

IIFL Wealth Capital Markets Limited
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
Financial Statements as at March 31, 2022
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, 2022

(' in Mn)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.15	0.76
Other intangible assets	3	-	0.19
Financial assets			
Other financial assets	4	0.99	0.99
Current tax assets (net)	5	18.96	14.84
Deferred tax assets (net)	5	5.13	5.17
Current assets			
Right to use	17	0.65	0.01
Other non financial assets	9	1.35	51.44
Financial assets			
Investments	6	550.26	-
Cash and cash equivalents	7	134.09	618.91
Trade receivables	8	23.29	41.51
Other current assets	10	18.48	25.09
Total Assets		753.35	758.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	523.12	523.12
Other equity	12	174.95	175.14
Non-current liabilities			
Provisions	13	15.47	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			
	14	1.93	3.69
Other financial liabilities	15	24.00	10.07
Financial Lease Obligation	17	0.66	0.01
Other current liabilities	16	11.71	14.41
Provisions			
Current tax liabilities (net)	5	-	14.97
Total Equity and Liabilities		753.35	758.90

See accompanying Notes to the Financial Statements

In terms of our report attached

For Sharp & Tannan
Chartered Accountants
FRN: 109982W

For and on behalf of the Board of Directors

Firdosh D. Buchia
Partner
Membership No: 38332

Umang Papneja
Director
(DIN: 07357053)

Manoj Shenoy
Director
(DIN: 06679235)

Himanshu Jain
CEO
(DIN: 02052409)

Place : Mumbai
Dated: April 29, 2022

Jay Gandhi
CFO

Dipali Thakkar
Company Secretary

Place : Mumbai
Dated: April 29, 2022

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(` in Mn)

SR. No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	18	294.76	267.18
II	Other income	19	28.52	28.38
III	Total revenue (I + II)		323.28	295.56
	Expenses			
(a)	Employee benefits expenses	20	300.36	173.69
(b)	Finance costs	21	0.70	0.31
(c)	Depreciation, amortization and impairment	22	0.90	2.28
(d)	Other expenses	23	23.31	19.89
IV	Total expenses		325.27	196.17
(V)	Profit / (loss) before exceptional items and tax (III-IV)		(1.99)	99.39
(VI)	Exceptional items		-	-
(VII)	Profit before tax (V-VI)		(1.99)	99.39
(VIII)	Tax expense:			
(a)	Current tax	24	-	21.57
(b)	Deferred tax	24	(0.42)	4.64
(c)	Reversal of MAT credit	24	-	40.09
(IX)	Profit for the year (VII-VIII)		(1.57)	33.09
(X)	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss		1.84	1.02
	(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(0.46)	(0.26)
	Total Other comprehensive income/ loss		1.38	0.76
(XI)	Total comprehensive income for the year (IX+X)		(0.19)	33.86
(XII)	Earnings per equity share			
	Basic (Rs.)		(0.03)	0.63
	Diluted (Rs.)		(0.03)	0.63

See accompanying Notes to the Financial Statements

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IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2022

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flows from operating activities		
Profit before taxation and extraordinary item	(1.99)	99.39
Adjustments for:		
Depreciation & amortisation	0.90	2.28
Provisions for employee benefits	(0.58)	0.28
Provisions for leave encashment	0.10	-
Net changes in fair value through Profit and Loss of investments		
- Realised	(14.92)	(9.87)
Interest income	(13.59)	(18.51)
Interest expenses	0.70	0.30
Operating profit before working capital changes	(29.38)	73.86
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	75.61	(64.94)
Increase/ (Decrease) in Financial/Non-financial Liabilities	10.85	(23.84)
Cash generated from/ (used in) operations	57.08	(14.91)
Cash flow before extraordinary item		
Net income tax(paid) / refunds	(19.11)	(8.83)
Net cash generated from/ (used in) operating activities (A)	37.97	(23.74)
B. Cash flows from investing activities		
Purchase of investments	(11,458.70)	-
Sale of investments	10,923.36	618.09
Interest received	13.33	18.51
Intercompany Deposit - given	(6,760.00)	(1,610.00)
Intercompany Deposit - received	6,760.00	1,610.00
Net cash generated from/(used in) investing activities (B)	(522.01)	636.61
C. Cash flows from financing activities		
Lease liability repaid	(0.08)	(0.10)
Inter Corporate Deposits taken	944.23	25.77
Inter Corporate Deposits repaid	(944.23)	(25.77)
Interest paid	(0.70)	(0.30)
Net cash generated from/ (used in) financing activities (C)	(0.78)	(0.40)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(484.82)	612.47
Opening Cash & cash equivalents	618.91	6.45
Closing Cash & cash equivalents	134.09	618.91

See selected explanatory notes forming part of the financial statements

Notes:

- 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.
- Purchase of fixed assets includes movements of capital work in process during the period.
- Cash and cash equivalents represent cash, bank balances and deposit with maturity period of less than 3 months.
- Previous period figures have been regrouped / reclassified whenever necessary to make them comparable with those of current period.

