

IIFL SECURITIES LIMITED



# Delivering **Value** to You



Annual Report | 2021-22

# Basis of Reporting

## Our Approach to Adoption of <IR>

Integrated Reporting (<IR>) based on the framework of International Integrated Reporting Council (IIRC) has emerged as a global best practice for corporate reporting. We have aligned ourselves to this trend and FY 2021-22 is our second year of such reporting.

Through <IR>, we intend to provide our stakeholders with an all-inclusive depiction of our value creation process using both qualitative and quantitative information across financial and non-financial resources. We provide insights into our strategy, matters that are material to us,

and the challenges and associated risks in achieving our long-term objectives in context of the external operating environment.

Certain <IR> related data in this report may be management estimates.

## Reporting Principle

The financial and statutory data presented in this Report comply to the requirements of the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. The Report is guided by the IIRC's framework.

## Reporting Period, Scope and Boundary

The Report covers the key statutory financial information and activities of the Company in FY 2021-22. Comparative figures and notable events of past years have been reported to provide a holistic view to stakeholders. The non-financial information in the integrated report largely covers data on the India operations of IIFL Securities Limited.

## Responsibility Statement

The content of this report has been reviewed by the senior management of IIFL Securities, and reviewed and approved by the Board of Directors to ensure accuracy, completeness and relevance of the information presented.

## Our Value Creation Approach



Read more on page 12

## Our Stakeholders



Read more on page 16

## Forward-Looking Statements

The report contains statements that relate to the Company's future operations and performance. These statements can be identified by the usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. They constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from

those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Stories Inside

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# Delivering Value to You

As we continue to build our organisation, our strategic value drivers play a key role in this endeavour. These drivers - customer-centricity, geographical reach, robust technology, brand and strong credentials - facilitate us in delivering value to you - sustainably.

With a full-service and comprehensive suite of market offerings on an open architecture model, we handhold our customers in taking the right investment decisions and democratising access to financial markets. The business value we deliver is continually maximised through our accumulated knowledge base, nurturing of new ideas, strategic tie-ups and partnerships.

In our quest to deliver ease, security and transparency, we continue to ramp up our scale and augment our digital capabilities. This helps us deliver higher operational efficiency and optimise value creation.

We create value for all our stakeholders – for our customers through right investment opportunities; for our shareholders through better returns; for our employees by nurturing a growth-oriented company culture and providing the best workplace environment; and for the communities around us through our compassion and creativity.

## Key Operational Highlights :

**₹ 1,305 Billion** Y-o-Y  
Assets under Management & Custody **198%** 

**0.8 Million** Y-o-Y  
Customer Acquired **107%** 

**₹ 1,115 Billion** Y-o-Y  
Q4-FY 2021-22 Average Daily Turnover NSE (ADTO) **153%** 

**0.5 Million** Y-o-Y  
Q4-FY 2021-22 Daily Orders **50%** 

**3,329** Y-o-Y  
New Partners **718%** 

**3 Million**  
Customer Base

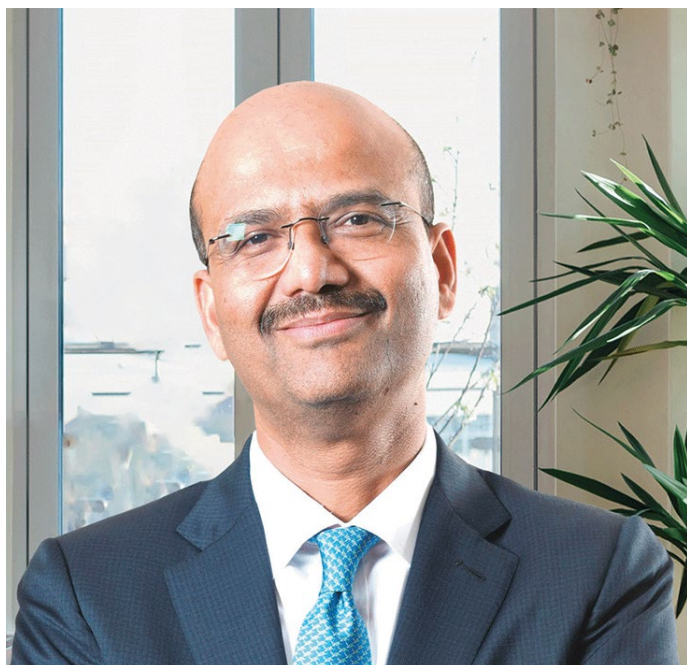
As we move ahead on our journey with an empowered ecosystem, our value delivery system is geared towards delivering inclusive growth to all stakeholders.

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# Chairman and Managing Director's Message



“Our performance in FY 2021-22, has reinstated the faith in our strategy, and we are ready to conquer new horizons.”

## Dear Stakeholders,

All our business segments have performed well during the year, due to buoyant capital markets. Growth of all the key metrics (on a consolidated basis) including Total Income of ₹ 13,164 million (up 52%), Profit After Tax of ₹ 3,058 million (up 39%) and Average Daily Market Turnover of ₹ 787.53 billion (up 166%) was impressive. This performance is a combined outcome of our digital strategy, strong execution skills and enduring relationships with our customers. Our performance in last fiscal has reinstated the faith in our strategy.

*“We provide our customers with the sweet spot of coffee, where value meets quality” John Gilbert*

Our confidence stems from our pillars of customer-centricity, unbiased

advice, research credentials and market knowledge. Being one of the largest independent full-service broking houses, our motto is to grow in a responsible manner, while responding to the dynamic environment with agility and speed. We remain committed to delivering value to all our stakeholders, constantly.

### Capitalising on long-term macro opportunities

The last two years can be counted amongst the most challenging ones in decades. The unprecedented health crisis, caused by the novel Coronavirus, affected lives, livelihoods and economies severely. With ease in COVID-induced lockdowns and gradual resumption of economic activities during the year, ever since India started its mega vaccination drive, aided by

conducive monetary policies, the economy has seen steady growth.

Both BSE-Sensex and NSE-50 witnessed stellar gains since the pandemic-induced fall in March 2020. As stock markets continued with the buoyancy, participation of individual investors in the equity markets increased. Favorable liquidity in both international and domestic markets, higher internet and digital penetration were other factors fueling this performance. The primary market also witnessed a boom as several companies, including new age ones, debuted on the bourses. In recent years, financial assets have become the preferred and trusted choice for individuals to invest their money. Despite this, India continues to be an under-penetrated market vis-à-vis the developed countries, indicating ample

headroom for growth. The IMF projects that India would become a US\$ 5-trillion economy over the next five years. Hence, we believe that the opportunity landscape is vast, both on economic growth as well as growing penetration of capital markets.

Though, the road ahead will be marked by quite a few speed breakers. Even as the fears of future waves of Coronavirus cannot be ruled out, the Ukraine-Russia war is posing newer challenges for the world. These include surging inflation, north-bound interest rates and tightening liquidity around the world. Rising interest rates in developed economies such as the US, can impede the flow of foreign capital into emerging economies such as India. Reducing flows, macro challenges and geopolitical tensions could hurt performance of capital markets in the medium term.

### Accelerating digital

*"It's hard to find things that won't sell online." – Jeff Bezos*

We are developing the most preferred online and device-agnostic broking platform, providing research-driven investment assistance to our customers. Building synergistic relationships with fintechs plays a crucial role on three parameters – creating cost-effective delivery of various financial products, delivering superior customer experiences and driving customer acquisition. Keeping this in mind, we have forged strategic, mutually beneficial tie-ups with several fintechs during the year under review. These help us create long-term, sustainable value for our business partners, and eventually for our customers.

### Growth of our people, for our people and by our people

*"Always treat your employees exactly as you want them to treat your best customers." - Stephen R. Covey*

Our people are our biggest asset, and we continue to empower them through a growth-oriented culture, creating value for them. We work closely with our

employees to help them reach their full potential by undertaking need-based learning and development initiatives, helping them create a healthy work-life balance and so on. It is not surprising then that IIFL Securities received 'Great Place to Work' award for the fourth time in a row in the year under review.

### Ready to maximize opportunities by delivering value to customers

With decades of market knowledge and investment in world-class technologies, we help our customers meet their financial goals. Staying true to our aim of enriching our customer relationships, we are further enhancing the level of ethical practices and transparency in our business. At the same time, we continue to make requisite investments in our people and technology capabilities with our gaze fixed firmly on our strategic goals. Leveraging our intrinsic strengths such as a robust balance sheet, digital product delivery, strong liquidity and improving RoE, we are confident to deliver value to all stakeholders.

### Supporting our communities, delivering value to society

*"The purpose of the corporation must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy."*  
- Michael Porter

Through IIFL Foundation, we continue to serve the communities we operate within. It is our constant endeavor to maximize our social impact. This approach has enabled us to maintain enduring relationships with our communities, understand their needs, create synergies with them and drive need-based change.

A look at our non-financial performance during the year indicates that we have scored well across all capitals, indeed, delivering shared value to all of you. At IIFL Securities, we are accelerating focus on our ESG or environmental, social and governance performance and are in the process of updating policies and strategy for the same.

**IIFL Securities stands on a strong foundation and is all set for sustainable growth.**

**₹ 787.53 Billion**  
Average Daily Turnover (NSE)

Growth  
**166%** 

**0.8 Million**  
Customers acquired

Growth  
**107%** 

### In conclusion

We remain confident of the inherent strength of our Company's business model and the sturdiness of our growth story. IIFL Securities stands on a strong foundation and is all set for sustainable growth. I view with pride the optimism and commitment displayed by our employees and top management team, especially during testing times. I take this opportunity to extend my thanks to all of them for their diligence. Finally, I would like to thank our external stakeholders including our customers, business partners, sub-brokers, investors, regulators and rating agencies for their unwavering support throughout the year.

Wish you all good health. Extending our good wishes to all of you and your families during these challenging times.

Warm Regards,

**R. Venkataraman**  
Chairman and Managing Director

# A Leading One-Stop Financial Services Powerhouse

A Rapidly Growing Financial Services Company

**₹ 13,164 Million**

Total Income

**₹ 3,058 Million**

PAT

**₹ 1,305 Billion**

Assets under Management & Custody

**2,500+**

Touchpoints

**500+**

Locations we are present in

**263+**

Stocks covered

**800+**

Relationship Managers

**30+**

Research Analysts  
(Institutional Broking)

**2,254\***

Employees

**0.8 Million**

Customers acquired

**780+**

Institutional Customers

**~4.4 Rating**

One of the highest rated Investment Apps

**₹ 26,944 Million**

Market capitalisation as  
on March 31, 2022

**₹ 3.0 per share**

Dividend

**1.1 Million**

Active customers on NSE

**9<sup>th</sup> Rank**

In terms of active customers on NSE

All above numbers are for FY 2021-22, unless stated otherwise

\* Employee count is for IIFL Securities Limited (Standalone)

## Our Vision

Is to be amongst India's most respected financial services companies.

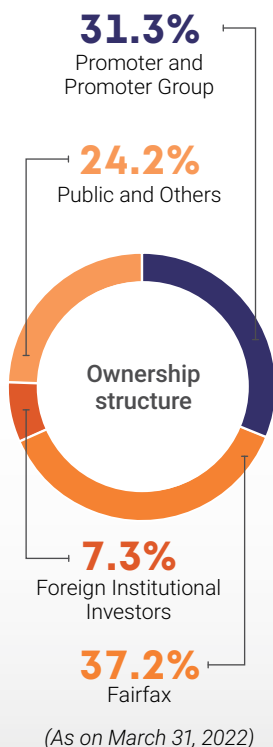
### Being an independent and full-service broking firm

IIFL Securities is one of the largest full-service retail and institutional broking houses in India, providing a full-suite of products and services.


Being a customer-centric company, we offer research and broking services, financial products distribution, institutional research and investment banking services. Our unbiased advice through these products is provided via an open architecture model.

### Our strong market edge


What provides us a competitive market edge is that we are one of India's leading investment banking firm, with superior client focus and solid execution.




### Our core values that helped accomplish our milestones and goals



**Fairness**



**Integrity**



**Transparency**

### Our diversified financial products and services includes

Broking	Investment Banking	Distribution of Financial Products
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### We cater to

- Corporates
- Institutional Investors
- Foreign Portfolio Investors
- Mutual Funds
- Insurance Companies
- Alternative Investment Funds
- Trusts
- High Net Worth Individuals and Retail Clients

### Our Key Differentiators

One-stop shop for retail and institutional broking, distribution of financial products and investment banking	Enjoys strong brand equity as a part of the IIFL Group	Powered by robust technology platform and synergistic fintech tie-ups
Strong and well-entrenched presence and distribution reach in over 500 towns and cities across India	Industry veteran backed by experienced and committed manpower at the helm of affairs	Excellent research credentials backed by in-depth knowledge about capital markets, corporates and sectors

# Our Diversified Offerings

We are a leading player in full-service broking, offering multiple products and services to investors in various segments. We are armed with a unique combination of superior service, cutting-edge proprietary technology, advice powered by strong research and credibility, and unparalleled reach through over 2,500 locations across over 500 cities in India.

## RETAIL BROKING

We are a key player in both retail and institutional segments of the capital market. We have over 2,500 points of presence across India and provide unparalleled research coverage on 263+ companies. Powered by a robust technology platform, we offer brokerage services, mutual funds, insurance and portfolio management through the open architecture model.

### We Offer

- Equities (both cash and derivatives), Commodities and Currency Broking
- Financial Planning, Depository Participant Services, Distribution of Mutual Funds and Bonds, Portfolio Management Services, Alternative Investment Funds, Retirement Planning and Estate Planning

### We Serve

- Retail and mass-affluent tech-savvy customers

### Our Capabilities

- Diversified and customer-centric products through an open architecture model
- Full-service and multi-channel retail-led platform
- Widespread network
- Strong research team

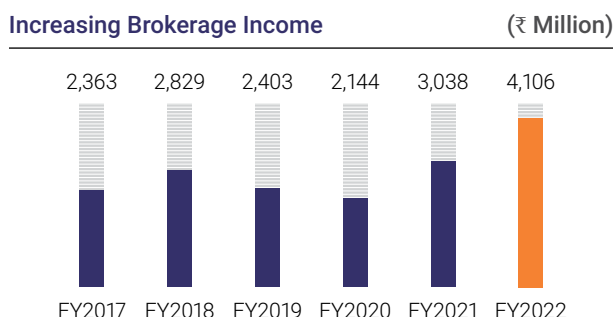
### Operational Highlights of FY 2021-22

- **3 Million** Customer Base
- **₹ 1,305 Billion** Assets under Management & Custody
- **2,500+** Touchpoints and Presence in **500+ Cities**
- **9.4 Million** Downloads of IIFL Markets

### Segmental Revenue

**₹ 4,106 Million**

31% of Total Revenue



**Mr. Sandeep Bhardwaj**  
CEO  
Retail Broking

With customer-centricity at our core & trusted relationships at the helm of it, we are consistently working towards delivering value to all stakeholders. Design thinking, cutting edge technology, accelerated digital transformation & innovation are our key pillars of growth for us to realise our vision of “democratising wealth creation in India”. We will continue empowering our customers with best in class research capabilities & strengthen the same as we scale. Our in-house development efforts, collaboration & synergies with the industry leaders across the fintech ecosystem will consistently enrich the customer’s experience & maximise the value creation throughout the entire value chain.”



## INSTITUTIONAL BROKING

With extremely strong research credentials, we are the port of call for most investors. We are one of the leading domestic institutional brokers with strong execution and block placement capabilities. The institutional broking segment has over 780+ domestic and foreign clients. We provide comprehensive research coverage, covering over 263 stocks across 20+ sectors accounting for more than 78% of India's market capitalisation.

### We Offer

- Broking services
- Corporate access
- Research support

### We Serve

- Domestic and Foreign Institutional Investors, Sovereign Wealth Funds, Private Equity Funds and Corporates

### Our Capabilities

- Dedicated sales team in India and New York connecting investors and corporates
- Strong research team with domain knowledge

### Corporate Access

For a second year in a row, our flagship Enterprising India Investor Conference was held virtually. 48 company CEOs presented and the event was very well attended. We also hosted the first physical event in almost two years at Chennai. Among other events, we hosted webinars with

### Segmental Revenue

₹ **1,744 Million**

13% of Total Revenue

### Operational Highlights of FY 2021-22

- Team of **30 Research analysts**
- Presence in **2 countries**
- **780 Active** Institutional Clients (Domestic and Overseas)
- **Over 263 Stocks** researched

20 specialist speakers, a virtual sector conference focussed on chemicals and a thematic conference on rural recovery. We also conducted 26 corporate roadshows and managed 12 client trips during the year.



**Mr. H. Nemkumar**  
President  
Institutional Equities



FY 2021-22 was a record year for the institutional equities business. Revenues jumped by more than 30% YoY led by market share gains, improvement in yields, better product mix and jump in market volumes. Secondary market activity was buoyed up by large inflows into equity mutual funds. FY22 also turned out to be a very productive year from a research perspective. The team initiated coverage on 26 companies, issued 36 IPO reports and produced close to 1,400 research notes. Our research continues to be ranked among the top."

## INVESTMENT BANKING

We have an investment banking team looking after banking needs of corporates. Backed by our customer and market understanding, we are well-positioned in the sector, and continue to leverage our strong distribution reach across all segments – HNI, Domestic and Foreign Institutions. Our deal pipeline remains robust and we are running multiple transactions which are at various stages of execution.

### We Offer

- Initial Public Offerings, Qualified Institutional Placement, Rights Issues, Preferential Placement, Follow-on Public Offer, Mergers & Acquisitions, Share Buybacks, Tender Offers and Delisting
- Advisory services including private equity placements and Mergers & Acquisitions

### We Serve

- Corporates, Domestic and Foreign Institutional Investors, Private Equity Funds, Banks

### Our Capabilities

- Customised solutions
- Strong distribution reach
- Strong execution capabilities
- Industry knowledge

### Segmental Revenue

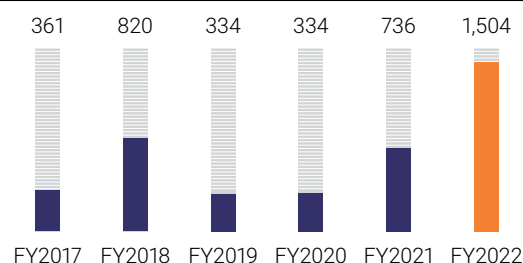
**₹ 1,504 Million**

11% of Total Revenue

### Operational Highlights of FY 2021-22

- Completed 39 transactions, including 17 IPOs, 7 QIPs, 5 debt transactions and 10 advisory transactions (i.e., private equity, open offers, preferential allotments among others)
- Continue to see strong momentum in Investment Banking business
- Filed 3 new DRHPs in Q4; a number of IPOs, private equity and advisory transactions are in various stages of execution

### Growing Revenues from Investment Banking (₹ Million)



**Mr. Nipun Goel**  
President,  
Investment Banking

FY 2021-22 was a prolific year for the investment banking division. The division completed 39 transactions including 17 Initial Public Offers, 7 Qualified Institutional Placements, 5 Debt Transactions and 10 Advisory Transactions including private equity advisory, preferential allotments and open offers. The team has also filed a number of Draft Red Herring Prospectus for upcoming Initial Public Offers and is currently engaged in a number of private equity and other capital market transactions which are in various stages of execution.

The outlook for the next year remains strong. As always, superior client focus, unbiased advice and solid execution continues to result in high repeat business which is the hallmark of our strategy. We have expanded our product portfolio this year and will continue to do so in the near future. We will build our team and capabilities by investing in people and processes as we scale up the franchise.”

