|  | 2019-20 | -  | -                     | -  | -              |
| <b>Gratuity Liability</b>                                      |         | -  | -                     | -  | -              |
| Mr. Karan Bhagat   | 2020-21 | 1.26   | -                     | -  | <b>1.26</b>    |
|  | 2019-20 | (1.27)                                       | -                     | -  | <b>(1.27)</b>  |
| Mr. Yatin Shah   | 2020-21 | 1.28   | -                     | -  | <b>1.28</b>    |
|  | 2019-20 | (1.29)                                       | -                     | -  | <b>(1.29)</b>  |
| Mr. Varun Bhagat   | 2020-21 | -  | -                     | 0.50   | <b>0.50</b>    |
|  | 2019-20 | -  | -                     | (0.44)   | <b>(0.44)</b>  |
| <b>Investment in NCD</b>                                       |         | -  | -                     | -  | -              |
| IIFL Finance Limited (Formerly known as IIFL Holdings Limited) | 2020-21 | -  | -                     | -  | -              |
|  | 2019-20 | -  | -                     | (12.21)  | <b>(12.21)</b> |
| IIFL Home Finance Limited                                      | 2020-21 | -  | -                     | 265.07   | <b>265.07</b>  |
|  | 2019-20 | -  | -                     | -  | -              |
| Samasta Microfinance Limited                                   | 2020-21 | -  | -                     | 8.94   | <b>8.94</b>    |
|  | 2019-20 | -  | -                     | -  | -              |

**Letter of Undertaking/Indemnity:**

The Parent company has provided a letter of undertaking-cum-indemnity to IIFL Securities Ltd. towards a civil suit pending against IIFL Wealth (UK )Ltd., a subsidiary of IIFL Securities Ltd, inter-alia, to defend the said suit and indemnify IIFL Securities and its directors against claims if any, arising from the same

**Note:**

- I) Figures in bracket represents previous year figures.
- II) Related parties are identified and certified by the management.
- III) \* Transactions with Subsidiaries include transactions with IIFLW CSR Foundation. IIFLW CSR Foundation is not part of consolidated financial statement.
- IV) \*\* This includes contributions done in the current year towards liabilities of current year and carried forward liabilities of previous year.

### 43 CORPORATE SOCIAL RESPONSIBILITY

During the year, the Group has spent its entire liability of ₹ 88.41 mn (PY - ₹ 60.28 mn) as required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing in achieving sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes education, community awareness, sports, environmental sustainability, and health.

### 44 SUMMARY OF CONSOLIDATION:

The Consolidated Financial Statements represents consolidation of financial statements of the Holding Company with its following subsidiaries:

| Subsidiary   | Country of incorporation | Proportion of ownership interest |                    |
|--|--------------------------|----------------------------------|--------------------|
|  |                          | As at Mar 31, 2021               | As at Mar 31, 2020 |
| IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)                            | India                    | 100%                             | 100%               |
| IIFL Investment Adviser and Trustee Services Limited   | India                    | 100%                             | 100%               |
| IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)                            | India                    | 100%                             | 100%               |
| IIFL Asset Management Limited  | India                    | 100%                             | 100%               |
| IIFL Trustee Limited   | India                    | 100%                             | 100%               |
| IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Ltd)   | India                    | 100%                             | 100%               |
| IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)  | India                    | 100%                             | 100%               |
| IIFL Altire Advisors Private Limited (w.e.f November 05, 2018) (Formerly known as Altire Advisors Private Limited) | India                    | 100%                             | 100%               |
| IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)   | India                    | 100%                             | 100%               |
| IIFL Wealth Capital Markets Limited (w.e.f April 24, 2021) (Formerly L&T Capital Markets Limited)*                 | India                    | 100%                             | 0%                 |
| IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)              | Mauritius                | 100%                             | 100%               |
| IIFL Inc   | United States of America | 100%                             | 100%               |
| IIFL (Asia) Pte. Limited   | Singapore                | 100%                             | 100%               |
| IIFL Securities Pte. Limited   | Singapore                | 100%                             | 100%               |
| IIFL Capital Pte. Limited  | Singapore                | 100%                             | 100%               |
| IIFL Private Wealth Management (Dubai) Limited   | United Arab Emirates     | 100%                             | 100%               |
| IIFL Private Wealth Hong Kong Limited**  | Hongkong                 | 0%                               | 100%               |
| IIFL Capital (Canada) Limited (w.e.f November 3, 2017)   | Canada                   | 100%                             | 100%               |

