SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Wealth Capital Markets Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IIFL Wealth Capital Markets Limited ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements').

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, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 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), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; 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, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and

(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 in its financial statements – refer note 27 to the financial statements;

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 40 to the financial statements; and

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 41 to the financial statements.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

FIRDOSH DARA BUCHIA Digitally signed by FIRDOSH DARA BUCHIA Date: 2021.05.14 19:39:14 +05'30'

Firdosh D. Buchia
Partner
Membership no. 38332
UDIN: 21038332AAAAND7821

Mumbai, 14 May 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records of the Company examined by us, certain fixed assets have been physically verified by management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and records of the Company examined by us, the Company does not have any immovable properties of freehold or leasehold land and building. Hence, reporting under paragraph 3(i)(c) of the Order is not applicable.

(ii) According to the information and explanations given to us, the Company is engaged primarily in services related to financial services activities and does not hold any inventories and hence reporting under paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, there are no investments made, securities provided and guarantees given in respect of which provisions of sections 185 and 186 of the Act are applicable. The Company has complied with the provisions of section 186 of the Act in respect of grant of loans, as applicable.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) 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 Act for any of the services rendered by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of provident fund, employees' state insurance, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the particulars of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2021 are as under:

Name of the statue	Nature of the disputed dues	Amount (Rs. in lakhs) *	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1944	Dispute for availament of cenvat credit on input services	519	FY 2013-14 & 2014-15	CESTAT
Income Tax Act, 1961	Dispute for higher turnover reported in service tax return as compared to ITR and disallowance for TDS default	36.70	FY 2017-18	Commissioner of Income-Tax (Appeals)

* Net of pre-deposit paid in getting the stay/ appeal admitted.

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the records of the Company examined by us and the information and explanation given to us, no managerial remuneration has been paid or provided during the year.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

FIRDOSH DARA BUCHIA
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Date: 2021.05.14 19:39:52 +05'30'

Firdosh D. Buchia
Partner
Membership no. 38332
UDIN: 21038332AAAAND7821

Mumbai, 14 May 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls 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 Capital Markets Limited ('the Company') as of 31 March 2021 in conjunction with our audit of the 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 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.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. 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, 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 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 ICAI.

For Sharp & Tannan
Chartered Accountants
Firm’s registration No.109982W

FIRDOSH DARA BUCHIA
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Date: 2021.05.14 19:40:14 +05'30'

Firdosh D. Buchia
Partner
Membership no. 38332
UDIN: 21038332AAAAND7821

Mumbai, 14 May 2021

IIFL Wealth Capital Markets Limited
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
Financial Statements as at March 31, 2021
IND AS (Division II of Schedule III)

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Mn)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.76	2.35
Other intangible assets	3	0.19	0.78
Financial assets			
Other financial assets	4	0.99	1.08
Current tax assets (net)	6	14.84	12.60
Deferred tax assets (net)	6	5.17	50.16
Current assets			
Right to use	18	0.01	-
Other non financial assets	10	51.44	3.92
Financial assets			
Investments	7	-	608.23
Cash and cash equivalents	8	618.91	6.45
Trade receivables	9	41.51	45.02
Other current assets	11	25.09	4.07
Total Assets		**758.90**	**734.64**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	523.12	523.12
Other equity	13	175.14	141.29
Non-current liabilities			
Provisions	14	16.21	20.92
Current liabilities			
Financial liabilities			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	15	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.69	0.04
Other financial liabilities	16	10.07	33.35
Financial Lease Obligation	18	0.01	0.00
Other current liabilities	17	14.41	6.16
Provisions	14	1.28	9.77
Current tax liabilities (net)	6	14.97	-
Total Equity and Liabilities		**758.90**	**734.64**

See accompanying Notes to the Financial Statements

In terms of our report attached
For Sharp & Tannan
Chartered Accountants
FRN: 109982W

FIRDOSH DARA BUCHIA
Digitally signed by FIRDOSH DARA BUCHIA
Date: 2021.05.14 19:41:06 +05'30'

Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: May 14, 2021

For and on behalf of the Board of Directors

Umang Papneja	**Manoj Shenoy**	**Himanshu Jain**
Director	Director	CEO
(DIN: 07357053)	(DIN: 06679235)	(DIN: 02052409)
Jay Gandhi	**Dipali Thakkar**	
CFO	Company Secretary	

Place : Mumbai
Dated: May 14, 2021

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Mn)

SR. No.	Particulars	Note No.	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021*	For the year ended March 31, 2020
I	Revenue from operations	19	267.18	253.47	342.72
II	Other income	20	28.38	27.85	196.07
III	**Total revenue (I + II)**		**295.56**	**281.32**	**538.79**
	Expenses				
(a)	Employee benefits expenses	21	173.69	217.54	427.08
(b)	Finance costs	22	0.31	0.31	2.15
(c)	Depreciation, amortization and impairment	23	2.28	1.20	4.55
(d)	Other expenses	24	19.89	13.52	104.18
IV	**Total expenses**		**196.17**	**232.56**	**537.96**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		99.39	48.76	0.83
(VI)	**Exceptional items**		-	-	-
(VII)	**Profit before tax (V-VI)**		**99.39**	**48.76**	**0.83**
(VIII)	**Tax expense:**				
(a)	Current tax	5	21.57	9.37	21.00
(b)	Deferred tax	5	4.64	3.46	9.70
(c)	Reversal of MAT credit	5	40.09	40.09	7.48
(IX)	**Profit for the period / year (VII-VIII)**		**33.09**	**(4.16)**	**(37.34)**
(X)	**Other comprehensive income**				
(a)	(i) Items that will not be reclassified to profit or loss		1.02	1.02	3.33
	(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(0.26)	(0.26)	-
	Total Other comprehensive income/ loss		**0.76**	**0.76**	**3.33**
(XI)	**Total comprehensive income for the period / year (IX+X)**		**33.86**	**(3.40)**	**(34.01)**
(XII)	**Earnings per equity share**				
	Basic (Rs.)	25	0.63	(0.08)	(0.71)
	Diluted (Rs.)	25	0.63	(0.08)	(0.71)

See accompanying Notes to the Financial Statements

**Refer note 32*

In terms of our report attached

For Sharp & Tannan
Chartered Accountants
FRN: 109982W

FIRDOSH DARA BUCHIA

Digitally signed by FIRDOSH DARA BUCHIA
Date: 2021.05.14 19:41:59 +05'30'

Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: May 14, 2021

For and on behalf of the Board of Directors

Umang Papneja	**Manoj Shenoy**	**Himanshu Jain**
Director	Director	CEO
(DIN: 07357053)	(DIN: 06679235)	(DIN: 02052409)