## Select Transactions (FY22)

<p>QIP ₹ 5,500 Mn</p>  <p>Equitas SFB Feb 2022 BRLM</p>	<p>IPO ₹ 31,492 Mn</p>  <p>Vedant Fashion Limited (Manyavar) Dec 2021 BRLM</p>	<p>IPO ₹ 5,882 Mn</p>  <p>Data Patterns (India) Limited Dec 2021 BRLM</p>
<p>IPO ₹ 13,357 Mn</p>  <p>Rategain Travel Technologies Dec 2021 BRLM</p>	<p>IPO ₹ 6,600 Mn</p> <p><b>ANANDRATHI</b> Private Wealth. uncomplicated</p> <p>Anand Rathi Wealth Limited Dec 2021 BRLM</p>	<p>IPO ₹ 20,733 Mn</p>  <p>Sapphire Foods India Limited Nov 2021 BRLM</p>
<p>IPO ₹ 8,000 Mn</p>  <p>S.J.S. Enterprises Nov 2021 BRLM</p>	<p>IPO ₹ 56,250 Mn</p>  <p>PB Fintech Nov 2021 BRLM</p>	<p>QIP ₹ 5,100 Mn</p>  <p>Deepak Fertilisers Oct 2021 Sole BRLM</p>
<p>IPO ₹ 27,683 Mn</p>  <p>Aditya Birla SunLife AMC Oct 2021 BRLM</p>	<p>IPO ₹ 12,825 Mn</p>  <p>Sansera Engineering Sept 2021 BRLM</p>	<p>QIP ₹ 25,500 Mn</p>  <p>Bank of India Aug 2021 BRLM</p>
<p>IPO ₹ 38,500 Mn</p>  <p>Chemplast Sanmar Aug 2021 BRLM</p>	<p>IPO ₹ 12,133 Mn</p>  <p>Krsnaa Diagnostics Aug 2021 BRLM</p>	<p>IPO ₹ 21,437 Mn</p>  <p>KIMS Jun 2021 BRLM</p>
<p>IPO ₹ 9,086 Mn</p>  <p>Shyam Metals Jun 2021 BRLM</p>	<p>QIP ₹ 14,472 Mn</p>  <p>Union Bank of India May 2021 BRLM</p>	<p>QIP ₹ 18,000 Mn</p>  <p>Punjab National Bank May 2021 BRLM</p>
<p>QIP ₹ 5,100 Mn</p>  <p>Dilip Buildcon Ltd April 2021 BRLM</p>	<p>Preferential Issue ₹ 2,509 Mn</p>  <p>5Paisa Capital Ltd April 2021 Exclusive Advisor</p>	<p>IPO ₹ 25,000 Mn</p>  <p>Macrotech Developers April 2021 BRLM</p>

# FINANCIAL PRODUCTS DISTRIBUTION

Aimed at serving retail clients and mass affluent investors, we offer a wide range of third-party financial products such as mutual funds, insurance, IPOs, bonds, AIF and others. We are well positioned to grow our segment given our superior research and strong distribution capabilities.

## We Offer

- Third-party financial products distribution including Mutual Funds, Insurance, Portfolio Management Services, Alternate Investment Funds, Fixed Deposits, Loans, Bonds and Pension Products

## We Serve

- Retail and mass affluent investors

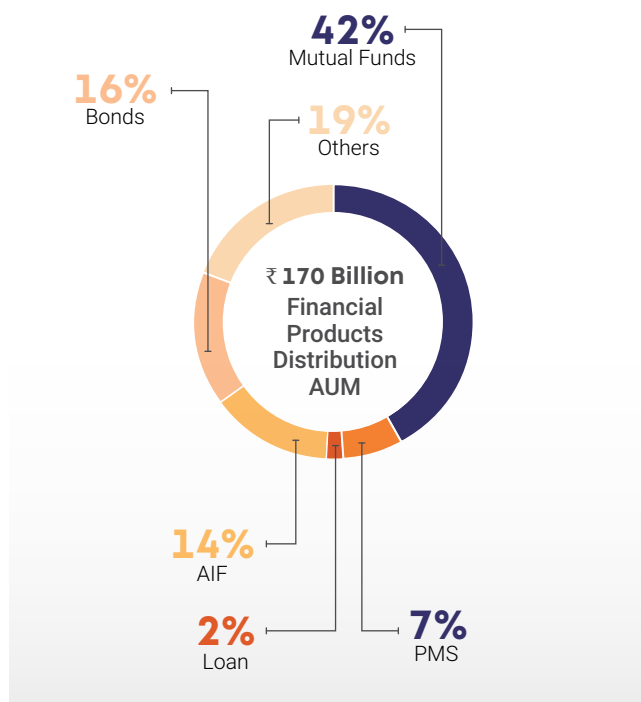
## Our Capabilities

- Wide product portfolio
- Research
- Understanding of customer behaviour
- Growing physical and digital reach
- Open architecture model

## Segmental Revenue

**₹ 2,119 Million**

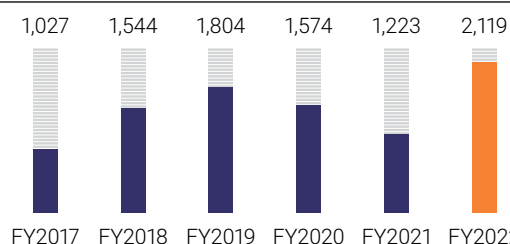
16% of Total Revenue



## Operational Highlights of FY 2021-22

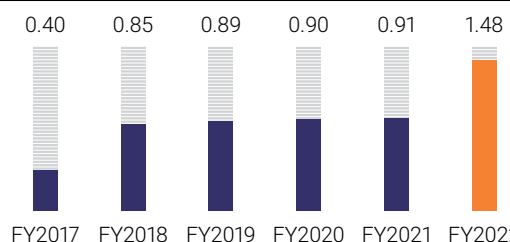
- AUM of ₹ 170 Billion
- 18% CAGR in SIP Transactions in three years
- 29% Growth in Insurance Premium
- Mutual Fund AUM: ₹ 71.3 Billion, Y-o-Y increase 38%

## Financial Products Distribution Income\* (₹ Million)



\*Also includes Income from Insurance

## SIP Transaction Count (In Lakh)





# Our Value-Creating Business Model

## INPUTS



### Financial Capital

Equity Capital	₹ 11,818 Million
Outstanding Debt	₹ 6,070 Million



### Manufactured Capital

Call Centres	4
Call Centre Executives	239



### Intellectual Capital

Research Analysts	30+
Institutional equities team	83
Capex in technology infrastructure	₹ 102 Million

Strong brand value and parentage of IIFL Group



### Human Capital

Employees	2,254
Female Employees	26%
Hours of training provided	53,020 hours
Average training hours per employee	15 hours



### Social and Relationship Capital

Spent on CSR initiatives	₹ 34 Million
Active retail customers	1.13 Million
Institutional customers	780



### Natural Capital

Focus on effectively consuming key natural resources like water and electricity

## VALUE CREATION PROCESS

### Value created

#### Retail broking and distribution

Enabling individuals participate in capital markets by facilitating right technology tools

#### Institutional broking

Enabling institutional clients with strong research capabilities

#### Investment banking

Enabling corporate clients with fund raising and allocation

#### Financial product distribution

Enabling individuals have access to right financial products

### Underpinned by



**Robust technology platform and open architecture model**



**Customer-centricity and focus on wealth creation**



**Extensive portfolio of offerings (own + third party)**



**Extensive distribution network**



## OUTPUTS

 **787.53** Billion  
Increase in average daily turnover NSE (166% growth) ▲

 **1,305** Billion  
Increase in Total Assets Under Management & Custody (198% growth Y-o-Y) ▲

 **39**  
Investment banking deals

 **1.1%**  
Total market share (NSE)

 **2.7%**  
Cash market share (NSE)

## OUTCOMES



## Financial Capital

Revenue	₹ 13,164 Million
PAT	₹ 3,058 Million
Earnings Per Share (EPS)	₹ 10.1
Dividend payout	₹ 911.58 Million
RoE	29%
Total assets	₹ 60,410 Million



## Manufactured Capital

Tied up with 3,329 new partners to facilitate one stop access to all needs

Reach to 500+ locations through physical network



## Intellectual Capital

Stocks covered for research	263+
Market capitalisation of stocks covered	78%



## Human Capital

Great place to work certified



## Social and Relationship Capital

Education of girl child in Rajasthan	32,264 girls enrolled
New customers added	0.8 Million



# Our Operating Environment

India is seen maintaining its position as the fastest-growing major economy due to strong investment prospects in the years ahead. IMF projects India's prospects for 2023 to be marked up on expected improvement in credit growth, and subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector.

## A growing economy

India's economic growth in the current year is robust, and is the highest among all the large economies, reflecting India's resilience and strong recovery. The country has been facing the COVID-19 pandemic with great resilience and made remarkable progress in vaccination, administering more than 1.85 billion doses.

The International Monetary Fund (IMF) has pegged India's GDP growth for FY 2021-22 at 8.9% vis-à-vis 6.6% contraction in FY 2020-21. However, supply bottlenecks, high crude prices and rising inflation caused by Russia's invasion of Ukraine could have a negative impact. IMF slashed its growth forecast for FY 2022-23 to 8.2% as it expects higher oil prices to weigh on private consumption and investment.

## Improving regulatory landscape

Regulation of capital markets has been important for development and growth. The capital market regulator SEBI has been very proactive towards the growth and development of the public markets with principles of investor protection, particularly retail investors, at the forefront of any changes being proposed. The year FY 2021-22 was concluded with a bang in respect of regulatory changes relating to peak margin, pledge/unpledge and preferential issues.

## IPO market performing well

Tremendous response by all categories of investors in IPOs reflected confidence in markets and in corporate sector performance and Indian economic prospects. According to the Economic Survey 2021-22, a cumulative of ₹ 890,660 million was raised during April-November 2021, much higher

than the corresponding period of FY21 when IPOs collectively raised ₹ 147,330 million. Primary market fund raising has been greater than what was raised in any year in the past decade by a large margin.

## Increasing retail participation

The number of demat accounts jumped to 806 lakh in December 2021, from 551 lakh in March 2021 and from 408 lakh in March 2020. According to the ICRA report, this growth translates into a net addition of 28.33 lakh accounts per month in FY 2021-22, more than twice the monthly addition of 11.91 lakh in FY 2020-21 and 4.1 lakh a month in FY 2019-20. Average daily turnover jumped 126% to ₹ 63,070 billion during the first nine months of FY 2021-22 from ₹ 27,920 billion in FY 2020-21 and ₹ 14,390 billion in FY 2019-20. An increased retail participation is expected, which can be attributed to buoyant stock markets. Declining savings avenues amidst low interest rate regime and increase in global liquidity will lead to increased interest by individual investors.

## Traction in stock broking industry

The stock broking industry witnessed a record run in the past year with stock indices more than doubling since the COVID-19 mayhem commenced in March 2020, scaling new life-time highs. In FY 2021-22, the industry reported 30% top line growth at around ₹ 28,000 crore, according to an ICRA report. The industry is expected to register improved performance in the next few years supported by healthy participation of retail investors and favourable liquidity in the international and domestic markets and higher internet penetration.

## Financialisation of household savings

The share of financial savings in overall gross household savings has seen a sharp rise in the past few years. The year witnessed a period of historically low interest rate regime, combined with low inflation, which is leading to a consistent rise in financialisation of savings – a shift from physical to financial assets. Consumption is expected to double to US\$ 3 trillion and investment spending will scale up thrice to US\$ 1,800 billion by 2025. With a big household leverage cycle, aided by democratisation of credit, will be accompanied by further financialisation of savings.

## An under-penetrated financial market

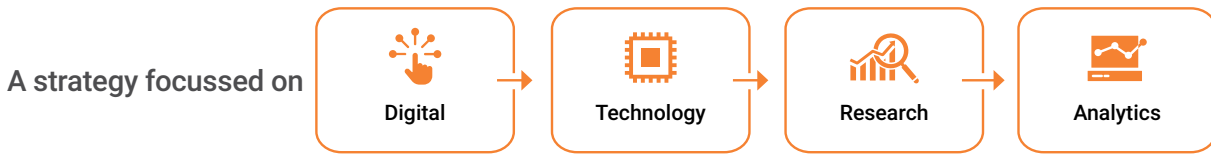
India continues to be a hugely under-penetrated financial market compared to the rest of the world. As on December 31, 2021, only 806 lakh Indians have demat accounts, which is about around 3.7% of the country's population, indicating plenty of room for the stock markets to penetrate further. This presents immense opportunities to tap investors' savings and channel them into the financial markets.

## Increasing digitalisation

India is witnessing increasing digitalisation with people getting greater and easier access to financial services. This led to a shift in consumers' financial behaviour from cash to e-wallets and UPI. The rise of fintechs has accelerated financial inclusion. Since the onset of COVID-19 in March 2020, need was felt for a digitally-led and knowledge-driven financial services firm to become a leading-edge player in a competitive and tech-driven industry.



## Reinforcing our Market-Leading Position








<p><b>S01.1</b></p> <p>To build the most preferred online broking platform</p>	<p><b>S03.1</b></p> <p>To provide research-driven advisory assistance to customers</p>	<p><b>S05.1</b></p> <p>To identify and adopt superior ESG practices and serve all stakeholders in the best way</p>
<p><b>S01.2</b></p> <p>To build synergistic relationships with fin-techs and deliver experiences that form habits</p>	<p><b>S03.2</b></p> <p>To continue having excellent research credentials with strong market knowledge base</p>	<p><b>S05.2</b></p> <p>To create a strong foundation for effective management of ESG matters and to integrate them into our business strategies</p>
<p><b>S02.1</b></p> <p>To create a device-agnostic platform that serves the user's lifecycle</p>	<p><b>S04.1</b></p> <p>To get a global view of customer behaviour and data</p>	<p><b>S05.3</b></p> <p>To undertake every measure possible to focus on responsible use of resources through energy and water conservation and to minimise our carbon footprint</p>
<p><b>S02.2</b></p> <p>To enable product personalisation meet user needs</p>	<p><b>S04.2</b></p> <p>To nudge product decisions based on analytics</p>	<p>SO=Strategic Objective</p>



# Meeting the Needs and Expectations of our Stakeholders

We engage closely with our stakeholders throughout the year to understand their needs and concerns. These conversations provide us with valuable feedback and an outside-in perspective of our business.

The insights are recorded and considered, while making important decisions across our businesses. These dialogues help us in creating long-term, sustainable value for all our stakeholders. During the year, we engaged with our internal and external stakeholders to identify the key issues that are material to them.

Stakeholder	Engagement mode	Engagement frequency	Important matters	Emerging matters	KPIs
<b>Customers</b> 	<ul style="list-style-type: none"> <li>▪ Corporate website</li> <li>▪ Toll-free number</li> <li>▪ Digital platforms</li> <li>▪ Social media</li> <li>▪ Customer relationship managers</li> <li>▪ Customer satisfaction surveys</li> <li>▪ Media campaigns &amp; advertising</li> <li>▪ Knowledge seminars &amp; events</li> <li>▪ Email</li> </ul>	<ul style="list-style-type: none"> <li>▪ Daily</li> <li>▪ Weekly</li> <li>▪ Monthly</li> <li>▪ Annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trust</li> <li>▪ Data &amp; cyber security</li> <li>▪ Quality of customer service</li> <li>▪ Investment in new technologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Personalised offerings and inclusion</li> <li>▪ Transparency in service and product information</li> <li>▪ Sustainable solutions</li> <li>▪ Customer rights &amp; grievances</li> <li>▪ After sales support and management of services</li> <li>▪ Product efficiency, differentiation and quality</li> <li>▪ Ethical marketing practices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer retention rates</li> <li>▪ Total number of active customers</li> <li>▪ Number of new customers added</li> <li>▪ NPS score</li> <li>▪ Number of customers using online/digital platforms/apps</li> <li>▪ Customers active for over 5 years</li> </ul>
<b>Business Partners &amp; Vendors</b> 	<ul style="list-style-type: none"> <li>▪ One-to-one meeting with the top management</li> <li>▪ Product/process trainings for new and old partners</li> <li>▪ Industry Speak and Product Team Webinars for product updates</li> <li>▪ Channel partner meets</li> <li>▪ Conferences and Forums</li> <li>▪ Written communications</li> <li>▪ Engagement portal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Daily</li> <li>▪ Weekly</li> <li>▪ Monthly</li> <li>▪ Annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintaining relationships</li> <li>▪ Growth opportunities</li> <li>▪ Quick and efficient payments</li> <li>▪ Quick response to queries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk Management Policies</li> <li>▪ Legal Compliance</li> <li>▪ Safety of infrastructure and managed facilities</li> <li>▪ Sustainable merchandise &amp; events</li> <li>▪ Workforce practices and welfare</li> <li>▪ Diversity &amp; Social inclusion</li> <li>▪ Resource and waste management</li> <li>▪ Responsible procurement</li> <li>▪ Pricing and Payment Terms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of business partners and vendors</li> <li>▪ Business partners/vendors active over 5 years</li> <li>▪ Number of business partners/vendors trained</li> </ul>

Stakeholder	Engagement mode	Engagement frequency	Important matters	Emerging matters	KPIs
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Review meets</li> <li>Town halls</li> <li>Employee surveys</li> <li>Learning &amp; Development initiatives</li> <li>Newsletters &amp; portals</li> <li>Discussion with senior leaders</li> <li>Engagement initiatives/offsites</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Monthly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Training &amp; development</li> <li>Grievance redressal</li> <li>Reward &amp; Recognition</li> <li>Employee engagement activities</li> <li>Career progression</li> </ul>	<ul style="list-style-type: none"> <li>Employee Retention</li> <li>Human rights and social investment in employees</li> <li>Work-life balance, flexible working</li> <li>Performance evaluation</li> <li>Gender pay equity and increased women in management</li> <li>Workplace environment and conditions</li> <li>Employee physical and mental well being</li> </ul>	<ul style="list-style-type: none"> <li>Total number of employees</li> <li>Number of women employees</li> <li>Attrition rate</li> <li>Women employees in management roles</li> <li>Gender pay parity</li> <li>Number of employees trained</li> <li>Employees covered under benefits such as maternity/paternity leave, insurance, etc.</li> <li>ESOPs</li> <li>Employee complaints filed and resolved</li> </ul>
<b>Rating Agencies &amp; Lenders</b> 	<ul style="list-style-type: none"> <li>Presentations &amp; written communications</li> <li>Online meetings on strategy, financial plans, risk management, &amp; other business-related updates</li> </ul>	<ul style="list-style-type: none"> <li>Event-based</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity and risk management, and risk mitigation strategies</li> <li>Growth plans</li> </ul>	<ul style="list-style-type: none"> <li>Affordable products and services</li> <li>ESG reporting &amp; transparency of disclosures</li> <li>Assessment of ESG Risks</li> <li>Stakeholder Management</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>ESG rating</li> <li>Interest coverage ratio</li> <li>Servicing of debt</li> <li>Key financial metrics</li> </ul>
<b>Regulatory Bodies</b> 	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Corporate Presentations</li> <li>Written Communications</li> <li>One-to-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Weekly</li> <li>Annually</li> <li>Event-based</li> </ul>	<ul style="list-style-type: none"> <li>Market credibility</li> <li>Contribution to policy formation</li> <li>Industry discussions</li> <li>Ethical practices</li> <li>Contribution to exchequer</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to sector specific regulations</li> <li>Development of green finance &amp; infrastructure</li> <li>Programs to cultivate responsible workplace practices for self and other stakeholders</li> <li>Regulatory development towards a low-carbon economy</li> <li>Promoting sustainability reporting in India</li> <li>Advocating ESG integration with financial reporting</li> <li>Timely tax</li> </ul>	<ul style="list-style-type: none"> <li>Tax payments</li> <li>Compliance track record</li> <li>Number of industry associations</li> <li>Trainings on latest regulations to internal and external stakeholders</li> <li>Carbon footprint</li> <li>ESG performance</li> </ul>