In terms of our report attached

For Sharp & Tannan
Chartered Accountants
FRN: 109982W

For and on behalf of the Board of Directors

Firdosh D. Buchia
 Partner
 Membership No: 38332

Umang Papneja
 Director
 (DIN: 07357053)

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Himanshu Jain
 CEO
 (DIN: 02052409)

Place : Mumbai
 Dated: April 29, 2022

Jay Gandhi
 CFO

Dipali Thakkar
 Company Secretary

Place : Mumbai
 Dated: April 29, 2022

IIFL WEALTH CAPITAL MARKETS LIMITED
(FORMERLY KNOWN AS L&T CAPITAL MARKETS LIMITED)

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

(` in Mn)

Particulars	Equity Attributable to Owners of the Company					Total
	Equity Share Capital	Equity Shares pending issuance	Capital Reserve	Retained Earnings	Total Other Equity	
Balance as at 1st Apr 2021	523.12	-	187.88	(12.74)	175.14	698.26
Profits for the year	-	-	-	(1.57)	(1.57)	(1.57)
Other Comprehensive income	-	-	-	1.38	1.38	1.38
Balance as at 31st Mar 2022	523.12	-	187.88	(12.93)	174.95	698.07

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

(` in Mn)

Particulars	Equity Attributable to Owners of the Company					Total
	Equity Share Capital	Equity Shares pending issuance	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

In terms of our report attached

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For and on behalf of the Board of Directors

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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, 2022

Note 3. Property Plant and Equipment

(` in Mn)

Particulars	Computers	Intangibles	Furniture Fixture	Vehicles	Office Equipments	Leasehold improvements	Total
Gross Block as on April 01, 2021	-	4.71	-	3.96	-	-	8.67
Add: Additions	-	-	-	-	-	-	-
Less: Deductions/Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2022	-	4.71	-	3.96	-	-	8.67
Accumulated Depreciation							
Upto April 01, 2021	-	4.53	-	3.20	-	-	7.73
Add: Depreciation for the year	-	0.18	-	0.61	-	-	0.79
Upto March 31, 2022	-	4.71	-	3.81	-	-	8.52
Net Block as at March 31, 2022	-	0.00	-	0.15	-	-	0.15

Property Plant and Equipment (Previous year)

(` in Mn)

Particulars	Computers	Intangibles	Furniture Fixture	Vehicles	Office Equipments	Leasehold improvements	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							
As on 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)
As on 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 acquisition

Note 4. Other financial assets

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Deposits	0.99	0.99
Total	0.99	0.99

Note 5. Deferred Taxes

A. Current Tax Section (₹ in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source (net)	18.96	14.84
Current tax assets (net) - Total	18.96	14.84
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, 2022 are as follows:

	Opening balance as at Apr 1, 2021	Recognised in profit or loss	Rate change impact	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2022
Deferred tax assets:					
Property, plant and equipment					-
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.73	(0.03)	-	-	0.70
Expenses deductible in future years:	(0.01)	0.01	-	-	-
Items disallowed under Section 43B	4.40	0.30	-	(0.46)	4.24
Unabsorbed business losses	-	0.06	-	-	0.06
Unutilised MAT credit	-	-	-	-	-
Impact of IndAS 116 *	0.00	-	-	-	0.00
Provision for expected credit loss	0.04	0.09	-	-	0.13
Total deferred tax assets	5.17	0.43	-	(0.46)	5.13
Net Deferred tax assets	5.17	0.43	-	(0.46)	5.13

* Amount is less than Rs. 5000

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

	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
Deferred tax assets (A - B)	50.16	(44.41)	(0.32)	(0.26)	5.17

* Amount is less than Rs. 5000

Note 6. Investments

(` in Mn)

Investments	As at March 31, 2022					As at March 31, 2021				
	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)										
Bonds	550.26	-	-	-	550.26	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total (A)	550.26	-	-	-	550.26	-	-	-	-	-
(B)										
i) Investments outside India	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	550.26	-	-	-	550.26	-	-	-	-	-
Total (B)	550.26	-	-	-	550.26	-	-	-	-	-
(C)										
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	550.26	-	-	-	550.26	-	-	-	-	-

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face Value	No. of Units	Total Amount	Face Value	No. of Units	Total Amount
Bonds :						
VIDYA TRUST 2021 SERIES VI	10,000	55,000	550	-	-	-
Total	10,000	55,000	550	-	-	-

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, 2022

Note 7. Cash and Cash Equivalents (` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on hand	-	-
Balance with banks		
-In current accounts	134.09	618.91
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	134.09	618.91

Note 8. Receivables (` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good	23.29	41.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.50	0.16
(iv) Disputed Trade Receivables–considered good	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-
Gross	23.79	41.67
Less: Impairment loss allowance	(0.50)	(0.16)
Net	23.29	41.51

Note: 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 9. Other Non financial assets (` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Prepaid expenses	0.90	51.00
Advances recoverable in cash or in kind or for value to be received	0.45	0.43
Total	1.35	51.44

Note 10. Other current assets (` in Mn)

Current	As at March 31, 2022	As at March 31, 2021
Unbilled Revenue	18.48	20.43
Non current		
Prepaid expenses	-	4.66
Total	18.48	25.09

Note 11. 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, 2022		As at March 31, 2021	
	No. of shares	` in Mn	No. of shares	` in Mn
Authorised :				
Equity Shares of ` 10 each	76,500,000	765.00	76,500,000	765.00
Issued, Subscribed and Paid Up: Equity Shares of ` 10 each fully paid	52,312,000	523.12	52,312,000	523.12
Total	52,312,000	523.12	52,312,000	523.12

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	` in Mn	No. of shares	` in Mn
At the beginning of the year	52,312,000	523.12	52,312,000	523.12
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	52,312,000	523.12	52,312,000	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, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) & its nominees	52,312,000	100%	52,312,000	100%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) & its nominees	52,312,000	100%	52,312,000	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.