Jay Gandhi	**Dipali Thakkar**
CFO	Company Secretary

Place : Mumbai
Dated: May 14, 2021

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021*	For the year ended March 31, 2020
A. Cash flows from operating activities			
Profit before taxation and extraordinary item	**99.39**	**48.76**	**0.83**
Adjustments for:			
Depreciation & amortisation	2.28	1.20	3.64
Provisions for employee benefits	0.28	(0.27)	(4.59)
Provisions for leave encashment	-	-	(18.26)
Net changes in fair value through Profit and Loss of investments			
- Realised	(9.87)	(9.34)	(0.03)
Bad debts written off	-	-	12.06
Foreign - Exchange Gain/Loss	-	-	0.06
Interest income	(18.51)	(18.51)	(0.64)
Interest expenses	0.30	0.31	
Profit/(loss) on sale of investments	-	-	(38.44)
Impact on account of Ind AS 116	-	-	0.01
Operating profit before working capital changes	**73.86**	**22.15**	**(45.36)**
Changes in working Capital :			
(Increase)/ Decrease in Financial/Non-financial Assets	(64.94)	(94.62)	131.84
Increase/ (Decrease) in Financial/Non-financial Liabilities	(23.84)	(27.28)	(70.82)
Cash generated from/ (used in) operations	**(14.91)**	**(99.75)**	**15.66**
Cash flow before extraordinary item			
Net income tax(paid) / refunds	(8.83)	(8.74)	(17.61)
Net cash generated from/ (used in) operating activities (A)	**(23.74)**	**(108.49)**	**(1.95)**
B. Cash flows from investing activities			
Sale of investments	618.09	9.34	115.29
Interest received	18.51	18.51	0.64
Intercorporate Deposit - given	(1,610.00)	(1,640.00)	(619.00)
Intercorporate Deposit - received	1,610.00	1,640.00	619.00
Net cash generated from/(used in) investing activities (B)	**636.61**	**27.85**	**115.93**
C. Cash flows from financing activities			
Dividend paid (including dividend distribution tax)	-	-	(126.13)
Lease liability repaid	(0.10)	(0.10)	-
Inter Corporate Deposits taken	25.77	25.77	-
Inter Corporate Deposits repaid	(25.77)	(25.77)	-
Interest paid	(0.30)	(0.31)	-
Net cash generated from/ (used in) financing activities (C)	**(0.40)**	**(0.41)**	**(126.13)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**612.47**	**(81.04)**	**(12.15)**
Opening Cash & cash equivalents	**6.45**	**699.96**	**18.60**
Closing Cash & cash equivalents	**618.91**	**618.91**	**6.45**

See selected explanatory notes forming part of the financial statements

Notes:

1. Statement of Cash flow has been prepared under indirect method as set out in the Indian Accounting Standard (IND AS) 7 Statement of Cash Flows.
2. Purchase of fixed assets includes movements of capital work in process during the period.
3. Cash and cash equivalents represent cash, bank balances and deposit with maturity period of less than 3 months.
4. Previous period figures have been regrouped / reclassified whenever necesarry to make them comparable with those of current period.

In terms of our report attached

For Sharp & Tannan
Chartered Accountants
FRN: 109982W

FIRDOSH DARA BUCHIA
Digitally signed by FIRDOSH DARA BUCHIA
Date: 2021.05.14 19:42:29 +05'30'

Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: May 14, 2021

For and on behalf of the Board of Directors

Umang Papneja	**Manoj Shenoy**	**Himanshu Jain**
Director	Director	CEO
(DIN: 07357053)	(DIN: 06679235)	(DIN: 02052409)

Jay Gandhi	**Dipali Thakkar**
CFO	Company Secretary

Place : Mumbai
Dated: May 14, 2021

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
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	Capital Reserve	Retained Earnings	Total Other Equity	
Balance as at 1st Apr 2020	523.12	187.88	(46.60)	141.28	664.40
Profits for the year			33.09	33.09	33.09
Other Comprehensive income			0.76	0.76	0.76
Balance as at 31st Mar 2021	**523.12**	**187.88**	**(12.74)**	**175.14**	**698.26**

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	Capital Reserve	Retained Earnings	Total Other Equity	
Balance as at 1st Apr, 2019	523.12	187.88	113.53	301.41	824.53
Impact of INDAS 116			0.01	0.01	0.01
Profits for the year	-	-	(37.34)	(37.34)	(37.34)
Other comprehensive income	-	-	3.33	3.33	3.33
Dividend paid during the year	-	-	(104.62)	(104.62)	(104.62)
DDT on interim dividend	-	-	(21.51)	(21.51)	(21.51)
Balance as at 31st Mar 2020	**523.12**	**187.88**	**(46.60)**	**141.28**	**664.40**

In terms of our report attached

For Sharp & Tannan
Chartered Accountants
FRN: 109982W

FIRDOSH DARA BUCHIA
Digitally signed by FIRDOSH DARA BUCHIA
Date: 2021.05.14 19:43:05 +05'30'

Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: May 14, 2021

For and on behalf of the Board of Directors

Umang Papneja	**Manoj Shenoy**	**Himanshu Jain**
Director	Director	CEO
(DIN: 07357053)	(DIN: 06679235)	(DIN: 02052409)

Jay Gandhi	**Dipali Thakkar**
CFO	Company Secretary

Place : Mumbai
Dated: May 14, 2021

1. Corporate Information

IIFL Wealth Capital Markets Limited (formerly known as L&T Capital Markets Limited) (the "Company") is a public limited company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited). 100% of the Company's shares are held by IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited) and its nominees with effect from 24th April 2020. The Company's principal activity is distribution of third-party investment products to corporates and high networth individuals.

2. Significant Accounting Policies:

a. Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in the Division II of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees in millions rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

b. 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.

These financials statements have been approved for issue by the Board of Directors of the Company at their meeting held on 14th May 2021.

c. Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

d. Operating cycle for current and non-current classification:

In the absence of the entity's normal operating cycle being clearly identifiable, its duration is assumed to be 12 months.

e. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced by estimated customer credits and other similar allowances.

Brokerage, commission and other fee income:
Brokerage, commission and other fees, are recognised at a point in time when the service obligations are completed and when the terms of contracts are fulfilled. Advisory fees Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements

Interest income:
Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the year.

Other operational revenue:
Other items of income including fees and commissions are accounted as and when the service obligations are completed and 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.

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 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.