Stakeholder	Engagement mode	Engagement frequency	Important matters	Emerging matters	KPIs
<b>Shareholders &amp; Investors</b> 	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Roadshows/Sector specific conferences</li> <li>Investor and Analyst meets, Conference calls</li> <li>Annual Reports</li> <li>Investor Presentations, Yearly and Quarterly Earnings Update, Company announcements</li> <li>Company website</li> <li>Media Releases</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Half-yearly</li> <li>Annually</li> <li>Event-based</li> </ul>	<ul style="list-style-type: none"> <li>Brand reputation and trust</li> <li>Strong, consistent financial performance</li> <li>Share price performance &amp; dividend payment</li> <li>Strong risk management mechanism</li> <li>Business strategy</li> <li>Governance, ethics &amp; transparency</li> <li>Stability &amp; security of IT systems</li> </ul>	<ul style="list-style-type: none"> <li>Growth &amp; expansion</li> <li>Operational &amp; resource efficiencies</li> <li>Net-zero commitments</li> <li>Steps towards circular economy</li> <li>Climate change &amp; carbon pricing strategies</li> <li>Sustainability performance &amp; tracking, including global sustainability rankings &amp; indices</li> <li>Reporting standards</li> </ul>	<ul style="list-style-type: none"> <li>Market capitalisation</li> <li>Dividend payout</li> <li>Financial performance</li> <li>ESG performance</li> <li>Business growth</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>CSR initiatives</li> <li>Empowerment programs</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Social empowerment</li> <li>Inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood opportunities</li> <li>Resource Conservation &amp; Recycling</li> <li>Supporting local communities by grants, etc.</li> <li>Carbon offset measures</li> <li>Measurement of Carbon impact relevance for Executive Board compensation</li> <li>Advocating best practices in sustainability</li> <li>Net positive impact on Bio-diversity</li> </ul>	<ul style="list-style-type: none"> <li>Number of beneficiaries</li> <li>Number of locations covered</li> <li>Number of programs</li> <li>CSR spends</li> <li>Number of women beneficiaries</li> <li>Social impact of CSR projects</li> </ul>

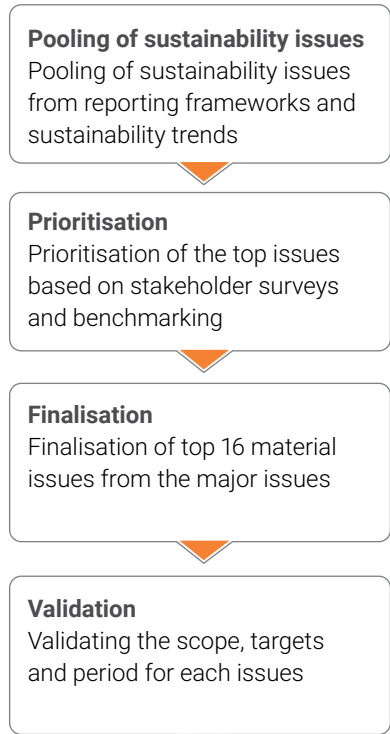
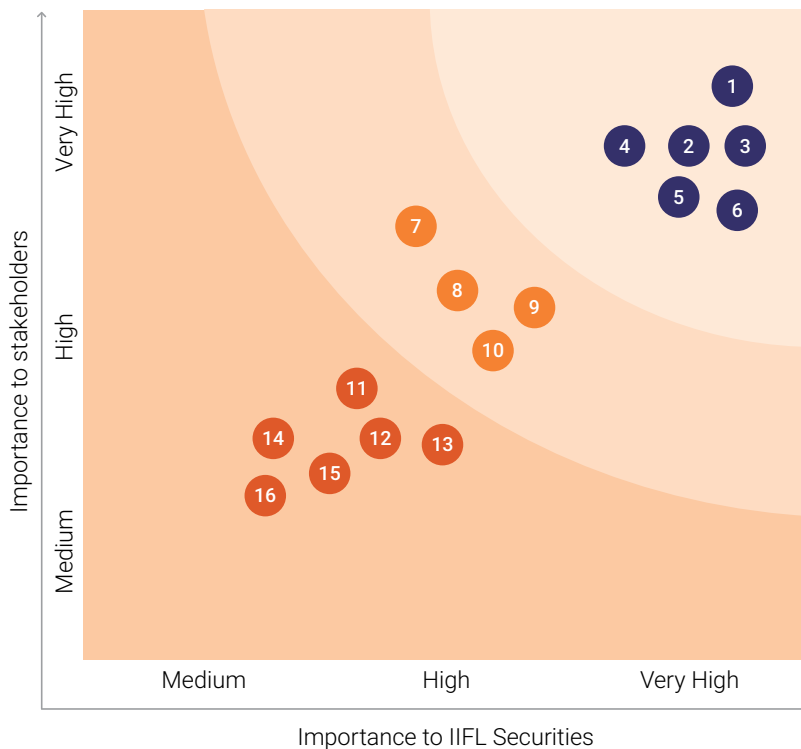


# Materiality Assessment Report

Stakeholder engagement and materiality assessment are the crucial first steps for any organisation looking to enhance its ESG practices. A materiality assessment helps it in identifying and prioritising “material issues” to the business and the stakeholders. This exercise helps the organisation in efficient decision-making and in framing sound mitigation practices for its key material issues. PwC undertook the stakeholder engagement and materiality assessment exercise for IIFL Securities and identified the material issues for us. Material issues have the most impact on the Company’s ability to create long-term value.

## Materiality assessment at IIFL Securities

### Four-step materiality analysis process



## Material issues for IIFL Securities

### Very High

1. Data security and privacy
2. Board and Corporate Governance
3. Risk management
4. Products and service quality
5. Customer relationship management
6. Talent attraction and retention























### High

7. Ethics and Code of Conduct
8. Community relations
9. Energy management
10. Climate change strategy


































### Medium

11. Employee health and safety
12. Diversity & inclusion
13. Water management
14. Waste management
15. Responsible investment.
16. Human rights


Material topic	Associated disclosures	Significance of material topic	Impact boundary	Key Stakeholders involved	Key Capitals involved	SO
Data Security and Privacy	GRI 418: Customer Privacy	Large part of our business is conducted online and we have confidential and sensitive information of our customers. Thus, it is highly important for us to maintain high standards of security and protection, avoiding misuse of data.  To this end, we follow a well-defined policy on data security and privacy. We have embraced a data-centric security strategy.		<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>		S1
	MSCI					S2
	BRSR					
Board and Corporate Governance	GRI 102: Ethics and integrity, governance	It is our constant endeavour to keep enhancing our corporate governance and ethical business practices, by benchmarking against best practices of domestic and global peers.  Independent Directors form over half of our Board of Directors, enabling superior guidance and monitoring.		<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Rating Agencies &amp; Lenders</li> <li>Regulatory bodies</li> <li>Customers</li> <li>Employees</li> </ul>		S5
	GRI 205: Anti-corruption					
	GRI 206: Anti-competitive behaviour					
	MSCI					
	DJSI					
Risk Management	GRI 102: General Disclosures	In a constantly evolving and dynamic world, the importance of risk management has increased manifold.  We follow prudent risk management practices. We are exposed to several financial and non-financial risks and opportunities. Therefore, risk management is aimed at optimising the risk-return equation.  We have started analysing ESG risks as part of our enterprise risk management framework.		<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Employees</li> <li>Business partners and vendors</li> </ul>		S5
	SASB					
Products and services quality	GRI 417: Marketing and Labelling	We are committed to provide best-in-class products and services to our customers.  Our focus is on ensuring enhanced consumer communication and awareness is undertaken.  We integrate trainings and awareness programs in our business activities.		<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> <li>Regulatory bodies</li> <li>Business partners and vendors</li> </ul>		S1
	BRSR					S2
						S3
						S4
Customer Relationship Management	BRSR	Our aim is to create superior customer experiences, create value for customers and build customer loyalty.  To this end, we have adopted all-encompassing customer relationship practices. These include customer satisfaction surveys and studies, customer grievance redressal mechanism, upgradation of products basis the survey results, etc.		<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>		S1
						S2

Material topic	Associated disclosures	Significance of material topic	Impact boundary	Key Stakeholders involved	Key Capitals involved	SO
<b>Talent Attraction and Retention</b>	GRI 401: Employment GRI 404: Training and education DJSI	Our people are central to our growth as well as survival. We follow robust practices on recruitment, trainings, incentives and benefits, performance development, etc. Our holistic approach is crucial in retention of talented employees.		<ul style="list-style-type: none"> <li>Employees</li> </ul>	 	<b>S5</b>
<b>Ethics and Code of Conduct</b>	GRI 102: Ethics and integrity SASB DJSI BRSR	The values of fairness, integrity and transparency are deeply embedded in our ways of working. We have well defined code of conduct which streamline our processes efficiently. We have specific policies to curb money laundering, insider trading and encourage whistle blowing with the company.		<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Customers</li> <li>Employees</li> </ul>	  	<b>S5</b>
<b>Community Relations</b>	GRI 413: Local Communities BRSR	We work closely to ensure growth and development of the communities we operate in. IIFL Foundation focusses on the areas of health, education, livelihood and poverty alleviation for this purpose.		<ul style="list-style-type: none"> <li>Communities</li> </ul>	 	<b>S5</b>
<b>Energy Management</b>	GRI 302: Energy BRSR	Being in the financial services sector, our energy consumption is lesser than manufacturing companies. However, we are aware of the pressing need for conserving nature and natural resources. Hence, we keep exploring and adopting practices and mechanisms to optimise energy management across our branches and offices.	 	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Employees</li> </ul>	   	
<b>Climate Change Strategy</b>	GRI 302: Energy GRI 305: Emissions DJSI BRSR	Climate change is the harshest truth facing the world today. While risks of climate change are well known, it also provides opportunities for efficiency, innovation, and growth. Our climate change mitigation strategy is two-pronged. One is to reduce the carbon footprint of our operations across all locations. And second is to promote responsible investments, provide ESG ratings and so on.	 	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Employees</li> <li>Customers</li> </ul>	   	<b>S5</b>



Material topic	Associated disclosures	Significance of material topic	Impact boundary	Key Stakeholders involved	Key Capitals involved	SO
<b>Employee health and safety</b>	GRI 403: Occupational health and safety DJSI BRSR	Being a financial services company, there are no occupational health hazards faced by our company.  However, we believe it is extremely important to promote employees to maintain their emotional, mental and physical well-being.  To this end, we have several initiatives in places including sessions with health experts, medical benefits, etc.		<ul style="list-style-type: none"> <li>Employees</li> </ul>	 	
<b>Diversity and Inclusion</b>	GRI 405: Diversity and equal opportunity SASB	We encourage diverse and inclusive workforce as together they can generate unique ideas, enhance all-round development and drive efficiency across the organisation.  Our workforce comprises people across different cultures, skill sets and capabilities.		<ul style="list-style-type: none"> <li>Employees</li> </ul>	 	
<b>Water Management</b>	GRI 303: Water and effluents BRSR	While our direct environment footprint is negligible, we are exploring ways and means to enhance efficient consumption of water across our locations.	 	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Employees</li> </ul>	   	
<b>Waste Management</b>	GRI 306: Waste BRSR	We are exploring best practices for segregation, recycling and reusing wastes at our location. Disposal of e-waste is another focus area for us.	 	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Regulatory bodies</li> <li>Employees</li> </ul>	   	
<b>Responsible Investment</b>	MSCI	We are exploring opportunities in ESG ratings, responsible investment and other areas on the product side which can help us support companies that are highly ESG compliant.		<ul style="list-style-type: none"> <li>Customers</li> <li>Shareholders and investors</li> <li>Employees</li> </ul>	   	 
<b>Human Rights</b>	GRI 412: Human Rights Assessment BRSR	We are committed to embrace best people practices, to ensure highest compliance with human rights laws applicable to us.  We are evaluating ways and means to enhance our practices in this area.		<ul style="list-style-type: none"> <li>Employees</li> <li>Regulatory bodies</li> </ul>	 	

 Outside the organisation

 Within the organisation

# Managing Risks Strategically

**Our integrated risk management system centrally manages company-wide material risks and implements a range of initiatives to hedge and control them. We coordinate with related divisions, identify these risks in the light of the frequency of their occurrence, expected damage and risk tolerance and take corresponding measures to solve them.**

Risk management plays a key role in implementation of our strategies and is integrated seamlessly across all our business operations. IIFL Securities' risk management and internal control framework are based on its Enterprise Risk Management Framework (ERM). We take a holistic view of risk management and undertake an enterprise-wide risk management approach under the ERM framework. We believe that ERM provides a sound foundation to ensure that the risk-taking activities across the business are in line with our business strategies, the risk appetite approved by the Board and the regulatory requirements.

Additionally, risk management and internal controls significantly contribute to the prompt identification and adequate management of strategic, market and business risks. They also enable us to achieve operational and financial goals and comply with applicable legislations and regulations. The objective of our risk management process is to optimise the risk-return equation and ensure meticulous compliance with the laws, rules and regulations applicable to our business activities.

At IIFL Securities, we seek to foster a strong and disciplined risk management culture across all our business departments and within all levels of the employees.






**Mr. Narendra Jain**  
Whole Time Director



Our products and processes continued to fulfill the expectations of our customers and we successfully aligned all our processes as per the needs of the various applicable regulations. Our customers reposed faith in our services and rewarded us with a positive Net Promoter Score last year. We enabled various services to our customers wherein they could access information or transact in real-time mode with us. We have also now adopted the Enterprise Risk Management framework for all business units of the organisation. We would continue to focus on designing robust platforms and processes for effective, scalable and error-free delivery of services to our customers as per their needs."





## Our Risk Management Framework



Through our well-defined risk management processes, we manage all major risk classes – Operational Risk, Technology and Information Security Risk, Compliance Risk, Market Risk, Human Resource Risk, Reputational Risk and Asset Risk.

### Risks and Mitigation Actions

Risks	Key capitals impacted	Mitigation actions
<b>Operational Risk</b>		<ul style="list-style-type: none"> <li>The Company has in place risk management policy in accordance with SEBI/Exchanges' norms and the same is updated for any regulatory changes from time to time and communicated internally as well as to the clients. The same is made available on our online portal. The basic principle being that the clients' funds/securities and settlements with the stock exchanges are totally segregated from that of funds/securities of the broker and the same is monitored/ reported through stock exchanges', Depositories and SEBI on a continuous basis. IIFL Securities meticulously ensures maintenance of the above and monitors on a daily basis through its systems involving back office, accounts and compliance.</li> <li>As per the regulatory requirements, securities are accepted as margins only in 'Margin Pledge' form and not accepted as transfer from clients' account.</li> <li>Periodical settlement of funds/securities is ensured through automated process in accordance with prescribed regulatory norms. As the securities are held in clients' own account with margin pledge, the settlement is not applicable.</li> </ul>
<b>Technology and Information Security Risk</b>		<ul style="list-style-type: none"> <li>As part of the operational risk management framework to manage risk to systems, networks and databases from cyber-attacks and threats, company has formulated a comprehensive Cyber Security and Cyber Resilience policy in accordance with the SEBI circular. As per the policy, system audit is undertaken by exchange/depositories' recognised auditors on a periodical basis and their reports along with necessary action taken reports are reviewed by the Audit Committee.</li> <li>Management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.</li> <li>Company has put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting.</li> <li>The Company has implemented tools for mitigating various security risks - privileged identity management to control privilege access, advanced malware detection and protection, end-point encryption, mobile device management, network firewall to protect from cyber-attacks, web application firewall to protect from hacking, web secure remote access from non-office network, brand protection to protect abuse of IIFL Securities' Brand and secured internet access.</li> <li>Cyber insurance cover has been obtained to protect against financial loss.</li> <li>Initiatives are taken to automate the processes to reduce the risk of manual error and frauds.</li> <li>The Company successfully completed the ISO 27001:2013 annual re-certification in December 2021.</li> </ul>
<b>Human Resource Risk</b>		<ul style="list-style-type: none"> <li>IIFL Securities has taken several actions to ensure that the talent pipeline for the Company is strong especially when it comes to key management positions. IIFL Securities has been able to attract top notch talent from MNC and Indian corporates wherever required to supplement our existing management capability.</li> <li>The Company also has a strong focus on ensuring that employees are adequately trained in their job functions and on all compliance-related trainings.</li> <li>The HR function also ensures all statutory compliances with labour laws and other relevant statutes and ensures that strong background screening standards are in place to minimise any risk of fraud from incoming employees.</li> <li>Training and certification requirements have been laid down for relevant personnel.</li> </ul>

Risks	Key capitals impacted	Mitigation actions
<b>Compliance and Legal Risk</b>	 	<ul style="list-style-type: none"> <li>▪ The Company has a full-fledged compliance department manned by knowledgeable and well-experienced professionals in compliance, corporate, legal and audit functions. The department guides the businesses/support functions on all regulatory compliances and monitors implementation of extant regulations/circulars, ensuring all the regulatory compliances, governance and reporting of the Company.</li> <li>▪ The Company has put in place adequate systems and controls to ensure compliance with anti-money laundering standards. Automated alerts systems, analysis and reporting of any suspicious transactions to FIU etc. are instituted. Besides, the entities are also registered with US-IRS under the Foreign Account Tax Compliance Act (FATCA), wherever applicable, in compliance with regulatory requirements.</li> <li>▪ The Company has instituted special purpose audits for multiple functions such as verification/ concurrent audit of KYCs, depository operations etc., broking systems audit, cyber security audit, portfolio management audit among others.</li> <li>▪ The Company has in place adequate Insider Trading policy as per extant regulatory guidelines and circulars for administering the same. The same were further enhanced in line with updated regulatory requirements.</li> <li>▪ The Company has implemented business-specific compliance manuals, limit monitoring systems and AML/KYC policies and enhanced risk-based supervision systems. In insurance broking business, the Company has strengthened the systems, processes, controls, audits and monitoring during the year and has enhanced IRDA qualified marketing sales people, policy proposal documents, customer servicing, branch operations &amp; control and the accounting, etc. The Company had also instituted specific internal audit to verify the internal process/systems of insurance broking and has initiated to ensure that the functioning and the rectifications on regulatory prescriptions are properly implemented across the entire business. The report of the same and the action taken is also reviewed by the management and the Board periodically. The Company has in place an effective process for examination and handling, tracking, monitoring and review of legal cases filed against the Company as well as filed by the Company. The Company has also in place policy covering the process of handling legal cases, provisioning and contingent liabilities on legal cases. Most of the cases relate to client servicing, and are effectively handled with our systemic records/ documents and communications through exchange arbitration mechanism. Other cases mainly relate to leave &amp; licence, labour court, shops &amp; establishment etc. which are handled through the respective courts. In regard to regulatory notices/order etc. by Exchanges/SEBI/IRDA etc. necessary appeals are initiated before Tribunals/Courts, etc. In case of any adverse orders, necessary appeals/revision are filed in the higher courts. The status of cases is reviewed by the management periodically as well as reviewed by the Audit Committee/Board on a quarterly basis.</li> <li>▪ In the year, compliance with corporate acts, including Companies Act, SEBI Act, FEMA, Securities Contracts (Regulation) Act and Rules, Insurance Act, and so on was verified by independent secretarial auditors of the holding company and major subsidiaries, during the year. Their reports and recommendations were considered by the Board and necessary implementations have been initiated.</li> <li>▪ The compliance requirements across various service points have been communicated comprehensively to all, through compliance manuals and circulars. To ensure complete involvement in the compliance process, heads of all businesses/zones/area offices and departments across businesses/entities submit quarterly compliance reports. Besides, the internal auditors also verify the compliances as part of their audit process. The compilations of these reports are reviewed by the Audit Committee/Board and are also submitted to the regulatory authorities, periodically.</li> </ul>