(g) **Shareholding of promoters**

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No of shares	% of total shares	
IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Ltd) and its nominees	52,312,000	100%	-

Note 12. Other Equity:

Particulars	(` in Mn)	
	As at March 31, 2022	As at March 31, 2021
Retained earnings	(12.73)	(46.60)
Other comprehensive income	1.38	0.76
Profit / (loss) for the year	(1.57)	33.09
Capital reserve	187.87	187.88
Total	174.95	175.14

Note 13. Provisions:

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Provision for employee benefits		
- Gratuity	15.47	16.21
Total non-current	15.47	16.21
Current		
Compensated absence	0.10	-
Gratuity unfunded plan	1.41	1.28
Total current	1.51	1.28
Total	16.98	17.49

Note 14. Payables

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.93	3.69
Total	1.93	3.69

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, 2022	As at March 31, 2021
(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 15. Other Financial Liabilities

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued salaries and benefits	19.54	0.07
Provision for expenses	4.05	6.43
Payable to Holding Co / Group Companies	0.41	3.57
Total	24.00	10.07

Note 16. Other Current Liabilities

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue received in advance	2.93	0.88
Statutory Remittance	8.78	13.53
Total	11.71	14.41

Note 17. Disclosure Pursuant to Ind AS 116 "Leases"

(` in Mn)

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

Particulars	FY 2021-22	FY 2020-21
Balance as at 01 April	0.01	-
Additions during the year	1.27	0.11
Depreciation charge for the year	(0.10)	(0.10)
ROU derecognised as on 31 March	(0.53)	-
Balance as at 31 March	0.65	0.01

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

Particulars	FY 2021-22	FY 2020-21
Balance as at 01 April	0.01	-
Additions during the year	1.27	0.11
Deletions during the year	(0.53)	-
Finance cost accrued during the year	0.03	0.00
Payment of lease liabilities	(0.12)	(0.10)
Balance as at 31 March	0.66	0.01

Low Value Leases/Short Term Leases

Expenses recognised during the year for	FY 2021-22	FY 2020-21
- Low Value Assets	-	-
- Short Term Leases	5.16	1.29

Actual Cashflow during the year for	FY 2021-22	FY 2020-21
- Low Value Assets	-	-
- Short Term Leases	5.16	1.29

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

Note 18. Revenue from operations

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Distribution Fees	294.76	265.92
Commission Income	-	1.26
Investment / Fund Management Fees	-	-
Referral fee and other income	-	-
Total	294.76	267.18

Note 19. Other Income

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	13.59	18.51
Profit/ (Loss) from Mutual Funds	8.52	6.18
Profit/(loss) on sale of other Investments	6.40	3.69
(Gain)/loss on de-recognition of ROU	0.01	-
Total	28.52	28.38

Note 20. Employee Benefit Expenses

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	288.18	216.95
Contribution to provident and other funds	6.41	8.83
Share based payments to employees	0.62	(51.31)
Staff welfare expenses	1.94	1.29
Gratuity expense	3.11	0.28
Leave encashment	0.10	(2.34)
Total	300.36	173.69

Note 21. Finance Cost

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	0.67	0.13
Other interest expense	0.03	0.17
Total	0.70	0.31

Note 22. Depreciation

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation/amortisation on property, plant and equipment including intangibles	0.80	2.18
Depreciation on right to use	0.10	0.10
Total	0.90	2.28

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, 2022

Note 23. Other Expenses:

(` in Mn)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Brokerage related Expenses	2.00	3.25
Operations and Fund Management expenses	0.37	0.32
Rent and energy cost	5.82	1.32
Insurance	0.28	-
Repairs & Maintenance	1.87	0.02
Marketing, Advertisement and Business promotion expenses	0.13	1.31
Travelling & Conveyance	0.78	0.80
Legal & professional fees	2.12	2.69
Communication	0.60	0.33
Software Charges / Technology Cost	7.14	5.18
Office & Other Expenses	0.88	3.53
Remuneration to Auditors :		
Audit Fees	0.57	0.56
Limited review fee	0.30	0.30
Tax audit fees	0.11	0.11
Provision for doubtful debts / expected credit loss	0.34	0.16
Total	23.31	19.89

Note 24. 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, 2022	For the year ended March 31, 2021
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	-	21.57
	Tax expense in respect of earlier years	-	-
		-	21.57
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(0.42)	4.32
	Effect of recognition of MAT Credit	-	40.09
	Effect on deferred tax balances due to the change in income tax rate	-	0.32
		(0.42)	44.73
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	(0.42)	66.30
(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	0.46	0.26
		0.46	0.26
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	0.46	0.26

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

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Profit/(loss) before tax	(1.99)	99.39
(b)	Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
(c)	Income tax expense at tax rates applicable to individual entities including deferred tax	(0.50)	25.27
(d)	(i) Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	-	(0.03)
	(B) Expenses not allowable as tax deductible as per tax laws *	0.00	0.04
	(ii) Effect on deferred tax due to change in Income tax	-	0.32
	(iii) Effect on non recognition of MAT Credit	-	40.09
	(iv) Tax expense in respect of earlier years	-	-
	(v) Tax effect on various other items including CSR	0.08	0.61
	Total effect of tax adjustments [(i) to (v)]	0.08	41.03
(f)	Tax expense recognised during the year (b+c+d)	(0.42)	66.30

* Amount of expense is less than Rs. 5000

(c) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet:

(` in Mn)

Particulars	As at March 31 2022	As at March 31 2021
Amount of unused tax credits having expiry	33.33	40.09

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

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, 2022	As at March 31, 2021
Face value of equity shares in ` fully paid up		10	10
BASIC			
Profit after tax as per statement of profit and loss	A	(1.57)	33.09
Weighted average number of shares subscribed	B	52,312,000	52,312,000
Face value of equity shares (in `) fully paid		10	10
Basic EPS (`)	A/B	(0.03)	0.63
DILUTED			
Profit after tax as per statement of profit and loss	A	(1.57)	33.09
Weighted number of shares subscribed	B	52,312,000	52,312,000
Add: Potential equity shares on account of conversion of employee stock option	C		
Weighted average number of shares outstanding	D=B+C	52,312,000	52,312,000
Diluted EPS (`)	A/D	(0.03)	0.63