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

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Vehicles*	5

* For these class of assets, based on internal assessment carried out, 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.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:
The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of

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

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 recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3-5

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

h. Financial Instruments

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

- **Financial assets**

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

Subsequent measurement:
For subsequent measurement, the Company classifies a financial asset in accordance with the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.
Based on the above criteria, the Company classifies its financial assets into the following categories:
i. Financial assets measured at amortized cost
ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:
A financial asset is measured at the amortized cost if both the following conditions are met:
- The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest on the principal amount outstanding.

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

ii. Financial assets measured at FVTOCI:
A financial asset is measured at FVTOCI if both of the following conditions are met:
- The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:
- The contractual rights to cash flows from the financial asset expires;
- The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

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

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

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

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

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

- **Financial Liabilities**

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

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

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

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

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

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

Fair Value
The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 —inputs that are unobservable for the asset or liability
For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

i. Income Taxes

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

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.
Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:
Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.
The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

j. Provisions and Contingencies

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

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

k. Cash and Cash Equivalents

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

l. Employee Benefits

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

Post-Employment Benefits:
(I) Defined contribution plans:
Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company operates defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company also operates Defined Contribution Plans pertaining to Provident Fund Scheme.
Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:
Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

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

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

m. Lease accounting

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

As a lessee

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

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

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

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

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

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

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

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

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.

Critical accounting estimate and judgement

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

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

n. Share capital

Ordinary equity shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

o. Borrowing Cost

Borrowing cost includes interest to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

p. Segment Reporting

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

q. Earnings Per Share:

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

r. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

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

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

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

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

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 3. Property Plant and Equipment

(₹ in Mn)

Particulars	Computers	Intangibles	Furniture Fixture	Vehicles	Office Equipments	Leasehold improvments	Total
Gross Block as on April 01, 2020	**0.97**	**11.89**	**0.13**	**3.96**	**0.86**	**1.25**	**19.06**
Add: Additions	-	-	-	-	-	-	-
Add: Additions related to acquisitions	-	-	-	-	-	-	-
Less: Deductions/ Adjustments during the year*	(0.97)	(7.18)	(0.13)	-	(0.86)	(1.25)	(10.38)
As at March 31, 2021	**-**	**4.71**	**-**	**3.96**	**-**	**-**	**8.67**
Accumulated Depreciation							
Upto April 01, 2020	**0.86**	**11.12**	**0.02**	**2.59**	**2.59**	**11.12**	**28.29**
Add: Depreciation for the year	-	0.59	-	0.61			1.20
Add. Depreciation on Acquisition	-	-	-	-	-	-	-
Less: Deductions/Adjustments during the year*	(0.86)	(7.18)	(0.02)		(2.59)	(11.12)	(21.76)
Upto March 31, 2021	**-**	**4.53**	**-**	**3.20**	**-**	**-**	**7.73**
Net Block as at March 31, 2021	**-**	**0.19**	**-**	**0.76**	**-**	**-**	**0.94**

*Assets not transferred during acquistion

Property Plant and Equipment (Previous year)

(₹ in Mn)

Particulars	Computers	Intangibles	Furniture Fixture	Vehicles	Office Equipments	Leasehold improvments	Total
Gross Block as on April 01, 2019	**0.97**	**11.89**	**0.13**	**3.96**	**0.86**	**1.25**	**19.06**
Add: Additions	-	-	-	-	-	-	-
Less: Deductions/ Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2020	**0.97**	**11.89**	**0.13**	**3.96**	**0.86**	**1.25**	**19.06**
Accumulated Depreciation							
Upto April 01, 2019	**0.86**	**8.81**	**-**	**1.65**	**0.72**	**0.25**	**12.29**
Add: Depreciation for the year	0.00	2.31	0.02	0.94	0.04	0.33	3.64
Less: Deductions/Adjustments during the year	-	-	-	-	-	-	-
Upto March 31, 2020	**0.86**	**11.12**	**0.02**	**2.59**	**0.76**	**0.59**	**15.93**
Net Block as at March 31, 2020	**0.11**	**0.78**	**0.11**	**1.37**	**0.10**	**0.66**	**3.13**

Note 4. Other financial assets (₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current		
Deposits	0.99	1.08
Total	**0.99**	**1.08**

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

Note 5. Income taxes
Disclosure pursuant to Ind AS 12 "Income Taxes"
(a) Major components of tax expense/ (income)

(₹ in Mn)

Sr. No.	Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021*	For the year ended March 31, 2020
	Statement of Profit and Loss:			
(a)	Profit and Loss section:			
	(i) Current Income tax :			
	Current income tax expense	21.57	9.37	0.32
	Tax expense in respect of earlier years	-	-	20.68
		21.57	9.37	21.00
	(ii) Deferred Tax:			
	Tax expense on origination and reversal of temporary differences	4.32	2.61	7.58
	Effect of recognition of MAT Credit	40.09	40.09	7.47
	Effect on deferred tax balances due to the change in income tax rate	0.32	0.85	2.12
		44.73	43.55	17.17
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	66.30	52.92	38.17
(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	0.26	0.26	-
		0.26	0.26	-
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	0.26	0.26	-

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

(₹ in Mn)

Sr. No.	Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021*	For the year ended March 31, 2020
(a)	**Profit/(loss) before tax**	**99.39**	**48.76**	**0.83**
(b)	Corporate tax rate as per Income Tax Act, 1961	**25.17%**	**25.17%**	**25.17%**
(c)	Income tax expense at tax rates applicable to individual entities including deferred tax	25.27	12.53	0.21
(d)	(i) Tax on income subject to lower tax rate		-	-
	(A) Gains on investments (including fair valuation)	(0.03)	(0.30)	-
(e)	(ii) Tax on Income exempt from Tax	-	-	-
	(A) Income from Investments (Including tax sufferred income on investment in AIF)	-	-	-
	(B) Other items (including tax suffered income on investment in AIF)	-	-	-
	(iii) Tax on expense not tax deductible			
	(A) Corporate Social Responsibility (CSR) expenses & Donation	-	-	0.69
	(B) Expenses in relation to exempt income	-	-	-
	(A) Expenses not allowable as tax deductible as per tax laws	0.04	0.04	-
	(C) Tax on employee perquisities borne by the Group (incl. trfd gratuity)	-	-	-
	(iv) Effect of previously unreognised tax losses used to reduce tax expense (short/excess provision)	-	-	-
	(v) Tax effect of losses of current year on which no deferred tax benefit is recognised	-	-	(0.91)
	(vi) Effect on deferred tax due to change in Income tax	0.32	0.32	2.12
	(vii) Effect on non recognition of MAT Credit	40.09	40.09	12.02
	(viii) MAT on book profit	-	-	0.32
	(ix) Tax expense in respect of earlier years	-	-	24.91
	(x) Effect of recognition of MAT Credit			(0.32)
	(xi) Tax effect on various other items including CSR	0.61	0.24	(0.87)
	Total effect of tax adjustments [(i) to (vii)]	**41.03**	**40.39**	**37.96**
(f)	Tax expense recognised during the year (b+c+d)	**66.30**	**52.92**	**38.17**
(g)	Effective tax rate	66.71%	108.53%	4598.31%

Note: The Company has calculated tax expense of the current financial year by availing the benefits of the Section 115BAA of the Income Tax Act, 1961.