Risks	Key capitals impacted	Mitigation actions
<b>Market Risk</b>		<ul style="list-style-type: none"> <li>The Company aims to mitigate inherent market risks by using sound investment policies, dedicated product advisory teams, Investment Committees, requirement of investment justifications and regular monitoring of performance. While the clients' trading and the settlement risks are managed and monitored through the centralised risk management systems as per SEBI/Exchange norms. The same are meticulously complied.</li> </ul>
<b>Reputation Risk</b>		<ul style="list-style-type: none"> <li>Over the years, the Company has fostered a culture that enables operating managers to say 'No' to poor quality business and eschewing from adopting short cuts and stopgap alternatives. In addition, it has in place stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company's policies and processes ensure close monitoring and strict disciplinary actions against those deviating from the same.</li> <li>The organisation pays special attention to issues that may create a reputational risk. Events that can negatively impact the organisation's position are handled cautiously ensuring utmost compliance and in line with the values of the organisation.</li> </ul>
<b>Financial/ Asset Risk</b>		<ul style="list-style-type: none"> <li>Company's asset &amp; liabilities and liquidity positions are closely monitored by the management of the Company on a continuous basis.</li> <li>While the clients' funds and securities are handled in a completely segregated manner as per SEBI/Exchange prescribed guidelines, any shortfall in the settlement to the exchanges are met through own or borrowed funds as permitted by the regulator.</li> <li>Surplus funds of the Company are invested mainly in the committed investment/Liquid mutual Funds/Bank deposits, etc. from time to time and are monitored on a regular basis.</li> <li>The commercial rent yielding premises are monitored with respect to due rental receipts and other charges etc. receivable from the various parties on regular basis.</li> <li>All properties' title deeds and agreements are in safe custody of the Company.</li> <li>All the properties including the premises of the Companies are fully insured through office umbrella policy. Besides the Company as a process has adequate and mandatory insurance coverage through Directors &amp; Officer policy, Brokers indemnity policy, Employee Group Insurance policy, IRDA professional indemnity policy, etc. which adequately insures the business and assets.</li> <li>The status of all the above are review by Audit Committee/Board on periodical basis.</li> </ul>
<b>Risk Culture</b>		<ul style="list-style-type: none"> <li>Risk management is integral to the Company's strategy. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organisation.</li> <li>The Company has, over the years, invested in people, processes and technology to mitigate the risks posed by the external environment. A strong risk management team ensures that risks are properly identified and addressed in a timely manner to ensure minimal impact on the Company's growth and performance. The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.</li> <li>In accordance with the requirements, the entire risk management system regarding clients trading, exposure limits, margins, collection of margin/pay-in of funds/securities are administered through automated process and it is managed through centralised risk team. The monitoring of client level risk positions is carried out on real-time basis and necessary risk actions as and when required are initiated wherever required.</li> <li>Risk alerts are communicated to the clients through online systems as well as through SMS, Branches, RMs etc. to ensure smooth client communication and operations.</li> <li>In the broking business, the Company has put in place robust surveillance &amp; risk management systems and has implemented graded surveillance measures implemented by the exchanges. Further, it has also implemented enhanced risk-based supervision as stipulated by SEBI.</li> </ul>

Risks	Key capitals impacted	Mitigation actions
<b>Governance Risk</b>		<ul style="list-style-type: none"> <li>IIFL Securities’ governance structure is strengthened with a well-diversified Board, with majority of Independent Directors having broad range of experience and expertise in various fields. IIFL Securities has various policies in place and also designated Committees for reviewing and monitoring the implementation of the same. Awareness on the policies is created amongst the employees through various online modules/webinars. IIFL Securities is committed to fair disclosure of information to all its stakeholders and towards this the Company has adopted a Code of practices and procedures for fair disclosure of unpublished price sensitive information. Further, IIFL Securities being a regulated entity, is subject to various audits periodically.</li> </ul>
<b>Climate Change Risk</b>		<ul style="list-style-type: none"> <li>Climate change is a significant global risk and entails physical risks (damage to property and assets from extreme weather events) as well as transition risks (likely effects on value of financial assets and liabilities while aligning to a low-carbon economy). At IIFL Securities, we are committed to becoming a truly sustainable organisation. We are recording the emissions of our premises and are exploring initiatives that can be implemented to reduce our carbon footprint. We are developing an ESG (Environmental, Social and Governance) policy to address this risk in a comprehensive manner.</li> </ul>
<b>Third Party Risk</b>		<ul style="list-style-type: none"> <li>The organisation has implemented a robust vendor risk management framework. IT and Security Risk assessment is carried out before vendor is onboarded in organisation and reported issues and risks are closed before going live. Audit is carried out once a year for critical vendors and for non-critical vendors audit is carried out once in 2 years. Vendor risk status is presented to top management and various management committee meetings. Based on severity of the engagement, risk profiling is done.</li> </ul>



# Overview of Our Capitals

## FINANCIAL CAPITAL

# Managing Funds Prudently, Delivering Profitable Growth

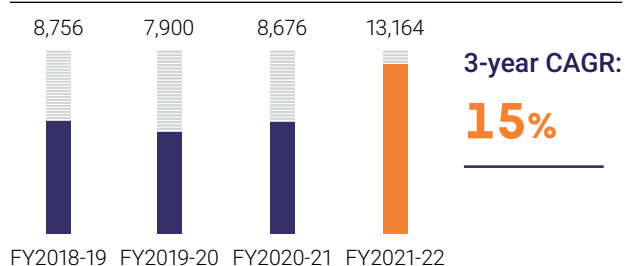
### Material issues involved

- Board and Corporate Governance
- Ethics and Code of Conduct

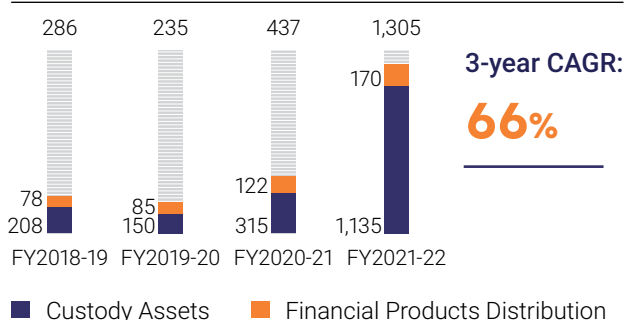
We ensure efficient management of funds and employ capital to grow financial assets of our customers across investment banking, AIF as well as retail and institutional equities. With this, we create and deliver long-term value for our shareholders, enabling and encouraging an environment of trust and long-term partnership.

Deep knowledge across asset classes helps us bring the best advice to our clients. During the year, we sought to execute on our growth strategy through efficiencies and improving our return on equity.

### Total Revenue (₹ Million)



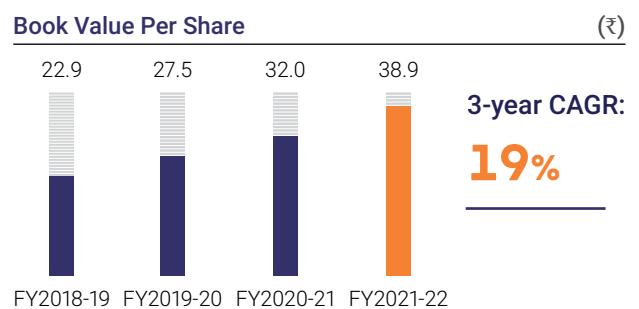
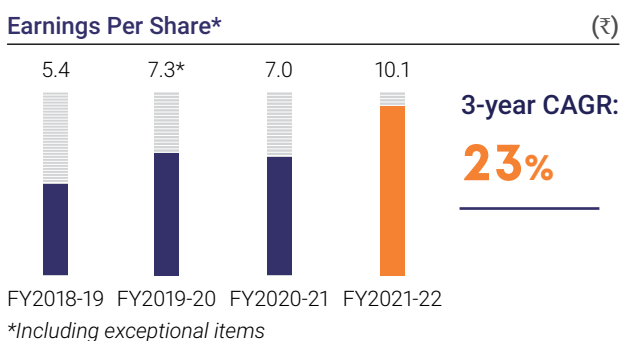
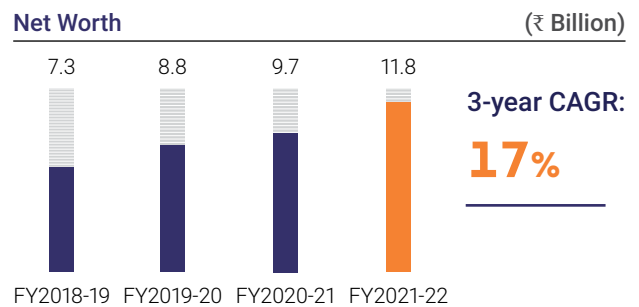
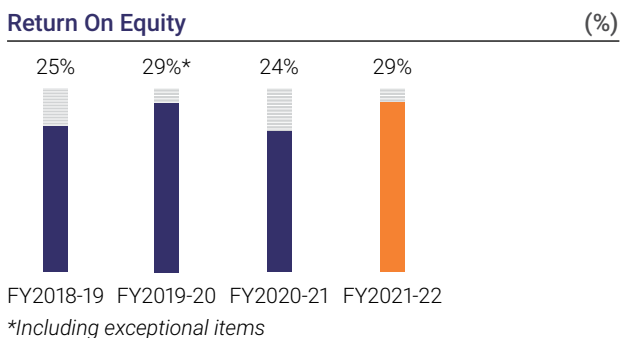
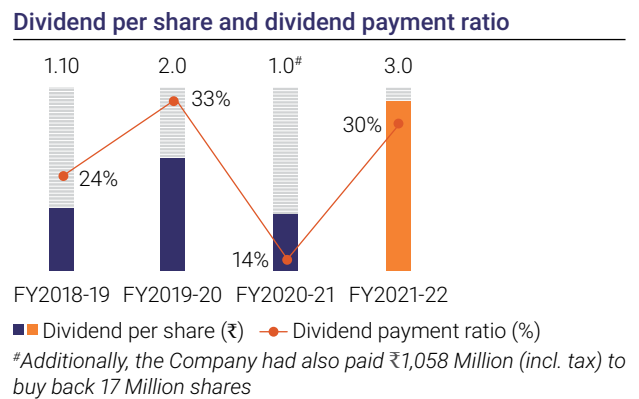
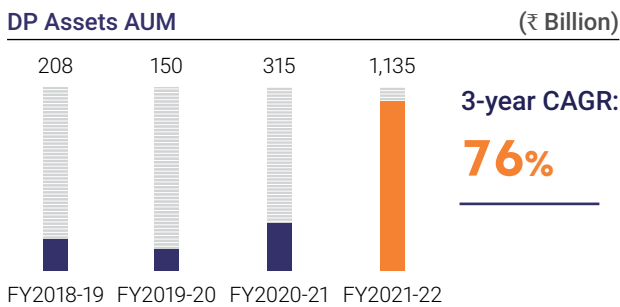
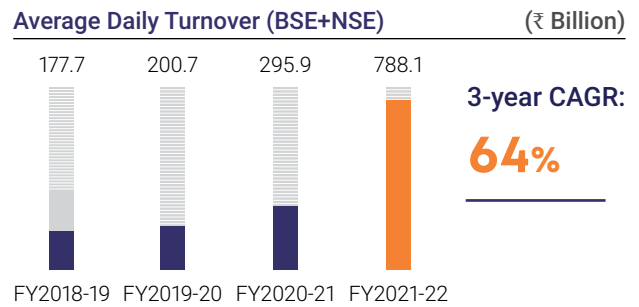
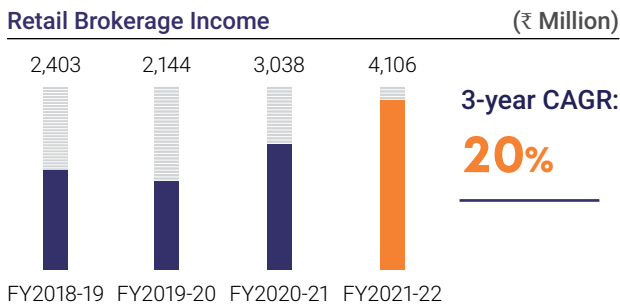
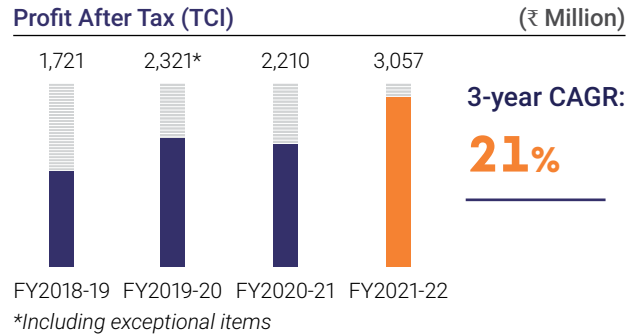
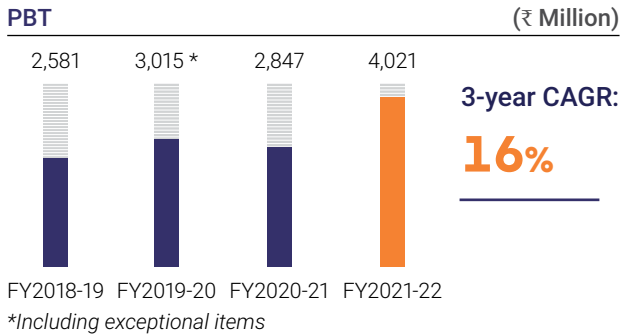
### Assets under Management & Custody (₹ Billion)



**Mr. Ronak Gandhi**  
Chief Financial Officer

FY 2021-22 was an exemplary year for IIFL Securities. Our profit after tax was the highest since listing, we grew our margin funding book and maintained a robust liquidity position. Our resilient business model enabled us to continue generating healthy free cash flows. Consequently, our return ratios remained one of the best in the industry. This performance is an outcome of our prudent approach to managing finances, while balancing the fulcrum between investments made into and returns generated from our business. We are confident of maintaining our financial profile and rewarding investors in the future.”





## HUMAN CAPITAL

# Building an Engaged and Productive Workforce

### Material issues involved

- Talent attraction and retention
- Employee health and safety
- Diversity and Inclusion
- Human rights

The IIFL Securities team of 2,254 employees is our most valuable asset, as it propels the Company forward through their competencies, accumulated knowledge base and skills. While promoting inclusivity and diversity at the workplace, we provide our people with a safe and supportive work environment.

In a dramatically changing business environment, with diversifying customer values and market characteristics, it is inevitable to raise the competitiveness of IIFL Securities' human capital. Accordingly, we have been revising our human resources system by placing a framework for encouraging personal transformation, and supporting the performance and growth of each and every employee.

We continue to pursue a consistent workplace strategy and seek to further develop our diverse talents, while enhancing our strength in human resources. Enabling diverse individuals to grow and maximise their expertise as we build an organisation that leverages unique abilities is our key objective.

The Human Resource Department is determined to align with business, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. During the year, we continued to put in place people-friendly policies and practices and focussed on adopting best HR practices.

**2,254**

Employees

**177**

Engineers

**463**

MBA Graduates

**31**

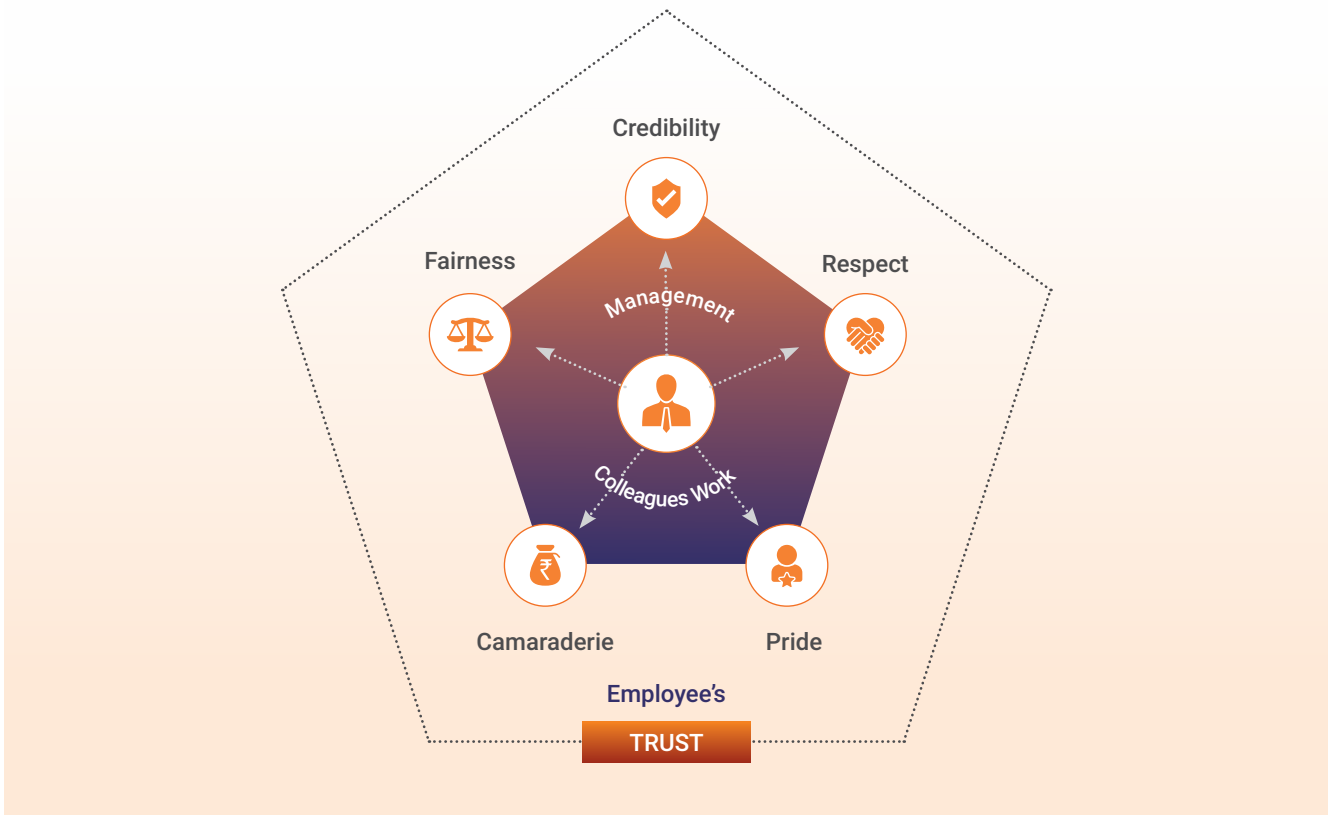
Chartered Accountants



**Mr. Deepan Rajee**  
Head  
Human Resources



Today and in the Future, the single most competitive edge for any organisation is its "people". At IIFL Securities, our endeavour has always been "People First Approach". With focus to transform our retail broking business into a tech-led investment platform, we built robust hiring strategies to bring on board the best of Talent. Talent Management and Talent development will play a pivotal role for our future growth. As competition intensifies with new entrants, our strategies will focus on retaining key talent by building apt compensation, rewards and recognition systems. Creation of innovation hub, peer group mentoring, world class training and certifications and intrapreneurial opportunities will be a part of our human resources strategy as we aim to become the sources of the best talent in the industry."