Note 26. Capital and Other Commitments

The Company does not have any outstanding capital commitments as at 31st March 2022 (Previous year - nil)

Note 27. Contingent Liabilities

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
In respect of service tax matter in dispute	67.48	67.48
In respect of income tax matters	5.10	3.67
Total	72.58	71.15

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

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

(i) Disaggregation of revenue - Following table covers the revenue segregation into Geographical areas

Particulars	(₹ in mn)	
	March 31, 2022	March 31, 2021
Revenue from operations		
India	294.76	267.18
Outside India	-	-
Total	294.76	267.18
(a) Revenue Recognised based on performance obligations satisfied at a point in time.	294.76	267.18
(b) Revenue Recognised based on performance obligations satisfied over a period of time.	-	-

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

Particulars	March 31, 2022	March 31, 2021
Revenue recognised in statement of profit & loss	294.76	267.18
Contracted prices	294.76	267.18

(iii) Movement of contract liabilities

Particulars	March 31, 2022	March 31, 2021
Opening Balance of advance from customer	0.88	-
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year	-	-
Invoices raised during the year for point in time sale	(0.88)	-
Advance received during year	2.93	0.88
Closing Balance *	2.93	0.88

* The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less. Hence, the company has applied practical expedient as per para 121 of the Ind AS 115 in regards to remaining performance obligations.

(iv) Movement of contract assets

Particulars	March 31, 2022	March 31, 2021
Opening Balance of unbilled revenue	20.43	-
Add: Addition during the year	17.29	20.43
Less: Transferred to receivable	(19.24)	-
Closing Balance of unbilled revenue	18.48	20.43

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

a) Amount recognized in the balance sheet are as follows:

(` in Mn)

Particulars	As at March 31, 2022	As at March 31, 2021
A) Present value of benefit obligation at the end of the period		
- Wholly funded	-	-
- Wholly unfunded	16.88	17.49
Less: Fair value of plan assets	-	-
Add : Amount not recognised as an asset	-	-
Amount to be recognised as liability or (asset)	16.88	17.49
B) Amounts reflected in Balance Sheet		
Liabilities	16.88	17.49
Assets	-	-
Net liability/(asset)	16.88	17.49
Net liability/(asset) - current	1.41	1.28
Net liability/(asset) - non-current	15.47	16.21

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

Particulars	As at March 31, 2022	As at March 31, 2021
1 Current service cost	2.00	3.15
2 Interest cost	1.11	1.45
3 Interest Income on Plan Assets	-	-
4 Actuarial losses/(gains) - others	(1.84)	(1.02)
Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	-	-
5 Past service cost	-	(4.32)
6 Actuarial gain/(loss) not recognised in Books	-	-
7 Translation adjustments	-	-
8 Amount capitalised out of the above/ recoved from S&A	-	-
9 Total (1 to 9)	1.27	(0.74)
(i) Amount included in "employee benefits expenses"	3.11	0.28
(ii) Amount included in as part of "finance cost"	-	-
(iii) Amount included as part of "Other Comprehensive income"	(1.84)	(1.02)
Total (i + ii + iii)	1.27	(0.74)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance of the present value of defined benefit obligation	17.49	22.78
Add : Current service cost	2.00	3.15
Add : Interest cost	1.11	1.45
Add : Actuarial losses/(gains)	-	-
i) Actuarial (gains)/losses arising from changes in financial assumptions	(0.79)	(1.33)
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	(0.01)	0.75
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(1.04)	(0.44)
Less : Benefits paid	(1.57)	(1.11)
Add : Past service cost	-	(4.32)
Add : Liability transferred in/ acquisitions	-	0.20
Less : Liability transferred out/ divestments	(0.31)	(3.64)
Closing balance of the present value of defined benefit obligation	16.88	17.49

d) Principal actuarial assumptions at the valuation date are as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.96%	6.33%
Salary escalation rate (per annum)	7.50%	7.50%
Attrition rate (per annum)	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

e) 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	
	2021-22	2020-21	2021-22	2020-21
1 Discount rate (per annum)	(1.13)	(1.31)	1.28	1.50
2 Salary escalation rate (per annum)	0.65	0.88	(0.65)	(0.91)
3 Employee turnover rate (per annum)	0.18	0.04	(0.21)	(0.05)

f) Maturity Analysis of the Benefit Payments

Projected Benefits Payable in future years from the date of reporting are as under:

Particulars	2021-22	2020-21
1st following year	1.41	1.28
2nd Following Year	1.45	1.31
3rd Following Year	1.44	1.36
4th Following Year	1.42	1.35
5th Following Year	1.39	1.33
Sum of years 6 to 10	7.18	7.03
Sum of 11 years and above	16.23	18.23

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

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

Credit Risk

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

1) Trade and other receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables for F.Y 21-22 and F.Y 20-21 is as follows :

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Balance at the beginning of the year	0.16	-
Movement in expected credit loss allowances on trade receivable	0.34	0.16
Balance at the end of the year	0.50	0.16

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:

Financial liabilities	As at 31st March 2022				
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years
Trade Payables	1.93	1.93	-	-	-
Other financial liabilities	24.00	24.00	-	-	-
Financial Lease Obligation	0.66	0.01	0.09	0.11	0.45
Other current liabilities	11.71	11.71	-	-	-
Total	38.30	37.65	0.09	0.11	0.45

For detailed

Financial liabilities	As at 31st March 2021				
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years
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	-	-	-

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.