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

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

### 45 1 Maturity analysis of assets and liabilities as at March 31, 2021

| SR. No.       | Particulars                       | (₹ in Mn)        |                 |           |
|---------------|-----------------------------------|------------------|-----------------|-----------|
|               |                                   | Within 12 months | After 12 months | Total     |
| <b>ASSETS</b> |                                   |                  |                 |           |
| <b>1</b>      | <b>Financial Assets</b>           |                  |                 |           |
| (a)           | Cash and cash equivalents         | 3,867.47         |                 | 3,867.47  |
| (b)           | Bank balance other than (a) above | 3,992.90         | 21.53           | 4,014.43  |
| (c)           | Derivative financial instruments  | 1,639.24         | 25.73           | 1,664.97  |
| (d)           | Receivables                       |                  |                 |           |
|               | (I) Trade receivables             | 2,261.00         | -               | 2,261.00  |
|               | (II) Other receivables            | 1,157.39         | -               | 1,157.39  |
| (e)           | Loans                             | 33,697.13        | 3,508.77        | 37,205.90 |
| (f)           | Investments                       | 14,915.26        | 10,213.33       | 25,128.59 |
| (g)           | Other financial assets            | 501.42           | 1,028.11        | 1,529.53  |
| <b>2</b>      | <b>Non-Financial Assets</b>       |                  |                 |           |
| (a)           | Inventories                       | -                | -               | -         |

(₹ in Mn)

| SR. No.                            | Particulars  | Within 12 months | After 12 months  | Total            |
|------------------------------------|--|------------------|------------------|------------------|
| (b)                                | Current tax assets (net)   | -                | 747.10           | 747.10           |
| (c)                                | Deferred tax assets (net)  | -                | 11.21            | 11.21            |
| (d)                                | Property, plant and equipment  | -                | 2,878.70         | 2,878.70         |
| (e)                                | Capital work-in-progress   | -                | 24.29            | 24.29            |
| (f)                                | Goodwill   | -                | 3,733.94         | 3,733.94         |
| (g)                                | Other intangible assets  | -                | 1,516.09         | 1,516.09         |
| (h)                                | Right to use   | -                | 243.12           | 243.12           |
| (i)                                | Other non-financial assets   | 956.20           | 459.66           | 1,415.86         |
|                                    | <b>Total Assets</b>  | <b>62,988.01</b> | <b>24,411.58</b> | <b>87,399.59</b> |
| <b>LIABILITIES AND EQUITY</b>      |  |                  |                  |                  |
| <b>LIABILITIES</b>                 |  |                  |                  |                  |
| <b>1 Financial Liabilities</b>     |  |                  |                  |                  |
| (a)                                | Derivative financial instruments   | 285.81           | 1,921.19         | 2,207.00         |
| (b)                                | 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 | 883.38           | -                | 883.38           |
| (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 | 3,032.20         | -                | 3,032.20         |
| (c)                                | Finance Lease Obligation   | 118.92           | 149.76           | 268.68           |
| (d)                                | Debt securities  | 17,357.47        | 26,721.70        | 44,079.17        |
| (e)                                | Borrowings (other than debt securities)  | 1,041.55         | -                | 1,041.55         |
| (f)                                | Subordinated liabilities   |                  | 1,995.69         | 1,995.69         |
| (g)                                | Other financial liabilities  | 1,378.92         | 2,698.31         | 4,077.23         |
| <b>2 Non-Financial Liabilities</b> |  |                  |                  |                  |
| (a)                                | Current tax liabilities (net)  | 587.80           | -                | 587.80           |
| (b)                                | Provisions   | 64.92            | 53.55            | 118.47           |
| (c)                                | Deferred tax liabilities (net)   | -                | 341.02           | 341.02           |
| (d)                                | Other non-financial liabilities  | 489.73           | -                | 489.73           |
| <b>3 EQUITY</b>                    |  |                  |                  |                  |
| (a)                                | Equity share capital   | -                | 175.77           | 175.77           |
| (b)                                | Other equity   | -                | 28,101.90        | 28,101.90        |
|                                    | <b>Total Liabilities and Equity</b>  | <b>25,240.70</b> | <b>62,158.89</b> | <b>87,399.59</b> |