### Attracting and Retaining Talent

The Company continues to attract professional and experienced talent from various sectors including BFSI, Technology, Software and several start-ups. This helps us create a transparent, meritocratic and performance-driven culture. With the right leadership at the helm, we are able to attract and create a professional team driven by a sense of purpose.

Towards achieving employee retention and employee job satisfaction and creating effective retention strategies to decrease turnover, we have individual performance measures ("IPMs"), various feedback mechanisms to guide our employees from time to time.

### Management Connect

Considering the importance of management interaction, the Chairman has a periodic live connect session with all employees through Facebook @ Work. During this session,

the management discusses the Company's overview, goals and future plans, opportunities and challenges. The session is then opened to live questions from employees which are answered by the management. This helps the employees to align with the Company's overall vision, receive clarification or bring to the management's notice any concerns, and help enhance management connect across hierarchies.

### Training & Development

We help our employees acquire new skills and sharpen the existing ones, besides also conducting organised

training and development programs. Specific learning and development programs conducted through on-the-job training and rotation make employees more updated with new technology. The Company has a dedicated training and development team which caters to the areas of providing knowledge, building skills and supporting in areas of functional and technical development. The Company is making use of multiple learning methodologies like e-learning modules, video-based modules, simulation learning, and mobile-based micro learning to support employees in their quest for professional development.

**53,020**

Aggregate training hours

**15**

Average training hours per employee

**70 male : 30 female**

Gender-wise training hours

At IIFL Securities, learning happens right from induction of an employee to functional training and refresher courses. Digital learning is developed and deployed online, and is well supported by technology enablers, to enhance the user experience on anytime, anywhere learning.

Sensitivity towards driving a compliant business is ensured through learning aids/modules covering topics. A mobile app is being developed to cater to the learning requirements of remote employees who are currently a part of the organisation.



### Modules in Learning Management System

- Anti-Money Laundering
- Information Security
- Prevention of Sexual Harassment
- Insider Trading
- Anti-Corruption and Bribery

### Technology Enablement

We have integrated Hirecraft with our internal software, i.e., Adrenalin which has facilitated our employees to access all features and activities from on-boarding to exit through a

single system. Adrenaline is used as a one-stop employee interface for all their human resources-related requirements. The system is accessible 24X7 through Intranet and also on a mobile app.

### Leadership Development

Leadership interactions and webcasts continue to be leveraged to inspire and motivate the employees.

#### Senior Management Townhall:

A live Townhall is conducted every month as 'Ask Venkat'. While the employees pose questions to the Chairman, he shares his thoughts, vision and direction. The senior management also conducts similar sessions in their respective businesses to channelise the efforts of the team members in the right direction.

#### Facetime Live with Business Heads:

As employees continued working from home during the COVID-19 lockdown, live sessions were conducted by leaders to interact and motivate employees, and to share their thoughts and key updates. Their achievements were virtually celebrated and best performers were also announced.

### Employee engagement

IIFL Securities believes in engaging its workforce and grooming them to help them become "leaders of tomorrow". Through our annual survey 'Pulse', we have been seeking employee feedback, which enables us to continue doing things going right, and look at

areas where improvement is needed. The scores of the engagement survey are tracked to monitor improvement.

A special fast-track program was formulated for high-potential employees. This initiative includes

training on how to hone their skills and competencies as well as special learning & development initiatives to help them meet career aspirations. Monthly, quarterly and annual rewards & recognition programs are organised. Monthly spot cash incentive schemes

("MSCI"), rewards and recognition programs are conducted to not only appreciate the exemplary contributors, but also make it aspirational for the others to leverage their potential. The high-potential employees are awarded through the CMD Awards.

Other engaging events such as sports, cultural and festive celebrations and contests are conducted regularly. This is aimed at helping the employees de-stress, improve team bonding and bring about a new spurt of exuberance within them.

### Festivals and Events organised

- Diwali
- Navratri
- Christmas
- Women's Day
- Men's Day
- Health and Fitness programs
- Mental Health – Live Webinar
- Zumba Friday
- Healthyfyme
- Outdoor Team building activities

We understand that employees who are engaged are more likely to be motivated and committed to work. They lead to long-term employee retention, higher levels of productivity and improved quality of work. Engaged and satisfied employees are also the best to interact with the customers. This leads to achieving our business goals and helping drive the organisation forward. We are constantly working to create an environment that encourages employees to care deeply about their work. We motivate employees with rewards and recognition initiatives to improve business performance.

### Great Place to Work

IIFL Securities is now a 'Great Place to Work' certified as of March 31, 2022. At IIFL Securities, we have developed a strong culture of service over the years. We have created a Great Place to Work for all the employees through the five dimensions that are a hallmark of a high trust and high-performance culture. We met the minimum criteria on the Trust Index© Employee Survey on consistency of experience across demographics and on the Culture Audit© People Practices Framework.

We leverage technology and social media to engage with our employees. Apart from having regular touch-points through HR connects and Townhall, chat-bots are used to connect with employees as a pre-emptive measure to know the concerns that may need addressing. Learning and development are crucial to the growth of the organisation and the employees. And hence, structured learning interventions are organised.



### Tree Plantation

As part of employee engagement initiatives, IIFL organised a tree plantation drive in Mumbai to promote awareness and act upon the risks arising from climate change. IIFL Foundation partnered with Brihanmumbai Municipal Corporation (BMC) for this drive received strong support from the BMC team led by Mr. Ravindra Patil (CSO).



### Impact Day – Volunteering

Employees from various verticals of the IIFL Group interacted with girls from Sakhiyon ki Baadi programme through Google Meet. The employees volunteered to teach a skill or art to the children during IMPACT Day Celebration 2022.

# INTELLECTUAL CAPITAL

## Driving Competitiveness with Core Research Expertise

### Material issues involved

- Data security and privacy
- Products and services quality

As part of our Intellectual Capital, we not only maintain our top research rankings, but continue to improve and fortify our research content. Our 30 research analysts with wide industry experience continue to provide in-depth research and content and the best research advice to better aid financial planning and investment.

We are a pedigree, among the top institutional broking franchises with strong research capabilities and domain knowledge. Our wide customer base encompasses sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds and alternate investment funds.

**263+**

Stocks under research, accounting for 78% of India's market capitalisation

**780+**

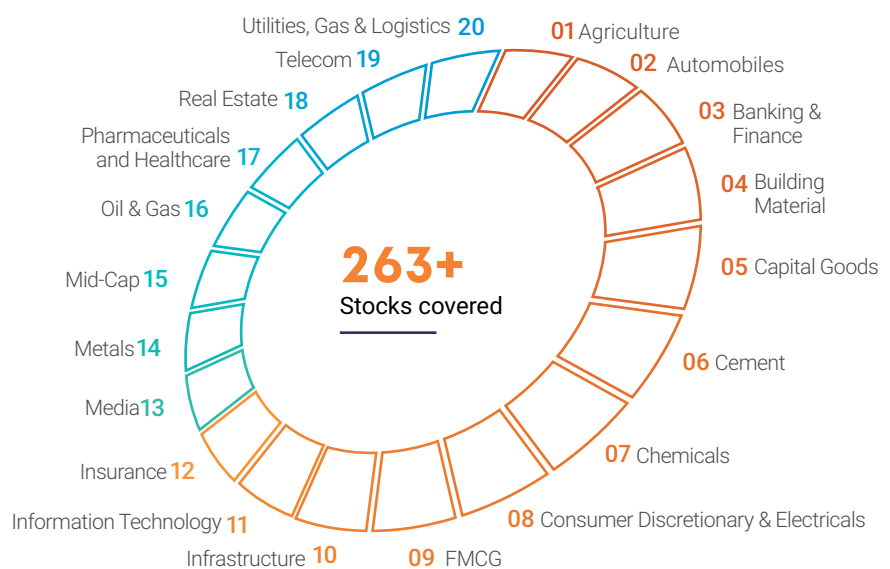
Institutional clients (Domestic and overseas)

Offices in **Mumbai and New York**

### Our research capabilities

Our research team is equipped with several decades of accumulated capital market knowledge on the macro economy and diverse sectors and over 263 companies. Through our strong research team and our industry-leading research and advice, we enable our customers to make the right investment decisions.

### Sector-wise mix of stocks covered



## Market Capitalisation-wise Mix of Stocks Under Coverage

<b>55</b> Above US\$ 10 Billion	<b>48</b> Between US\$ 5-10 Billion	<b>40</b> Between US\$ 3-5 Billion
<b>65</b> Between US\$ 1-3 Billion	<b>29</b> Between US\$ 500 Million - 1 Billion	<b>26</b> Below US\$ 500 Million

**Total 263**

## Leading with Innovation and Technology

We are one of the pioneers in ushering tech-led innovation to India's broking industry. We have constantly invested in technological capabilities and providing digital solutions and platforms. With this, we are harnessing state-of-the-art infrastructure across the value chain and reaching out to more and more customers. Some of our processes that have already moved to digital platforms are client acquisition, operations and client servicing, which facilitates us in bringing down operating costs.

## Our innovative digital platforms

<b>IIFL Markets App</b>	<ul style="list-style-type: none"> <li>Equipped with all important and latest features</li> <li>Over 9.4 million downloads</li> </ul>
<b>Advisor Anytime Anywhere (AAA)</b>	<ul style="list-style-type: none"> <li>India's first mobile advisory solution</li> <li>A tab-based platform with inbuilt comprehensive and relevant features for partners</li> </ul>
<b>IIFL Mutual Funds App</b>	<ul style="list-style-type: none"> <li>For mutual fund advisory, investments and investment management</li> </ul>

### Existing Tie-ups

- With Trendlyne** - Helps in gaining the first-mover benefit on new features. Trendlyne offers several product platforms for key investor pain points.
- With Sensibull** - India's biggest option trading platform.



**Mr. Nandkishore**  
Chief Technology Officer



In this platform economy where we are competing for mind share to capture market share we are building India's first Investment "Magnet". Our digital and technology strategy is focused on catering to customer needs through platforms primarily by IIFL Markets App, which will drive acquisition, activation and retention of customers, thereby generating exponential business growth.

In order to evolve with our users; we have reimagined our old Inhouse tech stack to cloud native composable architecture, UI/UX to performance UX, transformed organisation data repository from transactional siloed warehouse to high speed action led data architecture to generate 4d customer insights. This has empowered us to deliver first in industry products like Oneup, Gemrush and OptionHouse."

## Impact of some of the Initiatives taken in FY 2021-22

### A. Customer Acquisition work flow

Initiatives	Impact
Introduction of best-in-class technologies for simplification and optimisation of user journeys and application processing like Digilocker, fraud detection, liveness check, facematch, AI-based automated document verification, and OCR.	<ul style="list-style-type: none"> <li>Process automation</li> <li>2X acquisition</li> <li>61.5% accounts opened without any document upload or manual intervention</li> <li>30% users can start trading instantly</li> <li>One of the fastest journeys in industry at 3 minutes, 18 seconds</li> <li>Verification automation which helps scale without additional manpower</li> <li>Omnichannel single KYC stack which allows us to acquire not just online DIY customers, but also assisted B2B clients</li> </ul>
Introduction of WhatsApp based client acquisition journey	<ul style="list-style-type: none"> <li>4X increase in lead conversion</li> </ul>

### B. Simplification in transactions

Complete revamp of login process to reduce friction while maintaining 2FA security.	<ul style="list-style-type: none"> <li>Login success rate increased from 92.8% to 99.7%</li> </ul>
Enhancements to fund transfer processes - one click UPI-based transfers, support for additional banks, real-time withdrawable balance	<ul style="list-style-type: none"> <li>Success rate of net banking transactions up by 15%</li> <li>Net banking client coverage improved to 95%</li> <li>3X increase in UPI transactions with &lt;1min TAT</li> </ul>
Improving transaction experience with contextual nudges and optimisations	<ul style="list-style-type: none"> <li>Order success rate up from 86% to 99.2%</li> </ul>

### C. End-to-end online experience

Simplification of pledge experience to address concerns around minimum margin requirements defined by the regulator	<ul style="list-style-type: none"> <li>Real-time margin benefit on pledging stocks</li> </ul>
Oneclick eDIS for stock selling	<ul style="list-style-type: none"> <li>No need of POA or physical DIS to sell stocks. Every customer can enable stock sell from DP with a single click.</li> </ul>

### D. Buy Now Pay Later

Launch of Buy Now Pay Later, a super simplified end-to-end margin trading experience for users.	<ul style="list-style-type: none"> <li>6x increase in funded clients; 2.5X debit book</li> </ul>
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### E. UX

App UX revamp	<ul style="list-style-type: none"> <li>Ratings improved to 4.4. One of the highest rated trading apps in India.</li> <li>Monthly active users doubled to 1 million.</li> </ul>
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### F. Analytics

Real time user behaviour monitoring, personalised nudges on the platform to engage users.	<ul style="list-style-type: none"> <li>3.4X improvement in client activation ratio.</li> <li>Mobile traded clients increased by 110%</li> </ul>
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## Key Tie-ups entered during FY 2021-22

Partnership with	Benefit to IIFL Securities customers
<b>QUICKO</b> <i>India's pioneering tax planning and tax filing fintech</i>	<ul style="list-style-type: none"> <li>Will help individual investors and traders pay taxes, file returns and stay tax compliant through IIFL Securities platform</li> <li>Through Tax Planning, investors can maintain year-long engagement with the Company</li> </ul>
<b>SMALLCASE</b> <i>Fee-based portfolios</i>	<ul style="list-style-type: none"> <li>Investors from all brokers can build a strong and stable portfolio of curated advisory baskets</li> </ul>
<b>ALPHANITI</b> <i>Thematic equity portfolios</i>	<ul style="list-style-type: none"> <li>Customers can access thematic equity portfolios developed by Alphaniti</li> <li>These portfolios will enable customers to achieve higher returns through uniquely designed strategies</li> </ul>
<b>ARTHALAB SOLUTIONS</b> <i>Algo trading platform</i>	<ul style="list-style-type: none"> <li>In integration with IIFL Securities, Arthalab provides standard algo trading strategies for our customers, to trade along with backtesting and option analytics tools</li> </ul>
<b>GO CHARTING</b> <i>A professional charting and analytics toolkit</i>	<ul style="list-style-type: none"> <li>Customers can gain advantage in the market through cloud-based low latency set-up</li> </ul>

## New products and digital technologies launched

### Launched the IIFL Fintech Fund

To be able to make investments in early-stage Indian fintech start-ups over the next two years, we floated the IIFL Fintech Fund. Sponsored by two IIFL Group firms – IIFL Finance and IIFL Securities, the Fund has plans to make a total investment of ₹ 3,000 million to facilitate the creation of affordable products and technologies aiding financial inclusion. The Fund has already made investments in four fintech start-ups – Leegality, FinBox, Trendlyne and DataSutram, and is in advanced stages to invest in a few more.

### An experience of premium wealth management

During the year, we launched an investment technology platform WealthDesk that offers a robust, new-age digital platform for investors to seamlessly execute portfolio advice in a single click. It enables equity and ETF portfolio-based investing to 2.2 million retail investors. Premium wealth management experience is delivered through curated WealthBasket stocks and ETF portfolios from marquee investment advisory firms such as Abakus Asset Manager and Renaissance Investment Managers. WealthDesk is a platform offering cost-effective premium wealth management experience through curated stock and ETF WealthBasket portfolios. It is a flagship offering of WealthDesk with select investment portfolios which are created and managed by leading professionals based on tenure, asset allocation, sector and theme. We have set a conservative target of ₹ 6,000 million of assets under advisory in 12 months for RIA-managed WealthBaskets.



### Providing investment options through Alphaniti

During the year, we partnered with Alphaniti, which helps invest in stock offerings through Alphagenie, a unique single-stock recommendation engine. This helps customers invest and trade in Alphaniti's wide range of offerings and also through Alphagenie. This platform offers unbiased stock selection and unique value-added indicators, including probability of success and risk-reward score. Through Alphaniti, we look forward to developing high

value-accretive and multi-faceted relationships with the customers.

#### Key benefits of Alphaniti:

- The engine's features enables users to execute and track trades in a single click. This is equipped with a precise target and stop-loss to help investors time entry and exit.
- Alphamatter, an extensive range of high-quality stock portfolios, covers a wide range of secular themes and diverse portfolio strategies.

Alphaniti's US baskets are offered as part of our global investing module. It will now launch a single-stock recommendation engine for US stocks built on its proprietary stock-scoring system. This move will not only help Indian investors, but also the global diaspora keen to invest in the US market, with support from on-ground local research and insights, instead of unreliable advice.

### New features in IIFL Markets App

OneUp	For investment in primary markets (IPO, SGB and NCD)
GemRush	Fully revamped recommendation platform for Cash, F&O and Baskets
Option House	Gamified version of options investing for beginners
BNPL	Buy Now Pay Later scheme
Simplified Login	Login using device lock/pin

### Fintech integrations completed

Global investing (Stockal)	Wealthbaskets (Wealthdesk)
Tax filing (Quicko)	ETFy and Fee-based baskets

### More Digital Initiatives

During the year, the initiatives we undertook were primarily driven by technology, knowledge, simplification and a customer-first approach. Some of our key initiatives are:

#### I. Website and App

- Working towards making our website/website content rank among the top financial websites
- Content strategy targeting various customer segments to create awareness around our products/services
- Content-driven customer acquisition, followed by sales of products/services
- Simplifying investing/financial content for higher engagement leading to growth in website viewership

- Increasing engagement level of existing users while targeting and retaining new user base
- Promoting and marketing App features and the simple process created to invest across the product basket

#### II. Customer Experience

- Making the customers' on-boarding experience hassle-free with seamless DIY on-boarding journey
- Sending targeted communications to customers basis profiling
- Digitisation of sales process
- Engaging in seamless customer journeys for on-boarding, investing, addressing grievances across our digital assets (Website and App)

- Engagement activities and programs for existing and new customers to boost engagement and business

#### III. Branding

- Enabling an exclusive brand strategy, with proper positioning of owned digital assets basis their business objectives
- Upgrading our website
- Increasing the Company's digital footprints
- Enhancing social media platforms for higher visibility and targeting customer acquisition



## SOCIAL AND RELATIONSHIP CAPITAL

# Delivering Market-Leading Customer Experiences

### Material issues involved

- Data security and privacy
- Customer relationship management
- Ethics and Code of Conduct
- Customer-related initiatives
  - Customer engagement
  - Digital technology to deliver better services
- Customer testimonials
- KPIs – customer satisfaction index, customer grievances, grievance resolution time

### Customer Testimonials



I am with IIFL Securities since 2000, when it was referred to as 5paisa.com. The market has faced a lot of ups and downs, but our amicable relationship with IIFL Securities has been very smooth. I am impressed with their team having created a more confident investment cycle for me in the market through continued personal relationship. I have already recommended IIFL Securities to several of my friends for making investments, and will continue doing so in the future too.

**Sankaranarayana Pillai**



Earlier, I had experienced the services of several banks providing brokerage services as well as independent brokers. Somehow I was never satisfied with their broking services. It was in 2012 that I partnered with IIFL Securities for making some investments. I am happy to share it is a “one stop shop” providing excellent client services. Its state-of-the-art and user-friendly IT systems make trading and tax accounting very easy. They also provide unparalleled after-sales services to the customers, providing complete satisfaction. The search for a good brokerage services company has finally come to an end for me. Hope it is so for you too.

**Padma Krishnan**



Since three years I have been engaging in high-volume trading of equity derivatives through IIFL Securities. Their tools, technical support and relationship management approach is simply excellent. Their tech support team is quick, proactive and knowledgeable. Their relationship managers go above and beyond in making sure their customers are able to receive the highest level of personalised service.