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 2022	As at 31st March 2021
Financial Assets		
Investments in Bonds	550.26	-
	550.26	-

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

	2021-22	2020-21
Increase of 100 basis point		
Impact on Profit and Loss after tax	4.12	-
Impact on Equity	4.12	-
Decrease of 100 basis point		
Impact on Profit and Loss after tax	(4.12)	-
Impact on Equity	(4.12)	-

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 2022			Total
	Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income	
Current assets				
Cash and cash equivalents	134.09	-	-	134.09
Investments	-	550.26	-	550.26
Trade receivables	23.29	-	-	23.29
Other current assets	18.48	-	-	18.48
Non Current assets				
Other financial assets	0.99	-	-	0.99
Total	176.85	550.26	-	727.11
Current liabilities				
(j) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.93	-	-	1.93
(ii) Other financial liabilities	24.00	-	-	24.00
Financial Lease Obligation	0.66	-	-	0.66
Other current liabilities	11.71	-	-	11.71
Total	38.30	-	-	38.30

Particulars	As at 31st March 2021			Total
	Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
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				
(j) 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

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)

Financial instruments measured at fair value	Recurring fair value measurements at 31st March, 2022			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Investments in debt securities	550.26	-	-	550.26
Total Assets	550.26	-	-	550.26

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

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 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Current assets				
Investments	550.26	550.26	-	-
Cash and cash equivalents	134.09	134.09	618.91	618.91
Trade receivables	23.29	23.29	41.51	41.51
Other current assets	18.48	18.48	25.09	25.09
Non Current assets				
Other financial assets	0.99	0.99	0.99	0.99
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	1.93	1.93	3.69	3.69
(ii) Other financial liabilities	24.00	24.00	10.07	10.07
Financial Lease Obligation	0.66	0.66	0.01	0.01
Other current liabilities	11.71	11.71	14.41	14.41

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.

Note 31. Maturity profile of assets and liabilities

(₹ in Mn)

Particulars	Within 12 months	After 12 months	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	-	0.15	0.15
Other intangible assets	-	-	-
Financial assets			
Other financial assets	-	0.99	0.99
Current tax assets (net)	-	18.96	18.96
Deferred tax assets (net)	-	5.13	5.13
Current assets			
Right to use	0.65	-	0.65
Other non financial assets	1.35	-	1.35
Financial assets			
Investments	550.26	-	550.26
Cash and cash equivalents	134.09	-	134.09
Trade receivables	23.29	-	23.29
Other current assets	18.48	-	18.48
Total Assets	728.12	25.23	753.35
LIABILITIES AND EQUITY			
Non-current liabilities			
Provisions	-	15.47	15.47
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	1.93	-	1.93
Other financial liabilities	24.00	-	24.00
Financial Lease Obligation	0.66	-	0.66
Other current liabilities	11.71	-	11.71
Provisions	1.51	-	1.51
Current tax liabilities (net)	-	-	-
Total Liabilities and Equity	39.81	15.47	55.28

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

Note 32. Related Party Disclosures:
 Related party disclosures for the year ended 31st March, 2022