**Note 45.2. Maturity analysis of assets and liabilities as at March 31, 2020**

(₹ in Mn)

| SR. No.                   | Particulars                       | Within 12 months | After 12 months | Total     |
|---------------------------|-----------------------------------|------------------|-----------------|-----------|
| <b>ASSETS</b>             |                                   |                  |                 |           |
| <b>1 Financial Assets</b> |                                   |                  |                 |           |
| (a)                       | Cash and cash equivalents         | 6,812.19         |                 | 6,812.19  |
| (b)                       | Bank balance other than (a) above | 4,955.38         | 19.48           | 4,974.86  |
| (c)                       | Derivative financial instruments  | 50.88            | 1,264.98        | 1,315.86  |
| (d)                       | Receivables                       |                  |                 |           |
| (I)                       | Trade receivables                 | 2,425.49         | -               | 2,425.49  |
| (II)                      | Other receivables                 | 1,180.00         | -               | 1,180.00  |
| (e)                       | Loans                             | 35,572.76        | 746.17          | 36,318.93 |
| (f)                       | Investments                       | 54,160.39        | 10,964.00       | 65,124.39 |
| (g)                       | Other financial assets            | 889.60           | 3,489.40        | 4,379.00  |



(₹ in Mn)

| SR. No.  | Particulars  | Within 12 months  | After 12 months  | Total             |
|----------|--|-------------------|------------------|-------------------|
| <b>2</b> | <b>Non-Financial Assets</b>  |                   |                  |                   |
| (a)      | Inventories  | -                 | -                | -                 |
| (b)      | Current tax assets (net)   | -                 | 730.44           | 730.44            |
| (c)      | Deferred tax assets (net)  | -                 | 52.92            | 52.92             |
| (d)      | Property, plant and equipment  | -                 | 2,988.03         | 2,988.03          |
| (e)      | Capital work-in-progress   | -                 | 11.00            | 11.00             |
| (f)      | Goodwill   | -                 | 1,878.51         | 1,878.51          |
| (g)      | Other intangible assets  | -                 | 876.89           | 876.89            |
| (h)      | Right to use   | -                 | 338.19           | 338.19            |
| (i)      | Other non-financial assets   | 386.27            | 470.08           | 856.35            |
|          | <b>Total Assets</b>  | <b>106,432.96</b> | <b>23,830.09</b> | <b>130,263.05</b> |
|          | <b>LIABILITIES AND EQUITY</b>  |                   |                  |                   |
|          | <b>LIABILITIES</b>   |                   |                  |                   |
| <b>1</b> | <b>Financial Liabilities</b>   |                   |                  |                   |
| (a)      | Derivative financial instruments   | 159.87            | 2,328.50         | 2,488.37          |
| (b)      | 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 | 694.45            | -                | 694.45            |
| (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 | 2,347.59          | -                | 2,347.59          |
| (c)      | Finance Lease Obligation   | 117.56            | 236.83           | 354.39            |
| (d)      | Debt securities  | 11,500.72         | 42,760.76        | 54,261.48         |
| (e)      | Borrowings (other than debt securities)  | 28,499.19         | -                | 28,499.19         |
| (f)      | Subordinated liabilities   |                   | 5,620.34         | 5,620.34          |
| (g)      | Other financial liabilities  | 2,665.19          | 2,450.77         | 5,115.96          |
| <b>2</b> | <b>Non-Financial Liabilities</b>   |                   |                  |                   |
| (a)      | Current tax liabilities (net)  | 170.36            | -                | 170.36            |
| (b)      | Provisions   | 47.96             | 44.81            | 92.77             |
| (c)      | Deferred tax liabilities (net)   | -                 | 322.97           | 322.97            |
| (d)      | Other non-financial liabilities  | 380.15            | -                | 380.15            |
| <b>3</b> | <b>EQUITY</b>  |                   |                  |                   |
| (a)      | Equity share capital   | -                 | 174.29           | 174.29            |
| (b)      | Incremental shares pending issuance  | -                 | -                | -                 |
| (c)      | Other equity   | -                 | 29,740.74        | 29,740.74         |
|          | <b>Total Liabilities and Equity</b>  | <b>46,583.04</b>  | <b>83,680.01</b> | <b>130,263.05</b> |