**Harsh Toprani**



It's always a challenge when deciding on a brokerage service company for making your investments. The question on whom for managing your hard-earned money keeps lingering in the mind. One wonders when the funds will grow as per the planned expenses? Will the brokerage services entity ensure the right investment and exit strategy for me? Will they be able to build a firewall against unpleasant market dynamics? Will I be able to enjoy the continuity of my relationship manager throughout my association with them? I have been using services of several financial institutions and trading houses over 30 years and I have absolutely no hesitation in sharing that I could rate IIFL Securities above all others in practically every aspect. I like the company's culture of satiating the needs of customers and maximising returns on investments. I wish them good luck in their journey and hope they will continue with same vigour.

**Anil Jain**

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I have been using the services of IIFL Securities for Direct Equity, Mutual Funds and AIF since the last 17 years. And I must add that I am very well satisfied with their quality of service, market knowledge and in providing timely updates on my investments. I am happy to recommend IIFL Securities to anyone and everyone wanting to invest in the financial markets. I am happy to share that my Relationship Manager remained in constant contact with me, offering timely advice and valuable suggestions regarding my investments.

**N. Radhakrishnan**

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I have been associated with IIFL Securities for 9 years, and today, all my family accounts are with them. Their trading platform is fantastic. Easy access point for contact, safe and sound products, and personalised services make them stand out from the rest. They provide regular updates to me regarding the investments.

**Kulin Vora**

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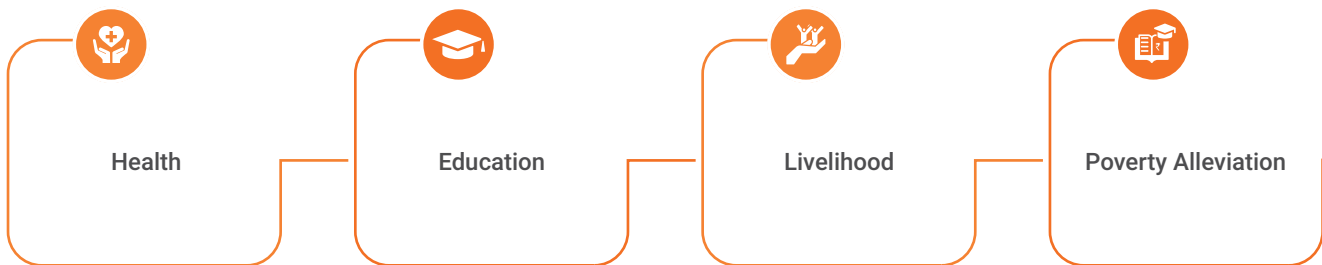
# Creating Positive Impact in Community

## CSR initiatives

- Community relations
- CSR initiatives
- CSR awards won
- Message from CSR Head  
(a short message covering the Company CSR focus and approach)
- KPIs – CSR spent, No. of beneficiaries across each initiative

As a responsible corporate, we endeavour to create positive and meaningful impact in the communities where we operate. Through IIFL Foundation, the CSR arm of the IIFL Group, we aim for holistic development of the marginalised and economically backward sections of the society.

## Key Focus Areas



## Awards & Accolades



IIFL Foundation received 'India's Greatest CSR Brand Award' at Asia One Awards 2021



Ms. Madhu Jain, Director, IIFL Foundation, received the 'Blackswan Award for Women Empowerment' at Asia One Awards 2021



IIFL Foundation received the 'Social Entrepreneur of the Year Award' at the Asian Leadership Awards 2021



IIFL Foundation received the 'Sustainable Carbon Management Award' at the Global Sustainability Awards 2021



IIFL Foundation received the 'Best Sustainability Education Program Award' at the Global Sustainability Awards 2021



A teacher from IIFL Foundation's Sakhiyon ki Baadi program, Ms. Geeta Suthar secured a place in the top 3 at the national level competition and was awarded the 'Last Mile Champions for Girls Right' Award at the Plan International Awards 2021

## Major Initiatives

### Healthcare

- COVID-19 Response
- Drone-based Vaccine Delivery

The IIFL Foundation partnered with the central and state governments to initiate Maharashtra's first COVID-19 vaccine delivery through drones to reach the inaccessible terrains in the Jawhar taluka of Palghar district. This drone-based vaccine delivery is one of the country's first vaccine delivery operations with a 5 kg payload capacity and a range of covering 25 kilometres by road across hilly areas.



**Madhu Jain**  
Director  
IIFL Foundation



Last-mile vaccination is the key requirement in achieving 100% vaccination in India. We have partnered with various government agencies at the Centre and in Maharashtra to contribute to the last-mile vaccination drive through drones. This is an essential requirement to reach out to Indians residing in faraway and inaccessible areas, where road access is not possible or very difficult and takes a lot of time, which results in wastage of perishable vaccines and other health supplies."

The Maharashtra Chief Minister Uddhav Thackeray praised the efforts of the Maharashtra health administration, IIFL Foundation, and BlueInfinity, the developers of the drone in achieving this feat. The initiative was acknowledged and awarded the "Most Innovative Solution for COVID-19" at the World CSR Congress 2022.

### Oxygen Concentrators

As India grappled with the second wave of the pandemic, the pressure on its medical infrastructure had intensified. There had been acute shortage of oxygen, beds, and other facilities in several parts of the country. The challenges were further aggravated in rural areas where owing to the tough geographic conditions, the possibility of supplying oxygen cylinders and timely refilling had become difficult. Oxygen concentrators were, hence, the most desired solution to the problem.

The IIFL Foundation donated 165 oxygen concentrators in Maharashtra and Rajasthan to Primary Health Care Centres (PHCs) and government hospitals. The oxygen concentrators were installed at the Primary Health Care Centres (PHCs) and panchayat offices at the village level.



### Beneficiaries

Location	Beneficiary Community (Scheduled Tribe)	State	Units
Dungarpur, Khamnor, Salumbar, Amet, Bhim, Deogarh, Railmagra, Sirohi, Kelwara, Nathdwara, Sarada, Udaipur	Bhil, Garasiya, Meena, Kalbeliya, Rebari, Gameti	Rajasthan	125
Palghar, Mumbai	Warli	Maharashtra	40
Total			165

### COVID-19 Relief Kits

As part of its mission to conquer the pandemic, IIFL Foundation prepared and donated 500 COVID-19 relief kits in seven districts of Rajasthan.

The COVID relief kits were exclusively prepared for corona warriors and frontline workers, and health officers battling the crisis. These community level health workers were among the first ones to know about the new cases in the towns and these kits enabled them to undertake safety measures.



### COVID-19 Vaccination Drives for Differently Abled

The IIFL Foundation initiated the 'Kindness on Wheels' vaccination drive in Mumbai. This initiative was aimed at vaccinating the specially-abled individuals, who had no means or assistance to visit the vaccination centre. A safe and sanitised auto rickshaw service was provided at the doorstep of the specially-abled individuals along with a trained driver to support the individuals with special needs.



COVID-19 Vaccination Drive for Differently Abled Individuals	Area	Beneficiaries
People affected from blindness, low vision, hearing impairment, locomotor disability, autism spectrum disorder, cerebral palsy, muscular dystrophy, multiple sclerosis and multiple disabilities (including deaf-blindness). People cured from leprosy are also covered in this drive.	Mumbai Western Suburbs Central Line Harbour Line	1,000

### ICU Beds

The IIFL Foundation donated ICU beds (paediatric) to the COVID-19 relief facility at the District Womens Hospital, Washim, Maharashtra. The provision was made honouring the request from Shri Kuladeep Jangam (IAS), District Collector, Washim.

### Ophthalmic Ward

The IIFL Foundation donated medical equipment to Primary Health Centre (PHC) at Khamnor, Rajasthan for setting up an ophthalmic ward. This is the first and only facility of such a kind in the Khamnore village, which shall be beneficial to people residing in the rural hamlets in a radius of 30 kms from PHC.

### Endoscopy Machine

Donated to the Department of Endoscopy, KEM Hospital, Mumbai, the department carries out approximately 900 procedures every year, which

### Ventilator Machines

The IIFL Foundation donated a servo ventilator machine to the Holy Spirit Hospital, Mumbai. The machine has been set up in the ICU ward that treats patients diagnosed with COVID-19. Another machine has been set up at the Community Healthcare Centre in Mumbai to support the underprivileged sections of the society in fighting the pandemic.





requires extensive usage of the ESG unit. The existing ESG machine at the facility was eight years old and lacked a lot of critical coagulation and cutting modes. This state-of-the-art medical equipment will benefit the economically weaker families to reduce their costs of treatment.

**C-Arm Machine**

The IIFL Foundation donated the C Arm X-ray Machine to the Orthopaedic Surgery department at the Maharana Bhupal Govt. Hospital at Udaipur, Rajasthan. The C-Arm provides

high-resolution X-ray images in real time, allowing the physician to track progress during the procedure and can alter the configuration anytime during operation. The patients from lower-income group across districts of Udaipur, Dungarpur, and Bicchawara can access treatment at the hospital at subsidised costs.

**Development - Government Hospital, Udaipur**

The IIFL Foundation has undertaken the responsibility to reactivate the dormant wards at the Maharana

Bhupal Government Hospital, Udaipur (Rajasthan), and develop them into Operation Theatres, Intensive Care (ICU), Outpatient Department (OPD), cabins for doctors and waiting area for family members of the patients. The development is carried along with the installation of Medical Equipment in the OT, OPD, and ICU and the furnishing of the wards.

**Education**

**Girl Child Education in Rajasthan - Sakhiyon Ki Baadi**

A community-based learning centre in Rajasthan, 'Sakhiyon ki Baadi' is the cornerstone of IIFL Foundation's vision to improve the female literacy rate in Rajasthan. The IIFL Foundation has set up schools with modern teaching techniques in 13 districts of Rajasthan, predominantly in areas densely populated by scheduled tribes.

This initiative contributes to promoting foundational literacy among children, provides employment to 1,000+ tribal women, and promotes adult education among women and skill-building of marginalised sections. During the pandemic, the team actively worked with the local government bodies i.e. Anganwadi workers, Primary Health Care (PHC) centres, and Panchayat samiti for reaching out to people with aid and relief. It is helping to meet three of the UN Sustainable Development Goals – Quality Education, Gender Equality, and Reduced Inequalities.



**Beneficiaries**

**13**  
Districts

**32,264**  
Girls Enrolled

**3,495**  
Boys Enrolled

### Phulwari – Maa Bari Learning Centres

In partnership with the Tribal Area Development (TADD) Department of Rajasthan, the IIFL Foundation has upgraded the Maa Bari learning centres by introducing electricity through installation of solar panels, facilitated water supply for drinking and sanitation, deployed digital learning tool (TV with preloaded learning videos), both powered by solar energy, set up library and painted walls to create a conducive learning environment.

The Maa Bari programme aims to promote literacy among children native to indigenous tribal communities and facilitates formal education up to the fourth standard. It has onboarded Sampark Foundation as an academic



partner to improve the learning outcome of students with use of learning kits and regular training to the teachers. Currently, IIFL Foundation is working with the Maa Bari Centres at the Udaipur and Pali districts of Rajasthan.

### Android tabs for Learning

Since the pandemic surfaced, classrooms have moved to online platforms, however, children from rural areas lack access to digital devices. IIFL Foundation has extended support to students of government schools by providing them with an android tablet for e-learning. Students use these tablets to connect with and attend online sessions conducted by the school. The device also enables them to access Diksha learning app developed by NCERT, Ministry of Education, thus granting access to videos, notes, and online tests based on their curriculum.



**A total of 200 tablets were distributed in five government schools in the first phase.**



### Scholarship for Girls

Every year, in India, millions of talented and meritorious students belonging to the financially weaker segments are unable to pursue higher studies due to financial constraints, which further leads to discontinuation of higher education. Financial affordability contributes to more than 57% of the total dropouts in the country.



In line with the mission of alleviating the female literacy rate, IIFL Foundation has started the girl scholarship programme. The initiative is planned to minimise the dropout rate and encourage enrollment in higher courses. The female students of ninth and tenth grades of junior college and degree colleges can apply for this scholarship through an online portal. The applications are filtered and the shortlisted candidates are interviewed by the team, followed by a verification of documents by the due diligence team. The applicants that qualify for scholarship are awarded by making payment directly to the scholar's bank account.

### Other Development Programmes

#### Development at the Government School, Rajasthan

To improve infrastructure at government schools and promote better facilities to students, IIFL Foundation is constructing science laboratories, computer rooms, and sanitation facilities at Girls Senior Secondary School (up to 12<sup>th</sup> grade), GP – Khamnore, Rajasthan. Each year, over 500 girls will be benefited from this facility and enable to pursue higher education and a career in the science stream.

#### Installation of Solar Panels

With this initiative, IIFL Foundation intended to provide decentralised energy system to 50 primary schools of Zilla Parishad at Palghar District of Maharashtra to not only fulfil their need for electricity but also helping use of digital learning systems.

This initiative helps reduce carbon footprint and promotes SDG 7 – Affordable and Clean Energy.



#### Rathshaala

IIFL Foundation's unique initiative Rathshaala is a mobile educational initiative to educate the children of the Rebari community in Rajasthan. These children migrate with their families and cattle for over eight months in a year and hence miss out on the opportunity to study on a continuous basis. During the lockdown, the community faced hardships in migrating and parked themselves at a village on the Gujarat-Rajasthan border. In such a situation, classes were regularly conducted for children by a trainer from the nearest town.



### School for Underprivileged

IIFL Foundation supports education of the underprivileged children residing at Janupada Vaibhav Nagar locality located at Kandivali (East), Mumbai. Parents of almost 90% of the enrolled students earn their livelihood through menial occupations and find it difficult to meet financial ends to offer quality education to their children. During 2018, due to financial constraints, the school was on the verge of shutting down. Since then, IIFL Foundation has helped them sustain operations. Children are now offered education free of cost.

#### Beneficiaries

**353**

Children Enrolled

**6**

Staff Supported

### Shelter Home

IIFL Foundation supports education and overall development of children at a shelter home in Mumbai. The facility nurtures children from marginalised sections of the society who struggle to access basic necessities for survival.

### Seva Kutirs

Seva Kutirs is a community-based learning centre for the holistic development of children of economically backward sections. Under this intervention, children are offered special coaching to excel in academics, extra-curricular activities and provided nutritious meals twice a day. A mini-library with a collection of 100 books is set up to improve reading and comprehension skills. Special sessions are conducted on value education covering themes of self-awareness, responsibility, ethics, etc.



#### Beneficiaries

**4 to 15 yrs.**

Age Group (Children)

**2,207**

Total Beneficiaries

**21**

No. of Centres

**District - Khandwa,  
Madhya Pradesh**

Location

## Livelihood

### Animal Husbandry

IIFL Foundation has supported farmers from low-income groups to venture and progress in dairy production. This livestock development project is operational in three states across India – Rajasthan, Karnataka, and Tamil Nadu with a total of seven centres.

This initiative provides services and inputs at the doorstep of the cattle owners to encourage and maintain livestock rearing as a secondary source of income and promote production of dairy services.

**E-Mela**

IIFL Foundation has launched a unique online platform to support artisans, craftsmen, and small-scale producers across the country to improve their livelihoods in the post-lockdown phase. An online website [daanutsav.iifl.com](http://daanutsav.iifl.com) has been created, offering a platform to the NGOs, self-help groups, and community-based groups to showcase and sell their products directly to customers across India. The services of this platform are offered free of cost to all the users as well as buyers and sellers.



**Poverty Alleviation**

**CFX Certification**

In partnership with the FinX (ID Finxperts Skilling Foundation), a short-term professional certification course Chartered Financial Expert (CFX) was imparted to women candidates for a successful career in banking, financial services, and insurance industries. It is a comprehensive certification course giving a 360-degree view of the BFSI sector. On completion of the course, placement assistance was offered in BFSI corporates.

**A total of 53 women candidates were direct beneficiaries of the programme.**



**Distribution of Bicycles**

In the rural districts, girls are looked upon as a strong resource for household chores and sibling care. Owing to such responsibilities, they often lack quality time for studies. Since many girl students walk long miles to reach school, IIFL Foundation gifted them bicycles to ease their struggle and commute time.



**IIFL Foundation donated 100 bicycles to the girl students in the government school of the Palghar district, Maharashtra.**

**Gulabi Gaon, Maharashtra**

IIFL Foundation has set up a business hub and community hall for local businesses to promote livelihood for villagers. Special emphasis is given to promote women entrepreneurs to set up small business ventures. Notable initiatives include skill development training for women to learn food processing and production and sale of herbal products; computer education for women, men, and youth; and creating awareness on social and legal rights of women viz. POSH Act, Domestic Violence Act, Dowry Act, Right to Education, Government Welfare Schemes for Women, etc.

## NATURAL CAPITAL

# Deploying Natural Resources Prudently

### Material issues involved

- Energy management
- Climate change strategy
- Water management
- Waste management
- Responsible Investment

We are a responsible corporate citizen and are cognisant of the risks emerging from climate change. Climate change also provides an opportunity to make a meaningful difference in the world. Preservation and use of natural capital is our key priority. Natural Capital accounting also helps us develop multi-thinking in our business.



Our environment strategy can largely be classified under two sections – direct and indirect. Our direct environment footprint comprises consumption of exhaustible resources at our branches and offices. Indirectly, we contribute to augmenting the use of renewable energy across our community and optimising travel of our employees. We are also exploring opportunities in ESG ratings, responsible investment and other areas on the product side, which can help us support companies that are highly ESG-compliant.

We are exploring the best practices followed by businesses similar to ours in order to reduce our carbon footprint. This process will span across the next few years and will encompass adopting of measures after careful consideration of the impact it may have on our stakeholder groups.

**The broad guiding principles in this regard include:**

- Ensuring each employee acts responsibly while completing his/her daily activities
  - Deepening our collective understanding of environmental issues
  - Developing and implementing environmental initiatives in all aspects of our operations
  - Disclosing environment-related information in a fair and transparent manner
- We are adopting initiatives aimed at reducing consumption of energy and water at our locations. In addition, we are also embracing best-in-class digital tools to reduce consumption of paper across our operations. This is done by driving digital transactions and adopting access-based printing at our key offices, among others. We also manage solid waste effectively by using paper recycled from disposed papers, tissues and cardboard waste. We also have well-defined procedures to dispose the e-waste through authorised e-waste vendors.

## Driving sustainability across communities

IIFL Foundation is working actively towards the redevelopment of Maa Baari centres, with the objective of transforming them into ideal learning centres and promoting all-round development of the children. These centres are located in the remotest hamlets of the state and lack access to supply of electricity.

To address this issue, the Foundation installed solar panels at these centres. It also deployed digital learning tools

(TV with pre-loaded learning videos), and both of these are powered by solar energy generated.

Till date, about 50 Maa Baari centres have solar panels installed. The electricity so generated from the solar panels is also utilised to power submersible water pumps, enabling supply and storage of water in the tank. The stored water is used for cooking mid-day meals for the students and in meeting their daily

sanitation requirements, besides that of the community.

The team at IIFL Foundation has also deployed discarded automobile tyres to build a play area for children. Disposal of tyres is a lengthy and expensive process, and also results in emission of pollutants. By upcycling these tyres, we provide our complete support towards environment stewardship.

# Progressing with Good Governance



## Material issues involved

- Board and Corporate Governance
- Ethics and Code of Conduct

## Governance Framework

Our corporate governance framework is based on an effective Independent Board and the separation of the Board's supervisory role from the executive management. Further, the Board had constituted designated committees with well-defined scope for improving board effectiveness and efficiency in areas where more focussed, specialised and technical discussions are required. We have various policies in place which forms the base of strong corporate governance. These policies are reviewed and updated periodically. The Company is committed to fair disclosure of information to its stakeholders, and towards this, it has adopted a code of practices and procedures for fair disclosure of UPSI.

## Board Responsibilities

The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.