a) List of Related Parties	
Nature of relationship	Name of party
Director/ Key Managerial Personnel	Mr. Manoj Shenvy
	Mr. Himanshu Jain, Chief Executive Officer
	Mr. Umang Purohit, Non-Executive Director
	Mr. Anirudha Taparia, Non-Executive Director
Holding Company	Mr. Jay Gandhi, Chief Financial Officer
	Mrs. Diwali Thakkar, Company Secretary
	IFL Wealth Prime Limited (Formerly known as IFL Wealth Finance Limited)
	IFL Wealth Management Limited (Holding co. of IFL Wealth Prime Limited)
	IFL Asset Management Limited
	IFL Investment Advice and Trustee Services Limited
	IFL Trustee Limited
	IFL Wealth Portfolio Managers Limited
	IFL Wealth Distribution Services Limited (Formerly known as IFL Distribution Services Limited)
	IFL Wealth Securities IFSC Limited
Ultimate Holding Co.	IFL Wealth Alliance Limited (Formerly known as IFL Alliance Advisors Limited)
	IFL Wealth Employee Welfare benefit Trust (Lapsed January 13, 2022)
	IFL Private Wealth Management (Dubai) Limited
	IFL Inc.
	IFL Asset Management (Mauritius) Limited
	IFL (Asia) Pte. Limited *
	IFL Capital Pte. Limited
	IFL Securities Pte. Limited *
	IFL Capital (Canada) Limited
	IFL W OIS Foundation
Fellow Subsidiaries	IFL Finance Limited
	IFL Securities Limited
	IFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	Living Insurance Brokers Limited (Formerly known as IFL Insurance Brokers Limited w.e.f. February 22, 2022)
	IFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IFL Wealth (UK) Limited
	IFL Capital Inc.
	IFL Facilities Services Limited (Formerly known as IFL Real Estate Limited)
	IFL Securities Services IFSC Limited
	Living Protection & Wellness Services Limited (Formerly known as IFL Corporate Services Limited w.e.f. October 6, 2021)
Other related parties	IFL Home Finance Limited
	Samasta Microfinance Limited (w.e.f. March 01, 2017)
	Mensakhil Trust (Joint Venture of IFL Management Services Limited)
	Shreyas Foundation LLP
	India Infoline Foundation
	Spina Capital Limited
	Spina Trading Limited
	IFL Sain Limited
	Giskard DataTech Private Limited (Associate Company w.e.f. November 06, 2020 and Ceased to be Associate Company w.e.f. December 30, 2021)
	General Atlantic Singapore Fund Pte Limited
Mr. Karan Bhaeat	
Mr. Yatin Shah	
Mr. Sharada Bhatte	
Mr. Venkataraman Rajamani	
Mr. Nirmal Jain	
Mr. Sandeep Achyut Naik	
Mr. Gopalakrishnan Soundarajan	
Mr. Mihir Nayak	
Mr. Sanjay Wadhwa	
Mr. Rohit Bhandari	
Mr. Amit Bhandari	
Mrs. Shilpa Bhaeat (Spouse of Mr. Karan Bhaeat)	
Ms. Madhu Bhaeat (Mother of Mr. Karan Bhaeat)	
Mr. Kush Bhaeat (Son of Mr. Karan Bhaeat)	
Ms. Kyra Bhaeat (Daughter of Mr. Karan Bhaeat)	
Mr. Avant Bhaeat (Brother of Mr. Karan Bhaeat)	
Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)	
Yatin Brahaad Shah (HUF)	
Prakashchandra Chughal Shah HUF	
Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)	
Mrs. Haranadon Shah (Mother of Mr. Yatin Shah)	
Kaan Shah (Son of Mr. Yatin Shah)	
Nayana Shah (Daughter of Mr. Yatin Shah)	
Ms. Yashita Sarja (Sister of Mr. Yatin Shah)	
Ms. Shefali Devani (Sister of Mr. Yatin Shah)	
Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)	
Mr. Bhanwarlal Jain (Father of Mr. Nirmal Jain)	
Ms. Sandeep Jain (Mother of Mr. Nirmal Jain)	
Mr. Bhawanji Jain (Son of Mr. Nirmal Jain)	
Ms. Kalola Jain (Daughter of Mr. Nirmal Jain)	
Ms. Harshita Jain (Daughter of Mr. Nirmal Jain)	
Mr. Manish Jain and Mr. Sampat Jain (Brother of Mr. Nirmal Jain)	
Ms. Pooja Kholhat (Sister of Mr. Nirmal Jain)	
Ms. Aditi Akhavanter (Spouse of Mr. Venkataraman Rajamani)	
Mr. Rajamani (Father of Mr. Venkataraman Rajamani)	
Ms. Syamala (Mother of Mr. Venkataraman Rajamani)	
Mr. Vikram Venkataraman (Son of Mr. Venkataraman Rajamani)	
Mr. Varun Venkataraman (Son of Mr. Venkataraman Rajamani)	
Mr. Nandini (Sister of Mr. Venkataraman Rajamani)	
Mrs. Neha Sanchodra (Sister of Mr. Umang Purohit)	
Mrs. Veerika Purohit (Spouse of Umang Purohit)	
Ms. Jaishankar Purohit (Daughter of Umang Purohit)	
Mrs. Rita Purohit (Mother of Umang Purohit)	
Mr. Pratham Purohit (Son of Umang Purohit)	
Mr. Hridya Purohit (Son of Umang Purohit)	
Mrs. Radhika Shenvy (Spouse of Manoj Shenvy)	
Mr. Karanadi Kuthakrishna Shenvy (Father of Manoj Shenvy)	
Anjali Shenvy (Mother of Manoj Shenvy)	
Varun Shenvy (Son of Manoj Shenvy)	
Mr. Prasanoo Shenvy (Brother of Manoj Shenvy)	
Mrs. Deepika Sarin (Spouse of Anirudha Taparia)	
Mr. Krishna Chandra Taparia (Father of Anirudha Taparia)	
Mrs. Indira Kapoor (Mother of Anirudha Taparia)	
Kaizer Taparia (Son of Anirudha Taparia)	
Thina Taparia (Daughter of Anirudha Taparia)	
Mr. Sudarshan Taparia (Brother of Anirudha Taparia)	
Mrs. Anshul Rastogi (Spouse of Mr. Shantanu Rastogi)	
Mr. Girish Kumar Rastogi (Father of Mr. Shantanu Rastogi)	
Mrs. Nisha Rastogi (Mother of Mr. Shantanu Rastogi)	
Mr. Vir Rastogi (Son of Mr. Shantanu Rastogi)	
Mr. Shivam Rastogi (Brother of Mr. Shantanu Rastogi)	
Ms. Pragya Jain (Spouse of Mr. Himanshu Jain)	
Prof. S.P. Jain (Father of Mr. Himanshu Jain)	
Mrs. Shakuntala Jain (Mother of Mr. Himanshu Jain)	
Ms. Sindhu Jain (Daughter of Mr. Himanshu Jain)	
Ms. Sindhu Jain (Daughter of Mr. Himanshu Jain)	
Dr. Alak Jain (Brother of Mr. Himanshu Jain)	
Dr. Chitra Jain (Sister of Mr. Himanshu Jain)	
Mr. Bharti Trilokh Naik (Spouse of Mr. Sandeep Naik)	
Mr. Achal Madhushiva Naik (Father of Mr. Sandeep Naik)	
Mr. Suman Achyut Naik (Mother of Mr. Sandeep Naik)	
Mr. Naman Naik (Son of Mr. Sandeep Naik)	
Mr. Kian Naik (Son of Mr. Sandeep Naik)	
Deepak Achyut Naik (Brother of Mr. Sandeep Naik)	
Sunil Achyut Naik (Brother of Mr. Sandeep Naik)	
Mr. Pratiksha Thakur (Sister of Mr. Sandeep Naik)	
Ms. Shalini Gopalakrishnan (Spouse of Mr. Gopalakrishnan Soundarajan)	
Mr. Govindarajan Soundarajan (Father of Mr. Gopalakrishnan Soundarajan)	
Ms. Sakuntala Soundarajan (Mother of Mr. Gopalakrishnan Soundarajan)	
Mr. Aditya Gopalakrishnan (Son of Mr. Gopalakrishnan Soundarajan)	
Ms. Simranjeet Kaur (Sister of Mr. Gopalakrishnan Soundarajan)	
Mrs. Bhavya Wadhwa (Spouse of Mr. Sanjay Wadhwa)	
Mr. Tulsi Wadhwa (Father of Mr. Sanjay Wadhwa)	
Mrs. Chandu Wadhwa (Mother of Mr. Sanjay Wadhwa)	
Shail Wadhwa (Son of Mr. Sanjay Wadhwa)	
Drishiti Wadhwa (Daughter of Mr. Sanjay Wadhwa)	
Mr. Girish Wadhwa (Brother of Mr. Sanjay Wadhwa)	
Dr. Manisha Rohit Bhaeat (Spouse of Mr. Rohit Bhaeat)	
Mr. Chiranjeev Bhaeat (Brother of Mr. Rohit Bhaeat)	
Mrs. Anjali Shrinivas Bhaeat (Mother of Mr. Rohit Bhaeat)	
Ms. Uma Rohit Bhaeat (Daughter of Mr. Rohit Bhaeat)	
Mrs. Namrata Bhaeat (Spouse of Mr. Amit Bhandari)	
Mr. Tejpal Bhandari (Father of Mr. Amit Bhandari)	
Lata Ms. Pooja Bhandari (Mother of Mr. Amit Bhandari)	
Ms. Charvi and Tanvi (Daughter of Mr. Amit Bhandari)	
Ms. Anshu Mehra (Sister of Mr. Amit Bhandari)	
Mrs. Deepal Khundewal (Spouse of Jay Gandhi)	
Shalish Gandhi (Father of Jay Gandhi)	
Nayana Gandhi (Mother of Jay Gandhi)	
Darshan Gandhi (Brother of Jay Gandhi)	
Darshil Mehta (Spouse of Diwali Thakkar)	
Mukesh Thakkar (Father of Diwali Thakkar)	
Pratima Thakkar (Mother of Diwali Thakkar)	
Kunal Thakkar (Brother of Diwali Thakkar)	
Varee Precast & Construction Private Limited	
Unique Vacation Homes Private Limited	
M/s. Prasanoo Shenvy & Associates	
Vatin Investments	
Kurush Investments	
Nayika Realty Private Limited	
Trend Analytics India Private Limited (Formerly known as Financial advisors India/Private Limited)	
Kurush Trading & Investments Private Limited (Formerly known as Kurush Realty Private Limited)	
Orchaeus Trading Private Limited	
MNI Consultants Private Limited	
Ardent Innoce Private Limited	
Sunder Bhawar Ventures Private Limited	
Chilmanu Properties Private Limited	
S P Setia PCL Limited	
S Setia Insurance Brokers Limited	
Kush Family Private Trust	
Kyra Family Private Trust	
Kalki Family Private Trust	
Nirmal Wadhwa Family Private Trust	
Nayika Family Private Trust	
Pratiksha Shah Family Private Trust	
Bhaeat Family Private Trust	
Kurush Family Private Trust	
Nayana Shah Family Private Trust	
Kaan Shah Family Private Trust	
IFL Mauritius Investments Limited	
Capital Funds Private Limited	
Rubicon Research Private Limited	
No Broker Technologies Solutions Private Limited	
House of Anita Dongre Private Limited	
Sorting Hat Technologies Private Limited	