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Note 6. Deferred Taxes

A. Current Tax Section (₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax and tax deducted at source (net)	14.84	12.60
Current tax assets (net) - Total	**14.84**	**12.60**
Provision for current tax (net)	14.97	-
Current tax liabilities (net) - Total	**14.97**	**-**

B. Deferred Tax Section
Significant components of deferred tax assets and liabilities recorded for the year ended March 31, 2021 are as follows:
(₹ in Mn)

	Opening balance as at Apr 1, 2020	Recognised in profit or loss	Rate change impact	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2021
Deferred tax assets:					
Property, plant and equipment					-
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	1.40	(0.62)	(0.04)	-	0.73
Expenses deductible in future years:	0.70	(0.68)	(0.02)	-	(0.01)
Items disallowed under Section 43B	7.98	(3.06)	(0.26)	(0.26)	4.40
Unutilised MAT credit	40.09	(40.09)			-
Impact of IndAS 116	-	0.00	-	-	0.00
Provision for expected credit loss	-	0.04	-	-	0.04
Total deferred tax assets	**50.16**	**(44.41)**	**(0.32)**	**(0.26)**	**5.17**
Net Deferred tax (assets)					**5.17**

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

	Opening balance as at Apr 1, 2019	Recognised in profit or loss	Rate change impact	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2020
Deferred tax assets:					
Provision for Bad Debts	0.63	(0.63)	-	-	-
Unutilised MAT credit	67.99	(7.48)	-	(20.43)	40.09
Items disallowed under Section 43B	15.59	(7.61)	-	-	7.98
Provision for expenses	0.62	0.08	-	-	0.70
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	3.06	(1.66)	-	-	1.40
Total deferred tax assets (A)	**87.88**	**(17.29)**	**-**	**(20.43)**	**50.16**
Net Deferred tax (assets)					**50.16**
Deferred tax liabilities:					
Unrealised profit on investments etc.	(0.12)	0.12	-	-	-
Total deferred tax liabilities (B)	**(0.12)**	**0.12**	**-**	**-**	**-**
Deferred tax assets (A - B)	**87.76**	**(17.17)**	**-**	**(20.43)**	**50.16**

IIFL WEALTH CAPITAL MARKETS LIMITED
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Note 7. Investments

(₹ in Mn)

Investments	As at March 31, 2021					As at March 31, 2020				
	Amortised cost	At Fair value			Total	Amortised cost	At Fair value			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=1+2+3+4	1	2	3	4	5=1+2+3+4
(A)										
Mutual funds	-	-	-	-	-	-	-	-	608.23	608.23
Others	-	-	-	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-	-	**608.23**	**608.23**
(B)										
i) Investments outside India	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	-	-	-	-	-	-	-	608.23	608.23
Total (B)	-	-	-	-	-	-	-	-	**608.23**	**608.23**
(C)										
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	-	-	-	-	-	-	-	-	**608.23**	**608.23**

(₹ in Mn)

Particulars	As at March 31, 2021			As at March 31, 2021		
Name of Investment	**Face Value**	**No. of Units**	**Total Amount**	**Face Value**	**No. of Units**	**Total Amount**
Investment in Mutual Funds include :						
L & T Liquid Fund	1,000	-	-	1,000	3,90,337.94	608.23
Total	**1,000**	**-**	**-**	**1,000**	**3,90,337.94**	**608.23**

Note 8. Cash and Cash Equivalents **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
Cash on hand	-	-
Balance with banks		
-In current accounts	618.91	6.45
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	**618.91**	**6.45**

Note 9. Receivables **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
Receivables considered good - Unsecured	36.40	45.02
Receivables - credit impaired	5.27	-
Gross	**41.67**	**45.02**
Less: Impairment loss allowance	(0.16)	-
Net	**41.51**	**45.02**

The Company has adopted simplified approach for impairment allowance on Trade Receivables. Expected credit loss (ECL) has been recognised for credit impaired trade receivables.

Note 10. Other Non financial assets **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Prepaid expenses	51.00	1.75
Advances recoverable in cash or in kind or for value to be received	0.43	0.42
Employee advance against expenses	-	1.74
Total	**51.44**	**3.92**

Note 11. Other current assets **(₹ in Mn)**

Current		
Income accrued & due	20.43	-
Loans and advances to related parties	-	4.07
Non current		
Prepaid expenses	4.66	-
Total	**25.09**	**4.07**

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Note 12. Share Capital:

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

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
Authorised :	**No. of shares**	**₹ in Mn**	**No. of shares**	**₹ in Mn**
Equity Shares of ₹ 10 each	7,65,00,000	765.00	7,65,00,000	765.00
Issued, Subscribed and Paid Up: Equity Shares of ₹ 10 each fully paid	5,23,12,000	523.12	5,23,12,000	523.12
Total	**5,23,12,000**	**523.12**	**5,23,12,000**	**523.12**

(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	**₹ in Mn**	**No. of shares**	**₹ in Mn**
At the beginning of the year	5,23,12,000	523.12	5,23,12,000	523.12
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,23,12,000**	**523.12**	**5,23,12,000**	**523.12**

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

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

(d) Details of shares held by Holding Company:

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	No. of shares	**% holding**	**No. of shares**	**% holding**
IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) & its nominees	5,23,12,000	100%	5,23,12,000	100%

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

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	No. of shares	**% holding**	**No. of shares**	**% holding**
IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) & its nominees	5,23,12,000	100%	5,23,12,000	100%

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

Note 13. Other Equity:

(₹ in Mn)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Retained earnings	(46.60)	(12.58)
Other comprehensive income	0.76	3.33
Profit / (loss) for the year	33.09	(37.34)
Capital reserve	187.88	187.88
Total	**175.14**	**141.29**

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Note 14. Provisions: **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
Non current		
Provision for employee benefits		
- Gratuity	16.21	20.92
Total non-current	**16.21**	**20.92**
Current		
Compensated absence	-	7.90
Gratuity unfunded plan	1.28	1.86
Total current	**1.28**	**9.77**
Total	**17.49**	**30.68**

Note 15. Payables **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	3.69	0.04
Total	**3.69**	**0.04**

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	As at March 31, 2021	As at March 31, 2020
(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.