- Monitoring the effectiveness of governance practices
- Overseeing the process of disclosure and communications
- Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders
- Ensuring the integrity of accounting and financial reporting systems and that appropriate systems of control are in place for risk management, financial and operational control, and compliance with the law and relevant standards





**We have a well-diversified Board comprising of Directors coming from various walks of life and having broad range of experience, in the areas of finance, accounting, technology, governance, risk management, etc..**

- Maintaining high ethical standards and take into account the interests of stakeholders
- Exercising objective independent judgement on corporate affairs

### Board Diversity

We have a well-diversified Board comprising of Directors coming from various walks of life and having broad range of experience, in the areas of finance, accounting, technology, governance, risk management, etc. This facilitates the Board to have the benefit arising out of a multi-faceted talent-pool to leverage differences in thought, perspective, knowledge, skill and experiences to ensure effective corporate governance and sustained commercial success of the Company. The Board of Directors of the Company has an optimum combination of executive and non-executive directors (including one independent woman director). In terms of Companies Act, 2013, the approval of shareholders is sought by the Company for the appointment of all the Directors on the Board of the Company.

### Appropriate Policies

- Code of Conduct
- Prohibition of Insider Trading
- Preventing Bribery and Corruption
- Board Diversity
- Fair Disclosure of Unpublished Price Sensitive Information
- Whistle Blower
- Anti-Money Laundering

### Code of Conduct

The objective of the code is to ensure that the Board of Directors and the Senior Management Personnel maintain the highest standards of conduct as enshrined in the Code and also become aware of situations where there is likely to be a potential conflict between the interest of the Company and the

Directors/Senior Management and take necessary measures to handle/prevent such conflict.

### Prohibition of Insider Trading

We have adopted a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its designated persons and immediate relatives of the designated persons and which is amended from time to time. The Designated Persons and their immediate relatives have to adhere to the trade restrictions enshrined in the Code while dealing in the securities of the Company, as well as, other securities. The Designated Persons and their immediate relatives are also responsible to comply with the disclosure norms with respect to the trades executed by them.

### Whistle Blower Policy

We believe in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. We have adopted a Whistle Blower Policy ('the Policy') formulated in accordance with the applicable laws and amendments thereon, from time to time, with a view to provide for a vigil mechanism for directors, stakeholders, including individual employees and their representative bodies to report unethical, unlawful or improper practices, acts or activities and instances of leak/suspected leak of UPSI in the Company and to ensure that the whistle blowers are protected against victimisation/any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith.

## Board of Directors



**Mr. R. Venkataraman**

*Chairman and Managing Director*

Mr. R. Venkataraman is the Chairman and Managing Director, as well as, Co-Promoter of the Company. He holds Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore, and a Bachelor's degree in Electronics and Electrical Communications Engineering from IIT Kharagpur. He has contributed immensely to the establishment of various businesses and spearheading key initiatives of the IIFL Group over the past 23 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with JP Morgan of US, and Barclays – BZW. He has worked as an Assistant Vice President of GE Capital Services India Limited in its private equity division. He has a varied experience of more than 30 years in the financial services sector.



**Ms. Rekha Warriar**

*Independent Director*

Ms. Rekha Warriar is a Non-Executive Independent Director on the Board of the Company. She holds a Master's degree in Applied Mathematics (University of Bombay) and in Public Policy (Princeton University, NJ). She has over 30 years of experience working with the Reserve Bank of India (RBI) in various departments like Foreign Exchange, Financial Stability, Internal Debt Management, Rural Development, etc. She has also served as a faculty member in RBI's training colleges and as an Associate Professor at the National Institute of Banking Management, Pune. She retired as a Regional Director (West Bengal and Sikkim), RBI, in July 2017.



**Mr. Shamik Das Sharma**

*Independent Director*

Mr. Shamik Das Sharma is a Non-Executive Independent Director on the Board of the Company. He has done a Masters in Science (M.S.) with a specialisation in Computer Science from the University of Maryland, College Park, USA, and a B. Tech in Computer Science and Engineering from Indian Institute of Technology (IIT), Kharagpur. He has an experience of more than 21 years as a Computer Scientist and more than 11 years of experience as Vice President and CXO roles at various private companies. He is one of India's leading Product and Technology experts. He has over two decades of experience crafting technical products, taking them to market, building strong teams, and instituting a tech-oriented culture in organisations. As a founder, senior executive and investor, he has worked with small and large companies across diverse domains in the Bay Area and Bangalore. He is currently leading technology at Cure fit, a health tech-start up and previously was the CPO/CTO at Myntra.

**Mr. Narendra Jain***Whole time Director*

Mr. Narendra Jain is a Whole time Director on the Board of the Company. He holds a Bachelor's degree in Commerce from the University of Mumbai and is a qualified Chartered Accountant. He has over 27 years of experience in the financial services industry, specifically in areas such as operations, taxation, internet banking, and finance. In the past, he was associated with ICICI Brokerage Service Limited, where he worked in areas like operations, risk, compliance and design and development of systems and processes. He was also associated with Hindustan Petroleum Corporation Limited, where he was involved in indirect taxation and marketing analytics.

**Mr. Anand Bathiya***Independent Director*

Mr. Anand Bathiya is a Non-Executive Independent Director on the Board of the Company and a practicing Chartered Accountant with experience of working with world-leading accounting and professional consulting firms. He holds a Bachelor's degree in Commerce, as well as in Law. He also holds a post-graduate diploma in Securities Law and Information Systems Audit. He is a Member of the Managing Committee of the Bombay Chartered Accountants' Association. As a partner and practice-head with Bathiya & Associates LLP, Mr. Bathiya is engaged in advising businesses in negotiating, structuring, performing due diligence and, executing domestic and international Mergers & Acquisitions (M&A), having advised more than 200 M&A transactions over the last 16 years. He also advises businesses in capital market initiatives like IPOs, QIPs, rights issues, open offers, international listings, etc.

**Mr. V. Krishnan***Independent Director*

Mr. V. Krishnan is an additional (Non-Executive Independent Director) on the Board of the Company and a seasonal financial services professional with diverse experience in operations, technology, operational risk, information security, compliance, and internal control. He has worked in multiple areas of financial services like Custodial Services, Asset Management Companies, IT Services, Exchange and International Banks, holding senior positions in various international and domestic organisations like Barclays, Deutsche Bank, JP Morgan, L&T, MCX, etc. His diverse experience is backed by professional qualifications in Information Security, Internal Audit, Fraud, Anti Money Laundering, and Business Continuity, amongst others. Mr. Krishnan leads Kris Consulting, a unique boutique advisory and assurance firm, that focusses primarily on Governance, Risk & Compliance, Process Reengineering, and the entire lifecycle of Human Capital needs of clients. He has been supporting marquee brands in the areas of Consulting and Training.

## Awards & Accolades



- IIFL Securities received 'Most Innovative Wealth, Asset and Investment Management Services' at World BFSI Congress.
- IIFL Securities was recognised as one of the 'Most Trusted Brands of India' by Zee Business.
- IIFL Securities received 'Great Place to Work' award for the fourth time in a row.

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# Directors' Report

## Dear Stakeholders,

The Directors are pleased to present the Twenty-Seventh Annual Report of IIFL Securities Limited ('the Company or 'IIFL Securities') along with the audited financial statements for the Financial Year (FY) ended March 31, 2022.

## 1. Financial performance

The table below summarizes the financial performance of your Company for FY ended March 31, 2022:

(₹ in million)

Particulars	Standalone		Consolidated	
	FY2021-22	FY2020-21	FY2021-22	FY2020-21
Gross Income	11,505.20	7,600.79	13,164.11	8,676.20
Profit/(Loss) before Depreciation and Tax	4,230.79	2,666.22	4,654.14	3,304.47
Depreciation	(643.09)	(442.92)	(634.56)	(458.76)
Profit/(Loss) before Tax	3,587.70	2,223.30	4,019.58	2,845.71
Share of profit/(loss) of associates and joint ventures	-	-	1.45	1.63
Exceptional items	-	-	-	-
Provision for Tax	(746.58)	(494.86)	(962.72)	(644.29)
Impact of change in rate on opening deferred tax	-	-	-	-
Non-controlling interest	-	-	2.26	0.30
Profit/(Loss) after Tax	2,841.12	1,728.44	3,060.57	2,203.35
Balance brought forward from previous year	5,023.54	3,598.04	6,667.30	4,766.89
Appropriation towards dividend paid	(911.58)	(302.94)	(911.58)	(302.94)
Dividend Distribution Tax	-	-	-	-
Other Addition	-	-	0.16	-
Surplus carried forward	6,953.08	5,023.54	8,816.45	6,667.30
Earnings per share on equity shares of ₹ 2 each				
Basic (in ₹)	9.37	5.46	10.09	6.97
Diluted (in ₹)	9.23	5.42	9.94	6.91

The table below summarizes the financial performance of the major subsidiaries of the Company for FY ended March 31, 2022:

(₹ in million)

Name of the Company	Revenue	Profit after Tax
IIFL Facilities Services Limited	1,612.50	461.90
Livlong Insurance Brokers Limited (formally 'IIFL Insurance Brokers Limited')	516.18	227.13
IIFL Management Services Limited	368.08	32.51
IIFL Capital Inc.	114.09	6.51

## 2. Macro-economic overview

Indian economy has emerged strongly from a pandemic induced, technical recession witnessed in FY21. Industry and services, two key pillars of the economy witnessed steady recovery during the year under review. Growth-oriented policies of the central government, along with the accommodative stance of the Reserve Bank of India (RBI) helped this improvement. Reducing interest rates, all-encompassing stimulus measures and rapid vaccination were other key enablers for economic recovery. India's economy is expected to

grow by 8.9% in FY22 as compared to a contraction of 6.6% in FY21.

According to the survey report of RBI, economic growth could moderate to 7.5% in FY23. However, India will still remain the fastest growing major economy in the world during 2021-24, going by the projections of the World Bank and the International Monetary Fund.

Gains from supply-side reforms, sustained export growth, and availability of budgetary space to ramp up

capital spending will all contribute to growth in FY23. The year ahead looks promising for private sector investment, with the banking system in a strong position to help the economy recover.

On the flip side, persistent supply-side bottlenecks, steadily rising international crude oil prices, increasing raw material costs and rising inflation could pose challenges for economic growth. Emergence of any new variant/s of coronavirus and the ongoing geopolitical crisis owing to the Russia-Ukraine war must be monitored closely. In this scenario, it is anticipated that the RBI will start hiking rates soon.

### 3. Industry overview

Indian equities outperformed peers in both Asian markets and developed markets during 2021. Favorable macro-economic performance aided market rally in the first nine months of the fiscal. In the last quarter, though, Indian equities remained under pressure, in sync with the trends in global markets. Uncertainty arising from the Russia-Ukraine war, monetary tightening in the US as well as in India, surging bond yields, and spike in commodity prices (including crude oil) were the key pressure points.

For the full fiscal, Indian equity markets outperformed the broader EM indices, with the Nifty 50 increasing by 18.9% and NIFTY 500 rising 21%. Robust corporate earnings, sufficient liquidity in both international and local markets, increasing internet penetration as well as retail engagement were prominent drivers of the rise in equity market activity. During FY22, the average daily turnover in the cash market increased 9.6% YoY to ₹ 725 billion, from ₹ 663 billion in FY21.

SEBI data indicates that the average new demat accounts opened per month have increased from 41 million in FY20 to 55 million FY21, and to 90 million in FY22. This metric has more than doubled since FY20, reflecting growing participation of retail investors in the equity markets. Systematic Investment Plans or SIPs have been the most preferred investment vehicle of retail investors, and continued to witness healthy inflows during the year. This trend has culminated into reversal of roles between foreign institutional investors (FIIs) and domestic institutional investors (DIIs), with the latter now taking the driver's seat. In the year under review, FIIs were net sellers of emerging market equities (including India), while DIIs have been consistently buying Indian shares every month since March 2021. Net DII inflows into equities were ₹ 2,021 billion during FY22.

Above factors led to a surge in the Assets Under Management (AUM) of Indian mutual funds, especially post May 2020. Data from Association of Mutual Funds of India (AMFI), shows that the industry's total AUM has increased from ₹ 31,428 billion in March 2021 to ₹ 37,567 billion in March 2022. In March 2022, the SIP inflows

reached a new all-time high of about ₹ 123 billion. This translates to average monthly inflows of ₹ 104 billion for the year, versus ₹ 79 billion recorded in FY21.

In this scenario, it is not surprising that FY23 is estimated to be a record year for the brokerage industry (Source: ICRA). According to a recent report by ICRA, the industry is expected to generate total revenue of ₹ 27,000-28,000 crore in FY22, growing 28-33% over the preceding year. With a projected industry turnover of ₹ 28,500-29,000 crore in FY23, revenue growth could moderate to 5-7%; though growth will largely be dependent on performance of the capital markets.

### 4. Review of the operations and business, and the state of Company affairs

During the year under review, there was no change in the nature of business of the Company.

Your Company's consolidated revenue was ₹ 13,164.11 million as against ₹ 8,676.20 million in FY21, an increase of 52 % YoY. The Company has earned net profit after tax (TCI) of ₹ 3,056.71 million versus ₹ 2,210.36 million in FY21, registering a YoY growth of 38%.

#### I. Broking and Distribution

IIFL Securities remains one of the leading players in this business, across both retail and institutional segments. Its wide range of offerings cater to customers across the segments of equities, commodities & currency broking, mutual fund distribution, life and general insurance distribution, depository participant services, portfolio management services, structured products and investment banking.

Your Company continues to become truly digital with an unwavering aim of providing customers with a superior, state-of-the art digital experience.

During the year, the average daily market turnover (including F&O) for the broking business was ₹ 788.05 billion (BSE + NSE), up 166% YoY, and the share of daily cash and total turnover stood at 2.7% (NSE) and 1.1% (NSE), respectively. Retail broking revenue stood at ₹ 4,106 million, up 35% on a YoY basis.

Mutual Funds and Insurance segments gained good traction during the year. Insurance premiums stood at ₹ 1,880 million, growing 29% on a YoY basis. Mutual Fund AUM stood at ₹ 71.3 billion, up 38% on a YoY basis. Both these segments hold immense promise over the long term. FY22 was a record year for the institutional equities business, with revenues surging more than 30% on a YoY basis. Continued market share gains, improvement in yields, better product mix and jump in market volumes are key contributors to the revenue growth. During the year, secondary market activity was buoyed by large inflows into equity mutual funds.

Your Company's research business too witnessed healthy momentum in the year under review. The team initiated coverage on 26 companies, issued 36 initial public offer (IPO) reports and produced close to 1,400 research notes. The Company's research continues to be ranked among the top in the industry.

The Company's mobile trading app 'IIFL Markets' is rated 4.4 on Android and iOS, and has over 9.4 million downloads in FY22 (versus 2.3 million in FY21). Continuous upgrades and enhancements makes this app the top choice of most customers. The app is preferred by most investors given its superior features, quick transactions and best-in-class user experience.

## II. Investment banking

This business had a strong run in FY22 with revenues increasing 104% on a YoY basis, driven by a robust deal environment, consistent mandate wins coupled with high quality and speedy execution. The investment banking division completed 39 transactions including 17 Initial Public Offers, 7 Qualified Institutional Placements, 5 debt transactions and 10 advisory transactions including private equity advisory, preferential allotments and open offers during the year. The Company has also filed several offer documents for upcoming IPOs and is currently engaged in a number of private equity and other capital market transactions which are in various stages of execution.

As always, superior client focus, unbiased advice and consistent performance continue to result in high repeat business – a hallmark of your Company's strategy. Your Company has expanded its product portfolio this year and will continue do so in sync with the evolving needs of customers. It will make the requisite investment needed to enhance its people and process capabilities, to drive overall growth.

## III. Response to COVID-19 challenges

While COVID-related challenges persisted in FY22, they were for relatively smaller periods as compared to FY21 and did not necessitate complete lockdown. Nonetheless, leveraging the learnings from FY21, your Company implemented the best practices to ensure the safety and well-being of employees and other stakeholders.

Your Company's operations continued smoothly, backed by its seamless and robust technology and well-established processes.

Your Company focused on further cementing its bonds with customers, providing the best working environment to its people. Its strong balance sheet, profitability and resilient business model enabled it to combat COVID-related challenges efficiently.

## 5. Key initiatives/developments

### I. Acquiring customers at a faster speed

IIFL Securities provides one of the fastest account opening facility among peers, at 3 minutes and 18 seconds. This has been made possible because of the best-in-class technologies adopted by the Company such as Facematch, OCR, Liveliness check, etc. These technologies act as tools for simplification and optimization of customer interactions and transactions. Consequently, customer acquisition has doubled over FY21 and 61.5% accounts were opened without any document upload or manual intervention. Your Company's omnichannel single KYC stack serves dual purposes of acquiring online Do-It-Yourself (DIY) customers, and assisting its B2B partners to acquire clients.

In an industry first move, your Company launched WhatsApp-based end-to-end account servicing during the year. This offering encompasses opening of demat account, servicing customers and ensuring seamless transactions.

### II. Transaction simplification, revamp of user experience and analytics

In sync with its focus on providing superior experience to users, your Company offers its customers an array of facilities, namely, real-time margin benefit on pledging of stocks, seamless eDIS within a few clicks, among others. The team works continuously to identify and address areas where user experience can be improved. It is not surprising then that your Company's app is one of the highest rated trading apps in the country with a rating of 4.4.

During the year under review, total number of active users of the app have doubled to 1 million. Your Company's net banking transactions have grown 15%. At the same time, there has been a 3X increase in UPI transactions with a turnaround time of less than a minute. Other important metrics such as client activation ratio and mobile traded clients have increased by 3.4X and 110%, respectively, during the year. This growth is a combined outcome of initiatives such as real-time monitoring of user behavior and personalized nudges aimed at driving user engagement.

### III. Customer servicing through WhatsApp

During the year, your Company completely revamped its WhatsApp communication channel. Some of the best-in-class features in WhatsApp include IPO investing, access to reports, FAQs, etc. The IIFL Help servicing portal, your Company's one-stop shop for all query resolution witnessed continued traction, leading to 40% reduction in contact ratio.

### IV. Derivatives

Your Company witnessed a 4X increase in derivative turnover, largely due to enhanced product offerings. Some of the prominent offerings include industry's



first gamified options feature - Option House, one-click activation of derivatives segment, simplified search and trading view charting tool.

#### V. Fintech ecosystem

During the year, your Company further fortified its fintech collaborations with the aim of driving richer functionality, cohesive experience, and access to multiple investment products. Some of the prominent ones include global investing, wealth baskets, tax filing, ETFy, golden Pi for secondary market bonds and algo Trading platforms powered by IIFL's robust open APIs.

#### VI. Acquisition of stake in Rajen Chandrakant Securities Private Limited ("RCSPL").

During the year under review, your Company has executed a binding term sheet with M/s. Rajen Chandrakant Securities Private Limited ("RCSPL") and its existing shareholders for the acquisition of 100% stake in RCSPL, subject to requisite regulatory approvals.

RCSPL is a private company, registered with Securities & Exchange Board of India (SEBI) as a market participant and a broking member with the National Stock Exchange of India (NSE) and as a depository participant with Central Depository Services Limited (CDSL).

Requisite application has been made in this regard. No Objection Certificate (NOC) from NSE has been received. Approval from CDSL and SEBI is under process.

#### VII. Launch of Alternate Investment Fund (AIF) business

During the year, your Company through its subsidiary has entered AIF business. This year 2 AIF's were launched, one in listed space i.e IIFL Securities Dynamic Fund (SEBI Registered Category III Alternative Investment Fund) and other in unlisted/start up space i.e. IIFL Securities Capital Enhancer Fund (SEBI Registered Category II Alternative Investment Fund). There has been significant interest shown by the clients in both these products.