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

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, 2022

FY 2021-22

b) Transactions with Related Parties

(` in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Other Related Parties	Total
1	<u>ICD Given:</u>				
	IIFL Wealth Management Limited	6,280	-	-	6,280
	IIFL Wealth Prime Limited	1,100	-	-	1,100
	IIFL Wealth Distribution Services Limited	-	500	-	500
	IIFL Wealth Portfolio Managers Limited	-	1,020	-	1,020
2	<u>ICD Received Back :</u>				
	IIFL Wealth Management Limited	6,280	-	-	6,280
	IIFL Wealth Prime Limited	1,100	-	-	1,100
	IIFL Wealth Distribution Services Limited	-	500	-	500
	IIFL Wealth Portfolio Managers Limited	-	1,020	-	1,020
3	<u>ICD Taken:</u>				-
	IIFL Wealth Management Limited	850	-	-	850
	IIFL Wealth Prime Limited	120	-	-	120
4	<u>ICD Repaid:</u>				-
	IIFL Wealth Management Limited	850	-	-	850
	IIFL Wealth Prime Limited	120	-	-	120
5	<u>Interest Income on ICD :</u>				-
	IIFL Wealth Management Limited	8.42	-	-	8.42
	IIFL Wealth Prime Limited	0.14	-	-	0.14
	IIFL Wealth Distribution Services Limited	-	1.03	-	1.03
	IIFL Wealth Portfolio Managers Limited	-	1.87	-	1.87
					-
6	<u>Interest Expenses on ICD :</u>				-
	IIFL Wealth Management Limited	0.60	-	-	0.60
	IIFL Wealth Prime Limited	0.08	-	-	0.08
7	<u>Other funds Paid :</u>				-
	IIFL Wealth Management Limited	0.62	-	-	0.62
	IIFL Asset Management Limited	-	-	-	-
	IIFL Wealth Distribution Services Limited	-	0.06	-	0.06
	IIFL Wealth Prime Limited	0.31	-	-	0.31
8	<u>Arranger Fee Income</u>				
	IIFL Asset Management Limited	-	0.93	-	0.93
9	<u>Rent Expense</u>				-
	IIFL Wealth Management Limited	5.16	-	-	5.16
10	<u>Allocation / Reimbursement of expenses Paid</u>				
	IIFL Wealth Management Limited	8.85	-	-	8.85

c) Amount due to / from related parties

(` in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	Other Related Parties	Total
1	<u>Sundry Receivable</u>				
	IIFL Wealth Prime Limited	0.31	-	-	0.31
	IIFL Asset Management Limited	-	0.26	-	0.26
	IIFL Wealth Portfolio Managers Limited	-	0.01	-	0.01
2	<u>Rent payable</u>				
	IIFL Wealth Management Limited	2.00	-	-	2.00

b) Significant Transactions with Related Parties

(` in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	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

c) Amount due to / from related parties

(` in Mn)