## 46 BUSINESS COMBINATION

### A Subsidiaries acquired

| Particulars   | Principal activity    | Date of acquisition | Proportion of voting equity interests acquired | Consideration transferred (Amount in ₹ Mn) |
|---|-----------------------|---------------------|--|--|
| <b>IIFL Wealth Capital Markets Limited (Formerly L&amp;T Capital Markets Limited)</b> | Distribution business | 24th April 2020     | 100%   | 2,957.76                                   |

## B Assets acquired and liabilities recognised at the date of acquisition

| Particulars                      | IIFL Wealth Capital Markets Limited<br>(Formerly L&T Capital Markets Limited) |
|----------------------------------|---|
| <b>Financial Assets</b>          |   |
| Cash and cash equivalents        | 699.96  |
| Trade Receivables                | 22.97   |
| Other Financial assets           | 0.99  |
| <b>Non-Financial Assets</b>      |   |
| Property, Plant and Equipment    | 1.32  |
| Other Intangible assets          | 0.73  |
| Current tax assets (Net)         | 0.50  |
| Deferred tax Assets (Net)        | 8.89  |
| Other non-financial assets       | 0.43  |
| <b>Financial Liabilities</b>     |   |
| Trade Payables                   | (44.49)   |
| Other non-financial liabilities  | (0.84)  |
| <b>Non-Financial Liabilities</b> |   |
| Provisions                       | (28.89)   |
| Other net assets                 | <b>661.57</b>   |

## C Goodwill arising on acquisition

| Particulars  | (Amount in ₹ Mn)<br>IIFL Wealth Capital Markets Limited<br>(Formerly L&T Capital Markets Limited) |
|--|---|
| <b>Consideration transferred</b>                       | <b>2,957.76</b>   |
| <b>Less : Value of identifiable assets</b>             |   |
| Intangible assets                                      | 589.00  |
| Other net assets                                       | 661.57  |
| <b>Goodwill arising on acquisition of subsidiaries</b> | <b>1,707.19</b>   |
| Deferred tax Liability recognised on customer relation | 148.23  |
| <b>Total Goodwill</b>                                  | <b>1,855.43</b>   |

## D Impact on acquisitions on the results of the Group

The consolidated profit for the year ended March 31, 2021 includes net loss of ₹ 4.16 mn attributable to additional business generated by IIFL Wealth Capital Markets Limited (Formerly L&T Capital Markets Limited) . Revenue for the year includes ₹ 281.32 mn in respect of IIFL Wealth Capital Markets Limited (Formerly L&T Capital Markets Limited).