Note 16. Other Financial Liabilities

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued salaries and benefits	0.07	24.07
Provision for expenses	6.43	9.22
Payable to Holding Co / Group Companies	3.57	0.07
Total	**10.07**	**33.35**

Note 17. Other Current Liabilities

(₹ in Mn)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	0.88	-
Statutory Remittance	13.53	6.16
Total	**14.41**	**6.16**

Note 18. Disclosure Pursuant to Ind AS 116 "Leases"

(₹ in Mn)

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

Particulars	**FY 2020-21**	**FY 2019-20**
Balance as at 01 April	-	3.45
Additions during the year	0.11	-
Depreciation charge for the year	(0.10)	(0.90)
ROU derecognised as on 31 March	-	(2.55)
Balance as at 31 March	**0.01**	**-**

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

Particulars	**FY 2020-21**	**FY 2019-20**
Balance as at 01 April	-	4.20
Additions during the year	0.11	-
Deletions during the year	-	(3.30)
Finance cost accrued during the period	0.00	0.29
Payment of lease liabilities	(0.10)	(1.19)
Balance as at 31 March	**0.01**	**0.00**

Low Value Leases/Short Term Leases

Expenses recogonised during the year for	**FY 2020-21**	**FY 2019-20**
-Low Value Assets	-	-
-Short term Leases	1.29	223.80

Actual Cashflow during the year for	**FY 2020-21**	**FY 2019-20**
-Low Value Assets	-	-
-Short term Leases	1.29	223.80

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Note 19. Revenue from operations

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021	For the year ended March 31, 2020
Distribution Fees	265.92	252.21	327.42
Commission Income	1.26	1.26	6.68
Referral fee and other income	-	-	8.62
Total	**267.18**	**253.47**	**342.72**

Note 20. Other Income

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021	For the year ended March 31, 2020
Interest on deposits with Banks	18.51	18.51	0.64
Profit/ (Loss) from Mutual Funds	6.18	5.65	38.47
Profit on sale of other Investments	3.69	3.69	-
Other income	-	-	22.96
Corporate support charges and other income	-	-	134.00
Total	**28.38**	**27.85**	**196.07**

Note 21. Employee Benefit Expenses

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021	For the year ended March 31, 2020
Salaries and wages	216.95	209.21	328.26
Contribution to provident and other funds	8.83	8.26	13.25
Share based payments to employees	(51.31)	0.39	60.04
Staff welfare expenses	1.29	(0.06)	16.79
Gratuity expense	0.28	(0.27)	6.85
Leave encashment	(2.34)	-	1.88
Total	**173.69**	**217.54**	**427.08**

Note 22. Finance Cost

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021	For the year ended March 31, 2020
Interest on financial lease obligation	0.13	0.13	-
Interest cost Ind AS 19 - Gratuity	-	-	1.86
Other interest expense	0.17	0.17	0.29
Total	**0.31**	**0.31**	**2.15**

Note 23. Depreciation

(₹ in Mn)

Particulars	For the year ended March 31, 2021	For the period from 24.04.2020 to 31.03.2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment including intangibles	2.18	1.10	3.64
Depreciation on right to use	0.10	0.10	0.90
Total	**2.28**	**1.20**	**4.55**

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Note 24. Other Expenses:

(₹ in Mn)

Particulars	**For the year ended March 31, 2021**	**For the period from 24.04.2020 to 31.03.2021**	**For the year ended March 31, 2020**
Brokerage related Expenses	3.25	3.13	3.75
Operations and Fund Management expenses	0.32	0.32	3.44
Rent and energy cost	1.32	1.29	22.35
Insurance	-	-	0.00
Repairs & Maintenance	0.02	(0.00)	7.05
Marketing, Advertisement and Business promotion expenses	1.31	0.08	8.87
Travelling & Conveyance	0.80	0.66	8.39
Legal & professional fees	2.69	2.16	10.38
Communication	0.33	0.15	1.62
Software Charges / Technology Cost	5.18	4.68	4.29
Office & Other Expenses	3.53	0.01	19.20
Remuneration to Auditors :			
Audit Fees	0.67	0.57	0.78
Limited review fee	0.30	0.30	-
Certification Expenses	-	-	0.56
Out Of Pocket Expenses	-	-	0.05
Corporate Social Responsibility Expenses & Donation	-	-	1.39
Provision for doubtful debts / expected credit loss	0.16	0.16	12.06
Total	**19.89**	**13.52**	**104.18**

*Amount less than Rs. 5,000

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Note 25. Earnings Per Share:

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

Particulars		**As at March 31, 2021**	**As at March 31, 2020**
Face value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per statement of profit and loss	A	33.09	(37.34)
Weighted average number of shares subscribed	B	5,23,12,000	5,23,12,000
Face value of equity shares (in ₹) fully paid		10	10
Basic EPS (₹)	A/B	0.63	(0.71)
DILUTED			
Profit after tax as per statement of profit and loss	A	33.09	(37.34)
Weighted number of shares subscribed	B	5,23,12,000	5,23,12,000
Add: Potential equity shares on account of conversion of employee stock option	C		
Weighted average number of shares outstanding	D=B+C	5,23,12,000	5,23,12,000
Diluted EPS (₹)	A/D	0.63	(0.71)

Note 26. Capital and Other Commitments

The Company does not have any outstanding capital commitments as at 31st March 2021 (Previous year - nil)

Note 27. Contingent Liabilities at Balance Sheet date: **(₹ in Mn)**

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
In respect of service tax matter in dispute	54.60	54.60
In respect of income tax matters	3.67	-
Total		

There are no other pending litigations by and on the Company as on the balance sheet date.

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.