S.No	Nature of Transaction	Holding / Ultimate Holding Company	Fellow Subsidiaries	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

d) Transactions with key management personnel

(` in Mn)

S.No	Particulars	Year ended March 31	
		2022	2021
1	Salaries and other employee benefits to whole time directors and other KMPs	3.93	48.89

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

Note 35. 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 36. 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 37. Corporate Social Responsibility

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

The Company is not falling under the eligibility criteria given for spending of corporate social responsibility expenditure as given under the Companies Act, 2013

Note 38. 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 39. Subsequent Events

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

Note 40. 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 41. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 42. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

Note 43:

The ageing of trade payables is as under:

Particulars	As at 31 March 2022					Total
	Outstanding for following periods from the due date of payment				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
i. MSME	-	-	-	-	-	-
ii. Others	1.93	-	-	-	-	1.93
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-
Total	1.93	-	-	-	-	1.93

Particulars	As at 31 March 2021					Total
	Outstanding for following periods from the due date of payment				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
i. MSME	-	-	-	-	-	-
ii. Others	3.69	-	-	-	-	3.69
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-
Total	3.69	-	-	-	-	3.69

Note 44:

The ageing of trade receivables is as under:

Particulars	As at 31 March 2022					Total
	Outstanding for following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - Considered Good	17.61	2.12	3.55	0.01	-	23.29
ii) Undisputed Trade Receivables - having significant Credit Risks	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	0.00	0.50	-	-	0.50
iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
v) Undisputed Trade Receivables - having significant Credit Risks	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less: Impairment Allowance	-	(0.00)	(0.50)	-	-	(0.50)
Net receivable	17.61	2.12	3.55	0.01	-	23.29

Particulars	As at 31 March 2021					Total
	Outstanding for following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - Considered Good	36.40	4.95	0.16	-	-	41.51
ii) Undisputed Trade Receivables - having significant Credit Risks	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	0.14	0.02	-	-	0.16
iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
v) Undisputed Trade Receivables - having significant Credit Risks	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less: Impairment Allowance	-	(0.14)	(0.02)	-	-	(0.16)
Net receivable	36.40	4.95	0.16	-	-	41.51

Note 45:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company have not received funds (which are material either individually or in the aggregate) from any person or entity, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - (a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey)
- viii) The Company has not borrowed any funds from Banks or financial institutions during the reporting period

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, 2022

Note 46:

The significant ratios for the entity are as under:

Ratio / Measure	Methodology	For the year ended		Variance	Reasons
		March 31, 2022	March 31, 2021		
a) Current Ratio	Current assets over current liabilities	18.29	16.59	10.27%	Not Applicable
b) Debt-Equity Ratio	Debt over total shareholders' equity	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c) Debt Service Coverage Ratio	EBIT over current debt	Not Applicable	Not Applicable	Not Applicable	Not Applicable
d) Return on Equity Ratio	PAT over Total Equity	-0.22%	4.74%	-104.75%	Refer Note 46.a
e) Inventory turnover Ratio	Cost of goods sold over inventory	Not Applicable	Not Applicable	Not Applicable	Not Applicable
f) Trade Receivables Turnover Ratio	Revenue from operations over average trade receivables	9.10	6.18	47.31%	Refer Note 46.b
g) Trade Payables Turnover Ratio	Other expenses over average trade payables	8.29	10.66	-22.26%	Not Applicable
h) Net Capital Turnover Ratio	Revenue from operations over average working capital	0.43	0.41	4.74%	Not Applicable
i) Net Profit Ratio	Net profit over total revenue	-0.49%	11.20%	-104.34%	Refer Note 46.a
j) Return on Capital Employed	PBIT over average capital employed	-0.18%	14.63%	-101.26%	Refer Note 46.a
k) Return on Investment	Interest income, net gain on sale of investments and net fair value gain over weighted average investments	5.52%	3.24%	70.37%	Refer Note 46.c

Notes:

EBIT - Earnings before interest and taxes
PBIT - Profit before interest and taxes including other income
PAT - Profit after taxes
Capital employed refers to total shareholders' equity

Note 46.a:

Higher employee cost has resulted in reduced profits and thereby reducing the profit ratios.

Note 46.b:

The collections have improved for the year ended March 31, 2022, thereby increasing this ratio.

Note 46.c:

During the year ended March 31, 2022, temporary surplus was invested in various financial instruments like mutual funds, bonds, etc. resulting in higher ratio for the current year.

Note 47:

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

For and on behalf of the Board of Directors

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

Firdosh D. Buchia
Partner
Membership No: 38332

Place : Mumbai
Dated: April 29, 2022

Jay Gandhi **Dipali Thakkar**
CFO Company Secretary

Place : Mumbai
Dated: April 29, 2022

IIFL Wealth Capital Markets Limited

(Formerly known as L&T Capital Markets Limited)

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

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 net worth 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 financial statements have been approved for issue by the Board of Directors of the Company at their meeting held on 29th April 2022.

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

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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

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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

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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

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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).

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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.

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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

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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

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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.

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

- **Expected Credit Loss**

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