## 47 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

| Particulars   | Net assets, i.e., total assets<br>minus total liabilities |                      | Share of profit or loss                   |                      | Share in other comprehensive<br>income                      |                      | Share in total comprehensive<br>income                      |                      |
|---|---|----------------------|---|----------------------|---|----------------------|---|----------------------|
|   | As % of<br>consolidated<br>net assets                     | Amount in<br>Million | As % of<br>consolidated<br>profit or loss | Amount in<br>Million | As % of<br>consolidated<br>other<br>comprehensive<br>income | Amount in<br>Million | As % of<br>consolidated<br>total<br>comprehensive<br>income | Amount in<br>Million |
| <b>Parent</b>   |   |                      |   |                      |   |                      |   |                      |
| IIFL Wealth Management Limited  | 85.92%  | 24,297.22            | 173.45%                                   | 6,403.71             | 40.68%  | 0.48                 | 173.41%   | 6,404.19             |
| <b>Subsidiaries</b>   |   |                      |   |                      |   |                      |   |                      |
| <b>Indian</b>   |   |                      |   |                      |   |                      |   |                      |
| IIFL Wealth Prime Limited (Formerly<br>IIFL Wealth Finance Ltd)*                              | 59.96%  | 16,956.04            | 42.72%                                    | 1,577.16             | 484.75%   | 5.72                 | 42.86%  | 1,582.87             |
| IIFL Asset Management Limited   | 5.40%   | 1,525.95             | 22.07%                                    | 814.94               | 107.63%   | 1.27                 | 22.10%  | 816.22               |
| IIFL Wealth Distribution Services<br>Limited (Formerly IIFL Distribution<br>Services Limited) | 2.51%   | 708.98               | 7.32%                                     | 270.32               | 43.22%  | 0.51                 | 7.33%   | 270.83               |
| IIFL Wealth Portfolio Managers<br>Limited (Formerly IIFL Alternate<br>Asset Advisors Limited) | 8.30%   | 2,347.43             | 14.00%                                    | 517.00               | -31.36%   | (0.37)               | 13.99%  | 516.62               |
| IIFL Investment Adviser and Trustee<br>Services Limited                                       | 1.39%   | 394.11               | 0.43%                                     | 15.88                | -1.69%  | (0.02)               | 0.43%   | 15.87                |

| Particulars  | Net assets, i.e., total assets minus total liabilities |                    | Share of profit or loss             |                   | Share in other comprehensive income             |                   | Share in total comprehensive income             |                   |
|--|--|--------------------|-------------------------------------|-------------------|---|-------------------|---|-------------------|
|  | As % of consolidated net assets                        | Amount in Million  | As % of consolidated profit or loss | Amount in Million | As % of consolidated other comprehensive income | Amount in Million | As % of consolidated total comprehensive income | Amount in Million |
| IIFL Trustee Limited   | 0.11%  | 31.12              | 0.66%                               | 24.50             | 5.08%   | 0.06              | 0.67%   | 24.56             |
| IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)  | -0.01%   | (2.35)             | -0.03%                              | (1.10)            | 0.00%   | -                 | -0.03%  | (1.10)            |
| IIFL Altiore Advisors Private Limited (w.e.f November 05, 2018) (Formerly known as Altiore Advisors Private Limited) | 0.05%  | 13.18              | -0.01%                              | (0.32)            | 0.85%   | 0.01              | -0.01%  | (0.31)            |
| IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)   | 0.01%  | 2.35               | 0.17%                               | 6.27              | 0.00%   | -                 | 0.17%   | 6.27              |
| <b>Foreign</b>   |  |                    |                                     |                   |   |                   |   |                   |
| IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)                         | 0.50%  | 140.17             | 0.22%                               | 7.99              | -410.17%  | (4.84)            | 0.09%   | 3.14              |
| IIFL Inc   | 0.11%  | 32.51              | -0.67%                              | (24.56)           | -142.37%  | (1.68)            | -0.71%  | (26.24)           |
| IIFL Private Wealth Management (Dubai) Limited   | 0.33%  | 93.31              | 0.04%                               | 1.36              | -305.08%  | (3.60)            | -0.06%  | (2.24)            |
| IIFL Private Wealth Hong Kong Limited  | 0.00%  | -                  | -0.01%                              | (0.42)            | -196.61%  | (2.32)            | -0.07%  | (2.74)            |
| IIFL (Asia) Pte Limited - Consolidated   | 1.25%  | 354.74             | 0.09%                               | 3.30              | 783.05%   | 9.24              | 0.34%   | 12.55             |
| IIFL Capital Pte   | 2.91%  | 821.56             | -5.01%                              | (184.86)          | 321.19%   | 3.79              | -4.90%  | (181.07)          |
| IIFL Capital (Canada) Limited (w.e.f November 3, 2017)   | 0.05%  | 13.43              | 0.04%                               | 1.34              | 83.05%  | 0.98              | 0.06%   | 2.32              |
| <b>Eliminations on Consolidation</b>   | <b>-68.79%</b>   | <b>(19,452.07)</b> | <b>-155.49%</b>                     | <b>(5,740.59)</b> | <b>-682.20%</b>                                 | <b>(8.05)</b>     | <b>-155.66%</b>                                 | <b>(5,748.64)</b> |
| <b>Total</b>   | <b>100.00%</b>   | <b>28,277.68</b>   | <b>100.00%</b>                      | <b>3,691.92</b>   | <b>100.00%</b>                                  | <b>1.18</b>       | <b>100.00%</b>                                  | <b>3,693.10</b>   |