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Note 28 - Disclosure pursuant to Ind AS 115 “Revenue from contracts with customers”

(i) Disaggregation of revenue - Following table covers the revenue segregation in to Operating segments and Geographical areas

(₹ in mn)

Particulars	**March 31, 2021**	**March 31, 2020**
Revenue from operations		
India		
Brokerage and commission	267.18	334.10
Referral and other fees	-	3.33
Outside India		
Referral and other fees	-	5.29
Total	**267.18**	**342.72**
(a) Revenue Recognised based on performance obligations satisfied at a point in time.	267.18	342.72
(b) Revenue Recognised based on performance obligations satisfied at a point in time.	-	-

(ii) Reconciliation of contracted price with revenue during the year

Particulars	**March 31, 2021**	**March 31, 2020**
Revenue recognised in statement of profit & loss	267.18	342.72
Contracted prices	267.18	342.72

(iii) Movement of contract liabilities

Particulars	**March 31, 2021**	**March 31, 2020**
Opening Balance of advance from customer	-	57.38
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year		57.38
Invoices raised during the year for point in time sale	-	57.38
Advance received during current year	0.88	45.73
Closing Balance	0.88	-

(iv) Movement of contract assets

Particulars	**March 31, 2021**	**March 31, 2020**
Opening Balance of unbilled revenue	-	-
Add: Addition during the year	20.43	-
Less: Transferred to receivable	-	-
Closing Balance of unbilled revenue	20.43	-

29. Disclosure pursuant to Ind AS 19 "Employee Benefits"
Defined benefits Gratuity Plan

Amount recognized in the balance sheet are as follows: **(₹ in Mn)**

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the end of the period		
- Wholly funded	-	-
- Wholly unfunded	17.49	22.78
Less: Fair value of plan assets	-	-
Add : Amount not recognised as an asset	-	-
Amount to be recognised as liability or (asset)	**17.49**	**22.78**
Amounts reflected in Balance Sheet		
Liabilities	17.49	22.78
Assets	-	-
Net liability/(asset)	17.49	22.78
Net liability/(asset) - current	1.28	1.86
Net liability/(asset) - non-current	16.21	20.92

The amounts recognised in the Statement of Profit and Loss are as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	3.15	6.85
Interest cost	1.45	1.86
Interest Income on Plan Assets	-	-
Actuarial losses/(gains) - others	(1.02)	(3.33)
Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	-	-
Past service cost	(4.32)	-
Actuarial gain/(loss) not recognised in Books	-	-
Translation adjustments	-	-
Amount capitalised out of the above/ recoved from S&A	-	-
Total (1 to 9)	**(0.74)**	**5.38**
Amount included in "employee benefits expenses"	0.28	6.85
Amount included in as part of "finance cost'	-	1.86
Amount included as part of "Other Comprehensive income"	**(1.02)**	**(3.33)**
Total (i + ii + iii)	**(0.74)**	**5.38**

The changes in the present value of defined benefit obligaiton representing reconciliation of opening and closing balance thereof are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance of the present value of defined benefit obligation	22.78	27.37
Add : Current service cost	3.15	6.85
Add : Interest cost	1.45	1.86
Add : Actuarial losses/(gains)		-
i) Actuarial (gains)/losses arising from changes in financial assumptions	(1.33)	1.16
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	0.75	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(0.44)	(4.49)
Less : Benefits paid	(1.11)	(2.33)
Add : Past service cost	(4.32)	-
Add : Liability assumed/(settled)*	-	(7.64)
Add : Liability transferred in/ acquisitions	0.20	-
Less : Liability transferred out/ divestments	(3.64)	-
Closing balance of the present value of defined benefit obligation	**17.49**	**22.78**

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance of the fair value of the plan assets	-	-
Add : interest income of plan assets	-	-
Add/(less) : Actuarial gains/(losses)	-	-
(Difference between actual return on plan assets and interest income)	-	-
Add : Contribution by the employer	1.11	2.33
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(1.11)	(2.33)
Closing balance of plan assets	-	-

Principal actuarial assumptions at the valuation date are as follows :

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Discount rate (per annum)	6.33%	6.35%
Salary escalation rate (per annum)	7.50%	9.00%
Attrition rate (per annum)	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	0% - 25% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Published rates under the Indian assured lives mortality (2012-14) Ult table.

Sensitivity Analysis

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation is as follows :

(₹ in Mn)

Particulars	**Effect of 1% increase**		**Effect of 1% decrease**	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Discount rate (per annum)	(1.31)	(15.19)	1.50	17.15
Salary escalation rate (per annum)	0.88	16.56	(0.91)	(14.99)

Note 30. Financial Risk Management

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

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

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

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 assessement on various components is described below:

1) Trade and other receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Mnaagement 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 for F.Y 20-21 and F.Y 19-20 is as follows :

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Balance at the beginning of the year	-	21.37
Recast effect		
Movement in expected credit loss allowances on trade receivable	2.28	(21.37)
Balance at the end of the year	**2.28**	-

2) Others

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

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

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

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

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. 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.

(₹ in Mn)

The following table shows the maturity profile of Financial liabilities:

	As at 31st March 2021				
Financial liabilities	**Total**	**Less than 1 months**	**1 months to 6 months**	**6 months to 1 year**	**Between 1 to 5 years**
Trade Payables	3.69	3.69	-	-	-
Other financial liabilities	10.07	10.07	-	-	-
Financial Lease Obligation	0.01	0.01	-	-	-
Other current liabilities	14.41	14.41	-	-	-
Total	**28.18**	**28.18**	**-**	**-**	**-**

	As at 31st March 2020				
Financial liabilities	**Total**	**Less than 1 months**	**1 months to 6 months**	**6 months to 1 year**	**Between 1 to 5 years**
Trade Payables	0.04	0.04	-	-	-
Other financial liabilities	33.35	33.35	-	-	-
Financial Lease Obligation	-	-	-	-	-
Other current liabilities	6.16	6.16	-	-	-
Total	**39.55**	**39.55**	**-**	**-**	**-**

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.

Interest rate risk

The Company has measured interest rate risk sensitivity on financial assets and liabilities on financial instruments accounted for on amortised cost basis. There is no floating rate lending, hence there is no interest rate risk.

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Other Price Risk (including Equity Linked Investments)

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

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

Particulars	As at 31st March 2021	As at 31st March 2020
Financial Assets		
Investments in Mutual Funds	-	608.23
	-	**608.23**

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

	2020-21	2019-20
Increase of 100 basis point		
Impact on Profit and Loss after tax	-	4.55
Impact on Equity	-	4.55
Decrease of 100 basis point		
Impact on Profit and Loss after tax	-	(4.55)
Impact on Equity	-	(4.55)

Capital Management

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

Category Wise Classification for applicable Financial Assets and Liabilities (₹ in Mn)

Particulars	As at 31st March 2021			
	Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	Total
Current assets				
Cash and cash equivalents	618.91	-	-	618.91
Trade receivables	41.51	-	-	41.51
Other current assets	25.09	-	-	25.09
Non Current assets				
Other financial assets	0.99	-	-	0.99
Total	**686.49**	**-**	**-**	**686.49**
Current liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.69	-	-	3.69
(ii) Other financial liabilities	10.07	-	-	10.07
Financial Lease Obligation	0.01	-	-	0.01
Other current liabilities	14.41	-	-	14.41
Total	**28.18**	**-**	**-**	**28.18**

Particulars	As at 31st March 2020			
	Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive	Total
Current assets				
Investments	-	608.23	-	608.23
Cash and cash equivalents	6.45	-	-	6.45
Trade receivables	45.02	-	-	45.02
Other current assets	4.07	-	-	4.07
Non Current assets				
Other financial assets	1.08	-	-	1.08
Total	**56.61**	**608.23**	**-**	**664.84**
Current liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.04			0.04
(ii) Other financial liabilities	33.35			33.35
Financial Lease Obligation	0.00			0.00
Other current liabilities	6.16			6.16
Total	**39.55**	**-**	**-**	**39.55**

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. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

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)

	Recurring fair value measurements at 31st March, 2021			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments in Mutual Funds	-	-	-	-
Total Assets	-	-	-	-

	Recurring fair value measurements at 31st March 2020			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments in Mutual Funds	**608.23**			
Total Assets	-	-	-	-

*The fair values of these investments are determined basis the unaudited NAV published by the funds.

Fair value of financial assets and financial liabilities measured at amortised cost **(₹ in Mn)**

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**As at 31st March 2021**		**As at 31st March 2020**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Current assets				
Investments	-	-	608.23	608.23
Cash and cash equivalents	618.91	618.91	6.45	6.45
Trade receivables	41.51	41.51	45.02	45.02
Other current assets	25.09	25.09	4.07	4.07
Non Current assets				
Other financial assets	0.99	0.99	1.08	1.08
Current liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.69	3.69	0.04	0.04
(ii) Other financial liabilities	10.07	10.07	33.35	33.35
Financial Lease Obligation	0.01	0.01	0.00	0.00
Other current liabilities	14.41	14.41	6.16	6.16

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 and other financial liabilities are considered to be the same as their fair values due to their short term nature.

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Maturity profile of assets and liabilities

(₹ in Mn)

Particulars	Within 12 months	After 12 months	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	-	0.76	0.76
Other intangible assets	-	0.19	0.19
Financial assets			
Other financial assets	-	0.99	0.99
Current tax assets (net)	-	14.84	14.84
Deferred tax assets (net)	-	5.17	5.17
Current assets			
Right to use	0.01	-	0.01
Other non financial assets	51.44	-	51.44
Financial assets			
Investments	-	-	-
Cash and cash equivalents	618.91	-	618.91
Trade receivables	41.51	-	41.51
Other current assets	25.09	-	25.09
Total Assets	**736.96**	**21.95**	**758.90**
LIABILITIES AND EQUITY			
Non-current liabilities			
Provisions	-	16.21	16.21
Current liabilities			
Financial liabilities			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises			-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.69	-	3.69
Other financial liabilities	10.07	-	10.07
Financial Lease Obligation	0.01	-	0.01
Other current liabilities	14.41	-	14.41
Provisions	1.28	-	1.28
Current tax liabilities (net)	-	14.97	14.97
Total Liabilities and Equity	**29.46**	**31.19**	**60.65**

(₹ in Mn)

Particulars	Within 12 months	After 12 months	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	-	2.35	2.35
Other intangible assets	-	0.78	0.78
Financial assets			
Other financial assets	-	1.08	1.08
Current tax assets (net)	-	12.60	12.60
Deferred tax assets (net)	-	50.16	50.16
Current assets			
Right to use	-	-	-
Other non financial assets	3.92	-	3.92
Financial assets			
Investments	608.23	-	608.23
Cash and cash equivalents	6.45	-	6.45
Trade receivables	45.02	-	45.02
Other current assets	4.07	-	4.07
Total Assets	**667.67**	**66.96**	**734.64**
LIABILITIES AND EQUITY			
Non-current liabilities			
Provisions	-	20.92	20.92
Current liabilities			
Financial liabilities			
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	0.04	-	0.04
Other financial liabilities	33.35	-	33.35
Financial Lease Obligation	0.00	-	0.00
Other current liabilities	6.16	-	6.16
Provisions	9.77	-	9.77
Current tax liabilities (net)	-	-	-
Total Liabilities and Equity	**49.32**	**20.92**	**70.23**

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Note 32. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2021

a) List of Related Parties (with whom transactions were carried out during current or previous year)

Nature of relationship	Name of party
Director/ Key Managerial Personel	Mr. Manoj Shenoy
	Mr. Himanshu Jain, Chief Executive Officer (W.e.f. January 22,2021)
	Mr. Umang Papneja, Non-Executive Director
	Mr. Anirudha Taparia, Non-Executive Director
Holding Company	L&T Finance Holdings Limited (upto 23rd April 2020)
	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
Ultimate Holding Co.	Larsen & Toubro Limited (upto 23rd April 2020)
	IIFL Wealth Management Limited
Fellow subsidiaries	L&T Finance Limited (upto 23rd April 2020)
	L&T Financial Consultants Limited (upto 23rd April 2020)
	L&T Housing Finance Limited (upto 23rd April 2020)
	L&T Investment Management Limited (upto 23rd April 2020)
	L&T Capital Markets Middle East Limited (upto 23rd April 2020)
	L&T Infra Debt Fund Limited (upto 23rd April 2020)
	IIFL Asset Management Limited
	IIFL Wealth Distribution Services Limited

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FY 2020-21

b) Significant Transactions with Related Parties

(₹ in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Director /Key Managerial Personnel	Other Related Parties	Total
1	**ICD Given:**					
	IIFL Wealth Management Limited	1,610.00	-	-	-	1,610.00
	IIFL Wealth Prime Limited	1,060.00	-	-	-	1,060.00
2	**ICD Received Back :**					-
	IIFL Wealth Management Limited	1,610.00	-	-	-	1,610.00
	IIFL Wealth Prime Limited	1,060.00	-	-	-	1,060.00
3	**ICD Taken:**					-
	IIFL Wealth Management Limited	25.77	-	-	-	25.77
4	**ICD Repaid:**					-
	IIFL Wealth Management Limited	25.77	-	-	-	25.77
5	**Interest Income on ICD :**					-
	IIFL Wealth Management Limited	13.32	-	-	-	13.32
	IIFL Wealth Prime Limited	1.61	-	-	-	1.61
6	**Interest Expenses on ICD :**					-
	IIFL Wealth Management Limited	0.13	-	-	-	0.13
7	**Other funds Received :**					-
	IIFL Wealth Management Limited	0.05	-	-	-	0.05
	IIFL Wealth Distribution Services Limited	-	0.16	-	-	0.16
	IIFL Wealth Prime Limited	0.04	-	-	-	0.04
8	**Other funds Paid :**					-
	IIFL Wealth Management Limited	2.05	-	-	-	2.05
	IIFL Asset Management Limited	-	1.66	-	-	1.66
	IIFL Wealth Distribution Services Limited	-	0.15	-	-	0.15
	IIFL Wealth Prime Limited	140.33	-	-	-	140.33
9	**Arranger Fee Income**					
	IIFL Asset Management Limited	-	1.03	-	-	1.03
10	**Rent Expense**					-
	IIFL Wealth Management Limited	1.42	-	-	-	1.42
11	**Remuneration paid to KMP**					-
	Mr Manoj Shenoy	-	-	47.05	-	47.05