\* Including step down subsidiary IIFL Wealth Capital Markets Limited (w.e.f. April 24, 2021) (Formerly L&T Capital Markets Limited)

#### 48 UNDISTRIBUTED PROFITS

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

#### 49 SUBSEQUENT EVENTS

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

50 12. The spread of the COVID-19 pandemic including second wave across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The ultimate duration and extent of the pandemic cannot reasonably be reasonably assessed and consequently the full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are currently unknown. The Group so far has continued to engage with clients and employees through the business continuity measures put in place and its technology platform with limited disruption. Further, the Group has assessed that it expects to navigate currently prevailing uncertain economic conditions due to the more severe Second wave based on its business model, profile of assets and liabilities and availability of liquidity and capital at its disposal. However, the extent to which the COVID-19 pandemic will ultimately impact the Group's operations will depend on currently uncertain future developments.

Further, in respect of loan portfolio IIFL Wealth Prime Limited, a constituent, based on its current assessment and the policy for provisioning, approved by its Board of Directors, the Company does not envisage the need for any additional Expected Credit Loss (ECL) provision on the loans on account of the pandemic. However, ECL provisions required may differ from those estimated currently if situation worsens such future impact will be recognized prospectively

#### 51 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issuance by the Board of Directors on May 18, 2021

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

**For and on behalf of the Board of Directors**

**Karan Bhagat**  
Managing Director  
(DIN: 03247753)

**Yatin Shah**  
Director  
(DIN: 03231090)

**Mihir Nanavati**  
Chief Financial Officer

**Amit Bhandari**  
Company Secretary

Place : Mumbai  
Dated: May 18, 2021

## Annexure A

**Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

| Sr. No. | Particulars   | Reporting Currency | Share Capital | Reserves & Surplus | Exchange Rate | Total Assets | Total Liabilities | Investments | Total Turnover / Income | Profit / (Loss) before taxation | Provision for taxation (including deferred tax) | Profit after taxation | Proposed Dividend | % of shareholding |
|---------|---|--------------------|---------------|--------------------|---------------|--------------|-------------------|-------------|-------------------------|---------------------------------|---|-----------------------|-------------------|-------------------|
| 1       | IIFL Trustee Limited  | INR                | 5.00          | 2612               | 1.00          | 42.62        | 11.50             | -           | 39.84                   | 32.61                           | 8.11  | 24.50                 | -                 | 100.00%           |
| 2       | IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited) | INR                | 3.00          | 705.98             | 1.00          | 5,347.69     | 4,638.71          | 2.29        | 857.41                  | 360.50                          | 90.18   | 270.32                | -                 | 100.00%           |
| 3       | IIFL Asset Management Ltd   | INR                | 321.00        | 1,204.95           | 1.00          | 2,156.72     | 630.77            | 650.52      | 2,683.79                | 1,097.90                        | 282.95  | 814.95                | -                 | 100.00%           |
| 4       | IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited) | INR                | 2.49          | 2,344.94           | 1.00          | 2,707.25     | 359.82            | 1,764.30    | 1,790.50                | 668.30                          | 151.30  | 517.00                | -                 | 100.00%           |
| 5       | IIFL Investment Adviser and Trustee Services Limited                                    | INR                | 352.25        | 41.86              | 1.00          | 420.27       | 26.16             | 293.47      | 118.80                  | 19.12                           | 3.24  | 15.88                 | -                 | 100.00%           |
| 6       | IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Ltd)                            | INR                | 3,054.94      | 13,885.06          | 1.00          | 70,568.49    | 53,628.49         | 24,984.33   | 9,708.08                | 1,923.64                        | 361.76  | 1,561.88              | -                 | 100.00%           |
| 7       | IIFL Altire Advisors Limited (Formerly known as Altire Advisors Private Limited)        | INR                | 1.25          | 11.94              | 1.00          | 13.57        | 0.38              | -           | 0.18                    | (0.24)                          | 0.08  | (0.32)                | -                 | 100.00%           |
| 8       | IIFL Wealth Securities IFSC Limited   | INR                | 1.00          | (3.35)             | 1.00          | 3.27         | 5.62              | -           | -                       | (1.10)                          | -   | (1.10)                | -                 | 100.00%           |