c) Amount due to / from related parties

(₹ in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Director /Key Managerial Personnel	Other Related Parties	Total
1	**Sundry Payable**					
	IIFL Wealth Management Limited	1.55	-	-	-	1.55
	IIFL Wealth Prime Limited	-	0.33	-	-	0.33
	IIFL Asset Management Limited	-	1.66	-	-	1.66
	IIFL Wealth Distribution Services Limited	0.02	-	-	-	0.02
2	**Rent payable**					
	IIFL Wealth Management Limited	1.42	-	-	-	1.42

FY 2019-20

b) Significant Transactions with Related Parties

(₹ in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Other Related Parties	Total
1	<u>ICD Given:</u>					
	L&T Finance Limited	-	619.00	-	-	619.00
2	<u>ICD Received Back :</u>					
	L&T Finance Limited	-	619.00	-	-	619.00
3	<u>Interest Income on ICD :</u>					
	L&T Finance Limited	-	0.64	-	-	0.64
4	<u>Management Fees Paid</u>					
	L&T Finance Holdings Limited	5.38	-	-	-	5.38
5	<u>Security Deposists to</u>					
	L&T Financial Consultants Limited	-	0.69	-	-	0.69
6	<u>Rent Paid</u>					
	L&T Financial Consultants Limited	-	16.76	-		16.76
	L&T Finance Limited	-	16.76	-	-	16.76
7	<u>Brand license fees provided</u>					
	Larsen & Toubro Limited	0.22	-	-	-	0.22
8	<u>Advisory Fees</u>					
	L&T-MHPS Boilers Private Limited	-	-	-	0.50	0.50
9	<u>Brokerage & Commission earned from</u>					
	L&T Investment Management Limited	-	0.55	-	-	0.55
	L&T Infra Debt Fund Limited	-	6.48	-	-	6.48
10	<u>Recovery of cost</u>					
	L&T Finance Holdings Limited	4.57	-	-	-	4.57
11	<u>Other income earned from</u>					
	L&T Finance Holdings Limited	12.50	-	-	-	12.50
12	<u>Sale of Dubai Branch</u>					
	L&T Capital Markets Middle East Limited	-	-	-	-	-
13	<u>Other Expenses paid to</u>					
	Larsen & Toubro Limited	0.45	-	-	-	0.45
	L&T Financial Consultants Limited	-	6.79	-	-	6.79
14	<u>ESOP Cost paid to</u>					-
	L&T Finance Holdings Limited	60.04	-	-	-	60.04
15	<u>Security Deposists receovred from</u>					-
	L&T Financial Consultants Limited	-	8.15	-	-	8.15
16	<u>Dividend paid to</u>					-
	L&T Finance Holdings Limited	104.62	-	-	-	104.62
17	<u>Dividend paid to</u>					-
	L&T Finance Holdings Limited	104.62	-	-	-	104.62
18	<u>Remuneration paid to KMP</u>					-
	Mr Manoj Shenoy	-	-	41.51	-	41.51

c) Amount due to / from related parties

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Director /Key Managerial Personnel	Other Related Parties	Total
1	<u>Sundry Payable</u>					
	L&T Financial Consultants Limited	0.07	-	-	-	0.07
	L&T Housing Finance Ltd*	-	0.00	-	-	0.00
	Larsen & Toubro Limited	0.22	-	-	-	0.22
2	<u>Sundry Receivable</u>					
	Larsen & Toubro Limited	4.07	-	-	-	4.07

*Less than Rs 5,000

Note 33. IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) ("The Holding Company") has entered into a definitive share purchase agreement dated 28th August 2019 with L&T Finance Holdings to purchase 100% shareholdings of L&T Capital Markets Ltd at a base purchase consideration as per agreement. The Department of Economic Affairs, Ministry of Finance approved the transaction on April 8, 2020. Accordingly on April 23, 2020, the sale transaction was completed and the name of the company was then changed into IIFL Wealth Capital Markets Limited.

Note 34. Capital Management
The objective of the Company's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its subsidiaries. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

Note 35. The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from the Company based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual expenses were difficult to determine.

Note 36. Disclosure Corporate Social Responsibility **(₹ in Mn)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Amount required to be spent during the year*	-	5.34
b) Amount spent during the year (in cash) on:		
i) Construction / acquisition of any asset	-	-
ii) for the purpose other than (i) above	-	5.34

* The company is not required to make CSR contribution during the year since It does not have in any 3 preceding financial years,
- net worth of Rs 500 crore or more, or
- turnover of over Rs 1,000 crore or
- net profit exceeding Rs 5 crore

Note 37. Segment Reporting
The Board of directors are the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the chief operating decision-maker for the purposes of allocating resources and assessing performance.
The Company's business segment is distribution of third-party investment products and investment advisory services to corporate and high net worth individuals and it has no other primary reportable segments. There is no distinguishable component of the Company engaged in providing services in a different economic environment. The Company renders services in one geographical segment and has no offices outside India. Hence there are no reportable geographical segments

Note 38. Subsequent Events
There were no subsequent events from the date of financial statements till the date of adoption of accounts.

Note 39. The spread of COVID-19 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 full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are as 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 based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic will impact the Company's operations and results will depend on future developments, which remain uncertain. Accordingly, the Company has undertaken extensive scenario planning to better prepare itself and will continue to actively monitor any material changes to the future economic conditions.

Note 40. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 41. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

Note 42. The previous year figures have been regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For Sharp & Tannan
Chartered Accountants
FRN: 109982W
FIRDOSH DARA BUCHIA
Digitally signed by FIRDOSH DARA BUCHIA
Date: 2021.05.14 19:44:36 +05'30'
Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: May 14, 2021

For and on behalf of the Board of Directors

Umang Papneja	**Manoj Shenoy**	**Himanshu Jain**
Director	Director	CEO
(DIN: 07357053)	(DIN: 06679235)	(DIN: 02052409)

Jay Gandhi	**Dipali Thakkar**
CFO	Company Secretary

Place : Mumbai
Dated: May 14, 2021