| 9       | IIFL Wealth Employee Welfare Benefit Trust  | INR                | 0.01          | 2.34               | 1.00          | 3.09         | 0.74              | -           | 9.99                    | 6.90                            | 0.63  | 6.27                  | -                 | 100.00%           |
| 10      | IIFL Wealth Capital Markets Limited (Formerly L&T Capital Markets Limited)              | INR                | 523.12        | 175.14             | 1.00          | 759.34       | 61.08             | -           | 281.32                  | 48.76                           | 52.92   | (4.16)                | -                 | 100.00%           |
| 11      | IIFL (Asia) Pte. Limited  | INR                | 473.17        | (127.28)           | 1.00          | 346.80       | 0.92              | 344.54      | -                       | (1.41)                          | -   | (1.41)                | -                 | 100.00%           |
|         |   | S \$               | 14.00         | (7.65)             | 54.43         | 6.37         | 0.02              | 6.33        | -                       | (0.03)                          | -   | (0.03)                | -                 |                   |
| 12      | IIFL Securities Pte. Limited  | INR                | 49.15         | 15.77              | 1.00          | 67.90        | 2.98              | -           | 24.18                   | 4.71                            | -   | 4.71                  | -                 | 100.00%           |
|         |   | S \$               | 1.03          | 0.16               | 54.43         | 1.26         | 0.07              | -           | 0.45                    | 0.09                            | -   | 0.09                  | -                 |                   |
| 13      | IIFL Capital Pte. Limited   | INR                | 996.36        | (174.80)           | 1.00          | 1,033.51     | 211.95            | -           | 238.06                  | (184.86)                        | -   | (184.86)              | -                 | 100.00%           |
|         |   | S \$               | 18.89         | (3.79)             | 54.43         | 19.00        | 3.90              | -           | 4.54                    | (3.38)                          | -   | (3.38)                | -                 |                   |
| 14      | IIFL Inc  | INR                | 61.69         | (29.18)            | 1.00          | 49.37        | 16.87             | -           | 47.56                   | (19.64)                         | 4.92  | (24.56)               | -                 | 100.00%           |
|         |   | USD                | 1.03          | (0.58)             | 73.17         | 0.74         | 0.29              | -           | 0.63                    | (0.27)                          | 0.07  | (0.33)                | -                 |                   |
| 15      | IIFL Private Wealth Management (Dubai) Limited  | INR                | 57.99         | 35.33              | 1.00          | 98.55        | 5.23              | -           | 30.57                   | 1.36                            | -   | 1.36                  | -                 | 100.00%           |
|         |   | AED                | 3.37          | 1.31               | 19.92         | 4.95         | 0.26              | -           | 1.54                    | 0.09                            | -   | 0.09                  | -                 |                   |

| Sr. No. | Particulars                               | Reporting Currency | Share Capital | Reserves & Surplus | Exchange Rate | Total Assets | Total Liabilities | Investments | Total Turnover / Income | Profit / (Loss) before taxation | Provision for taxation (including deferred tax) | Profit after taxation | Proposed Dividend | % of shareholding |
|---------|---|--------------------|---------------|--------------------|---------------|--------------|-------------------|-------------|-------------------------|---------------------------------|---|-----------------------|-------------------|-------------------|
| 16      | IIFL Asset Management (Mauritius) Limited | INR                | 4.19          | 135.98             | 1.00          | 14179        | 1.62              | -           | 30.70                   | 7.99                            | -   | 7.99                  | -                 | 100.00%           |
|         |   | USD                | 0.07          | 1.85               | 73.17         | 1.94         | 0.02              | -           | 0.41                    | 0.11                            | -   | 0.11                  | -                 |                   |
| 17      | IIFL Capital (Canada) Limited             | INR                | 9.57          | 3.86               | 1.00          | 16.91        | 3.48              | -           | 17.52                   | 1.75                            | 0.41  | 1.34                  | -                 | 100.00%           |
|         |   | CAD                | 0.19          | 0.04               | 58.20         | 0.29         | 0.06              | -           | 0.31                    | 0.03                            | 0.01  | 0.02                  | -                 |                   |

**Note 1: All subsidiaries have common year end March 31, 2021 hence no additional information under Section 129(3) read with Rule 5 has been disclosed.**

**Note 2: Names of the subsidiaries which are yet to commence operations**

IIFL Wealth Securities IFSC Limited

**Note 3: Names of the subsidiaries which liquidated or sold during the year**

IIFL Private Wealth Hong Kong Limited

## Part "B"

### Associates and Joint Ventures

#### Name of Associates / Joint Ventures

1. Latest Audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the Company on the year end

No.

Amount of Investment in Associates/Joint Venture Extent of Holding %

Description of how there is significant influence

Not Applicable

3. Reason why the associate/joint venture is not consolidated

5. Net worth attributable to shareholding as per latest audited Balance Sheet

6. Profit/Loss for the year:

- i. Considered in Consolidation
- ii. Not Considered in Consolidation

1. Names of associates or joint ventures which are yet to commence operations: Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AMIT BHANDARI  
Company Secretary

MIHIR NANAVATI  
Chief Financial Officer

YATIN SHAH  
Director  
(DIN: 03231090)

KARAN BHAGAT  
Managing Director  
(DIN: 03247753)

Place: Mumbai

Date: May 18, 2021

## Corporate Information

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### BOARD OF DIRECTORS

Mr. Nilesh Vikamsey, Chairman and Independent Director  
Mr. Karan Bhagat, Managing Director  
Mr. Subbaraman Narayan, Independent Director  
Mr. Pankaj Vaish, Independent Director  
Ms. Geeta Mathur, Independent Director  
Mr. Gopalakrishnan Soundarajan, Non-Executive Director  
Mr. Nirmal Jain, Non-Executive Director  
Mr. R. Venkataraman, Non-Executive Director  
Mr. Yatin Shah, Non-Executive Director  
Mr. Sandeep Naik, Non-Executive Director  
Mr. Shantanu Rastogi, Non-Executive Director

### COMMITTEES OF BOARD

#### AUDIT COMMITTEE

Ms. Geeta Mathur, Chairperson  
Mr. Nilesh Vikamsey  
Mr. Shantanu Rastogi  
Mr. Pankaj Vaish

#### NOMINATION AND REMUNERATION COMMITTEE

Ms. Geeta Mathur, Chairperson  
Mr. Nirmal Jain  
Mr. Nilesh Vikamsey  
Mr. Sandeep Naik

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Karan Bhagat, Chairman  
Mr. Nirmal Jain  
Mr. Nilesh Vikamsey  
Mr. Sandeep Naik

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. R. Venkataraman, Chairman

Mr. Pankaj Vaish

Mr. Yatin Shah

## **RISK MANAGEMENT COMMITTEE**

Mr. Shantanu Rastogi, Chairman

Mr. R. Venkataraman

Mr. Karan Bhagat

Mr. Nilesh Vikamsey

Ms. Geeta Mathur

## **CHIEF FINANCIAL OFFICER**

Mr. Mihir Nanavati

## **COMPANY SECRETARY**

Mr. Ashutosh Naik- till October 14, 2020

Mr. Amit Bhandari- w.e.f February 2, 2021

## **AUDITORS**

Deloitte Haskins & Sells LLP, Chartered Accountants

## **INTERNAL AUDITORS**

KPMG

## **REGISTERED & CORPORATE OFFICE**

IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West),  
Mumbai (MH) – 400 013

## **BANKERS**

ICICI BANK LIMITED, HDFC BANK LIMITED

## **CORPORATE IDENTIFICATION NUMBER**

L74140MH2008PLC177884

### **CAUTIONARY STATEMENT**

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Wealth Management Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.





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