#### VIII. Enterprising India Investor Conference

For the second year in a row, your Company's flagship event – Enterprising India Investor Conference was held virtually. CEOs of 48 companies presented at the event which witnessed healthy participation.

Your Company also hosted the first physical event in almost two years at Chennai, webinars with 20 specialist speakers, a virtual conference focused on the chemicals sector and a thematic conference on rural recovery. Your Company also conducted 26 corporate roadshows and managed 12 client trips during the year.

Further, your Company hosted its business partners for its annual event, 'Fanfare 2022' at the Taj Mahal Palace, Mumbai. More than 100 partners participated in the grand gala night which witnessed many memorable

moments. Seasoned investor and market veteran, Mr. Madhu Kela provided several insights to all advisors.

#### IX. Awards and Accolades

The Directors are happy to report that during the year, your Company has been recognized and felicitated for its exemplary performance in various fields.

##### Some significant achievements are:

- "Customer Service Champion Award" by Asia Innovation Congress & Awards
- "Best use of social media in marketing" at National Awards for Branding & Marketing
- "Dream Company to Work for" at National Awards for Excellence in BFSI
- "Best use of Technology in Customer Service" at BFSI Excellence Awards
- "CEO of the Year" to Sandeep Bhardwaj at National Awards for Excellence in BFSI
- "Top Performer in the Equity Institutional Segment" felicitation by the BSE
- "Top Performer in the Sovereign gold bonds Segment" by the BSE
- "Most Innovative Wealth, Asset and Investment Management Services" at World BFSI Congress
- "CEO of the Year" to Sandeep Bhardwaj at World BFSI Congress
- "Business Icon of India" recognition to Sandeep Bhardwaj by Zee Business
- IIFL Securities was recognized as one of the "Most Trusted Brands of India"
- "Great Place to Work" award for the fourth time in a row

#### X. Corporate Social Responsibility (CSR) initiatives

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, IIFL Securities has adopted a CSR policy indicating the CSR activities that will be undertaken by the Company and its subsidiaries. The CSR Policy is available on the website of the Company at [https://content.indiaonline.com/wb/securities/reports/IIFL%20Securities%20Limited%20CSR%20Policy%20April%202022.pdf?\\_ga=2.202746769.1664058785.1655295150-2017514718.1654148603](https://content.indiaonline.com/wb/securities/reports/IIFL%20Securities%20Limited%20CSR%20Policy%20April%202022.pdf?_ga=2.202746769.1664058785.1655295150-2017514718.1654148603).

India Infoline Foundation (hereafter referred to as "IIFL Foundation"), a Section-8 Company under the Companies Act, 2013 and a wholly owned subsidiary of the Company, acts as the principal arm to undertake CSR initiatives on behalf of the Company and its subsidiaries. As per Rule 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, IIFL Foundation has registered itself with the Central Government by filing the form CSR 1 with the Registrar.

IIFL Foundation through its CSR initiatives addresses 4 thematic areas – **Health, Education, Livelihood & Poverty Alleviation, or HELP**. The initiatives include upgrading treatment facilities at government hospitals, construction of classrooms and laboratories at government schools (rural), educating females from marginalized communities, electrification of government schools using solar energy, skill development initiatives for women, scholarship to students (females) to improve female literacy rate, distribution of Android tablets for students to promote learning over digital platform, activities promoting second livelihood to farmers through livestock development, and more.

The activities contribute to meet UN's Sustainable Development Goals – Quality Education (SDG 4), Gender Equality (SDG 5), Reduced Inequalities (SDG 10), Good Health & Well-being (SDG 3), Clean Water and Sanitation (SDG 6), No Poverty (SDG 1) and Affordable & Clean Energy (SDG 13).

IIFL Foundation's flagship program – Sakhiyon Ki Baadi (SKB), is dedicated to provide foundational literacy and numeracy to out-of-school girls in Rajasthan and facilitate their progression at government schools. The program is spread across 13 districts of Rajasthan, reaching out to over 32,000 girls from marginalized communities. IIFL Foundation has conducted an impact assessment of the Sakhiyon Ki Baadi program and the evaluation shows that the said program has helped usher in a positive change in the attitude of the community at large, towards educating females.

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility ('CSR') Committee and statutory disclosures with respect to the CSR Committee and Annual Report on CSR Activities is attached as **Annexure – 1** and forms an integral part of this report.

## 6. Dividend

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company has formulated the Dividend Distribution Policy which is available on the website of the Company at [https://www.indiainfoline.com/securities/reports/Dividend\\_Distribution\\_Policy.pdf](https://www.indiainfoline.com/securities/reports/Dividend_Distribution_Policy.pdf).

During FY22, the Board of Directors of your Company declared an interim dividend of ₹ 3 per equity share (i.e. 150% of the face value of ₹ 2 per share) in accordance with the Dividend Distribution Policy of the Company. This led to an outgo of ₹ 911.58 million. The same is considered as final.

## 7. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund ('IEPF')

In terms of the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) and other applicable provisions, all monies remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid/unclaimed dividend account, shall be transferred to the IEPF.

Information relating to unclaimed dividend and the due dates by which it can be claimed by the shareholders are as under:

Financial Year	Date of declaration of dividend	Last date for claiming unpaid dividend
2019-20	February 07, 2020	March 14, 2027
2020-21	March 10, 2021	April 15, 2028
2021-22	January 24, 2022	March 01, 2029

The details of unclaimed/unpaid dividends are available on the website of the Company at <https://www.indiainfoline.com/securities/corporate-announcements.php>.

Shareholders, whose dividend/shares are transferred to the IEPF, may claim the same by making an application in prescribed form to the IEPF Authority in this regard, details of which are available on [www.iepf.gov.in](http://www.iepf.gov.in). No claims shall lie against the Company in respect of the dividend/shares so transferred. The members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

## 8. Transfer to reserves

During the year under review, the Company has transferred an amount of ₹ 3.34 million to the General Reserve.

## 9. Deposits

The Company has not accepted /renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder and, as such, no amount of principal or interest was outstanding, as on the Balance Sheet date.

## 10. Share Capital

As on March 31, 2022, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 607,872,460 (comprising 30,39,36,230 equity shares of ₹ 2 each).

During the year under review, the total paid up equity share capital of the Company changed from ₹ 605,870,660/- to ₹ 607,872,460/- pursuant to allotment of 8,94,820 equity shares of ₹ 2/- each under IIFL Securities Limited Employee Stock Option Scheme(s)- 2018 and

1,06,080 equity shares of ₹ 2 each under IIFL Securities Employees Stock Option 2019-Demerger Scheme to the eligible employees of the Company and the said equity shares rank pari passu with the existing equity shares from the date of allotment.

Further, the Company neither issued equity shares with differential rights as to dividend, voting or otherwise nor any sweat equity shares during the year.

#### Employees Stock Option Scheme (ESOS)

Your Company has in force the following Employees Stock Option Schemes, prepared in terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

- 1) IIFL Securities Employee Stock Option 2019 - Demerger Scheme ("ISL Demerger Scheme").
- 2) IIFL Securities Limited Employee Stock Option Scheme 2018 ("IIFL ESOS Scheme-2018").

Pursuant to the IIFL ESOS Scheme-2018, the Nomination and Remuneration Committee, at its meeting held on October 08, 2021, granted 65,00,000 stock options to the eligible employees of IIFL Securities Limited.

As on March 31, 2022, 66,145 options have lapsed under the ISL Demerger Scheme and the same are not available for further grant. The aggregate number of stock options outstanding as on March 31, 2022 are 2,73,416 under the ISL Demerger Scheme. As on March 31, 2022, 14,25,180 options have lapsed under the IIFL ESOS Scheme -2018 and the same have been added back to the pool, and are available for further grant. The aggregate number of stock options outstanding as on March 31, 2022 stood at 1,31,17,938 under the IIFL ESOS Scheme- 2018.

There is no material change in the ISL Demerger Scheme and the IIFL ESOS Scheme – 2018, except that IIFL ESOS Scheme -2018 has been aligned with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations") and is in compliance with the same. The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and SBEBSE Regulations are provided on the website of the Company at [www.iiflsecurities.com](http://www.iiflsecurities.com) and the same is available for inspection by the members at the registered office of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary at [secretarial@iifl.com](mailto:secretarial@iifl.com), whereupon a copy will be provided.

The relevant disclosures in terms of IND AS 102, relating to share based payment, forms part of note 32 of the

notes to the Standalone Financial Statements and note 43 of the notes to the Consolidated Financial Statements of the Company.

#### 11. Nomination and Remuneration Policy

The Company has a Nomination and Remuneration Policy which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel, and senior management personnel of the Company and the same is amended from time to time. The Nomination & Remuneration Policy is attached as **Annexure – 2** and forms an integral part of this report and is also available on the website of the Company at <https://www.indiainfo.com/securities/reports/NR-Policy-120521.pdf>.

#### 12. Particulars of employees

The disclosures required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – 3** and forms an integral part of this report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and 5(3) of the aforesaid rules, is maintained and forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The aforesaid information is available for inspection by the members. Any member interested in obtaining a copy thereof, may write to the Company Secretary at [secretarial@iifl.com](mailto:secretarial@iifl.com).

#### 13. Prevention of Sexual Harassment (POSH)

Your Company is committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. IIFL Securities aims to adopt zero tolerance attitude against any kind of sexual harassment or discrimination. Providing a safe working environment for women, free from sexual harassment and discrimination is among the key priorities of the Company.

Your Company has in place a Policy on Prevention of Sexual Harassment in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013".

Furthermore, the Company has constituted an Internal Complaints Committee for handling complaints under the said Policy. The Policy includes the scope, consequence of non-compliance and redressal

mechanism along with contact details of the Committee members for raising any grievance/complaint under the said Policy. The Company provides for mandatory online training on POSH for every new joiner, as well as, all employees on an annual basis.

During FY22, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is reported, pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints received in the year: Nil
- b) Number of complaints disposed off during the year: Nil
- c) Number of cases pending for more than ninety days: Nil
- d) Number of workshops or awareness programs against sexual harassment carried out: 5
- e) Nature of action taken by the employer or district officer: Not applicable

#### 14. Subsidiary and Associate companies

##### Subsidiary companies

As on March 31, 2022, the Company has the following subsidiaries located in India and overseas:

Sr. No.	Name of the domestic subsidiary
1	IIFL Facilities Services Limited*
2	IIFL Management Services Limited*
3	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)*
4	IIFL Commodities Limited*
5	Livlong Protection and Wellness Solutions Ltd (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)
6	India Infoline Foundation* (Section 8 Company)
7	Shreyans Foundations LLP (Step down subsidiary company)
8	Meenakshi Towers LLP
9	IIFL Securities Services IFSC Limited*
Name of the foreign subsidiary	
10	IIFL Wealth (UK) Limited*
11	IIFL Capital Inc.*

\*Wholly-owned subsidiary

IIFL Facilities Services Limited is a material subsidiary of the Company as per Regulation 16 of SEBI Listing Regulation. The Board of Directors of the Company have approved a Policy for determining material subsidiaries

which is in line with the SEBI Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website and can be accessed at <https://www.indiaonline.com/securities/corporate-governance.php>.

During the year under review, the name of IIFL Corporate Services Limited, a wholly owned subsidiary of the Company was changed to Livlong Protection and Wellness Solutions Limited ("LPWSL"). The object clause of LPWSL was also changed to solving healthcare and insurance needs of customers by leveraging technologies. LPWSL has commenced its business in FY22.

Further, during the year the Company had sold its 5% stake in LPWSL. Consequent to the same, LPWSL continues to be a subsidiary of the Company.

Furthermore, during the year the name of IIFL Insurance Brokers Limited, wholly owned subsidiary, was changed to Livlong Insurance Brokers Limited.

##### Associate company

During the year under review, your Company had transferred its 21.47% stake in the Giskard Datatech Private Limited ("Trendlyne") to IIFL Securities Capital Enhancer Fund (AIF Category II). Pursuant to the said transfer, Trendlyne ceased to be an associate company.

In accordance with Section 136(1) of the Companies Act, 2013, the financial statements including consolidated financial statements and all other documents required to be attached thereto and audited annual accounts of subsidiary companies are available on the Company's website at <https://www.indiaonline.com/securities/financials.php>. These documents/details will also be available for inspection by any member of the Company at its registered office and at the registered offices of the subsidiaries, except on Saturdays, Sundays and Public Holidays. The Annual Report of all the subsidiaries will be uploaded on the website of the Company at <https://www.indiaonline.com/securities/financials.php>.

##### CONSOLIDATED FINANCIAL STATEMENTS

Your Company has, in accordance with Section 129(3) of the Companies Act, 2013, prepared the annual consolidated financial statements, consolidating its financials with its subsidiary and associate companies as mentioned above. The annual audited consolidated financial statements have been prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of

Subsidiaries and Associate Companies is given in Form AOC-1 as 'Annexure A' of the Consolidated Financial Statements and forms an integral part of this Report.

## 15. Management Discussion and Analysis Report

In accordance with Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

## 16. Business Responsibility Report

Pursuant to Regulation 34(2) of the SEBI Listing Regulations the Business Responsibility Report describing the initiatives taken by the Company, from an environmental, social and governance perspective, forms part of this Annual report.

## 17. Directors and Key Managerial Personnel (KMP)

### Directors

Your Company has a well-diversified Board comprising of Directors from various backgrounds and having broad range of experience, in the areas of finance, accounting, technology, governance, risk management, among others. Their combined experience and expertise enables the Company to ensure effective corporate governance on one hand, and to take future-ready business decisions on the other. The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors (including one independent woman director). During the year under review there was no change in the composition of the Board of Directors of the Company.

As on March 31, 2022, the Board comprises of 6 directors.

Name	DIN	Designation
Mr. R. Venkataraman	00011919	Chairman and Managing Director
Mr. Narendra Jain	01984467	Executive Director
Ms. Rekha Warriar	08152356	Non-Executive Independent Director
Mr. Shamik Das Sharma	07779526	Non-Executive Independent Director
Mr. Anand Shailesh Bathiya	03084831	Non-Executive Independent Director
Mr. Viswanathan Krishnan	09026252	Non-Executive Independent Director

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies

Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations. In terms of requirements of the SEBI Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning, which are detailed in the Report on Corporate Governance.

Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

### Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Director appointed during the year

During the year there was no new appointment of Independent Director on the Board of the Company.

### Retirement by rotation

In accordance with Section 152 of the Companies Act, 2013 read with Article 157 of the Articles of Association of the Company, Mr. R. Venkataraman (DIN: 00011919) is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, has offered himself for re-appointment. The Board recommends the same for the consideration of the Members of the Company at the ensuing AGM and same has been mentioned in the Notice convening the AGM. A brief profile of Mr. R. Venkataraman has also been provided therein.

### Key Managerial Personnel

During the year under review there was no change in the Key Managerial Personnels of the Company. As on March 31, 2022, Mr. R. Venkataraman – Chairman and Managing Director, Mr. Narendra Jain -Whole-Time Director, Mr. Ronak Gandhi- Chief Financial Officer and Ms. Meghal Shah- Company Secretary & Compliance Officer are the Key Managerial Personnels in terms of the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations.

## 18. Meetings of Board

The Board met Eight times during the FY22, the details of which are given in the Corporate Governance Report forming part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI Listing Regulations. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings.

## 19. Audit Committee of the Board

Five meetings of the Audit Committee of the Board were held during FY22. The composition of Audit Committee is covered under the Corporate Governance Report.

During the year under review, there were no instances, where the Board had not accepted any recommendation of the Audit Committee.

For details of various Committees constituted by the Board please refer to the report on Corporate Governance forming part of this Annual Report.

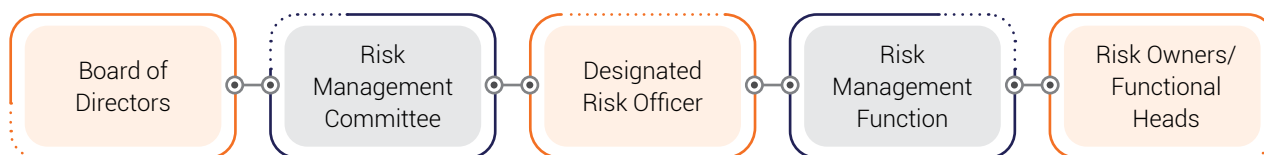
## 20. Risk management

The Company realizes the importance of Enterprise Risk Management (“ERM”) framework and has formulated a well-defined ERM Policy which encompasses practices relating to the identification, analysis, evaluation, impact, control, mitigation and monitoring of the risks for achieving its key business objectives. Your Company’s ERM framework comprises risks such

as Strategic risk, Market risk, Credit risk, Financial risk, Fraud risk, Legal risk, Compliance risk, Operational Risk, Reputational risk, People risk, Governance risk, Sustainability risk and Technology risk. ERM at IIFL Securities seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage.

The Company maintains a risk register for all the departments in order to track the processes of each department. This approach helps in identifying the risk and then evaluating the risk for which controls have been set. The Company also maintains an incident register and tracker to know the incidents that occurred and had an impact on its business.

The risk governance structure of the Company is as provided hereunder:



**Role of Board of Directors:** The Board of Directors is responsible for framing, implementing and monitoring the risk management policy/framework. It reviews the risk policy and ensures that appropriate systems of control are in place.

**Role of Risk Management Committee (RMC):** RMC is responsible for formulation of the detailed ERM policy and monitor and oversee its implementation. It ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risk associated with the business of the Company. The details of composition and meetings of RMC is covered under the Corporate Governance Report forming part of this report.

**Role of Designated Risk Officer (DRO):** DRO periodically reviews the process for systematic identification and assessment of all the risks and update RMC on the risks identified and the assessment and mitigation controls relating thereto. DRO conducts internal meetings with the Risk Owners/Functional Heads on ERM initiative and updates the management on the progress/status of the same on a quarterly basis.

**Role of Risk Management Function:** The Company has in place a risk management function for development and maintenance of overall risk management infrastructure. It facilitates implementation of the ERM policy. It also maintains and update the risk register and creates awareness on the risk management process/ practices for the identified stakeholders periodically. Further, it reports risk and risk management measures to RMC.

**Role of Risk Owners and Functional Heads:** Each Risk owner/Functional head is responsible for their respective risk i.e risk identification, mitigation, implementation of the controls and any other matter relating thereto and update the risk management function on the same. Further, Risk owner/Functional head prepare a Risk Report advising on the results and residual risks and recommending further action.

## 21. Annual evaluation of the Board

The Company has in place a Policy on Performance Evaluation, framed in accordance with the relevant provisions of the Companies Act, 2013, SEBI Listing Regulations and SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation (“SEBI Guidance Note”). The manner and criteria of the evaluation of performance of the Board of Directors, Board Committees and the individual Directors has been provided in the Corporate Governance Report forming part of this report.

## 22. Internal financial controls

Your Company has maintained adequate internal financial controls over financial reporting, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems. The Audit Committee of the Board and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors on the effectiveness of internal controls and the veracity of the financial statements. Such internal financial controls over financial reporting were operating effectively during the year.

During the FY22, there were no material observation which has been highlighted for inefficiency or inadequacy of such controls. The details of adequacy of Internal Financial controls are given at length in the Management Discussion and Analysis report.

### 23. Quality initiatives

Your Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. Your Company successfully completed the annual ISO 27001:2013 (ISMS) surveillance audit in December 2021. Further, the Company has sustained compliance with respect to various applicable laws and regulations in terms of technology, business continuity management and information security from various regulators.

The technology used in the Company comprises industry standard business applications and robust IT infrastructure. These capabilities are used to manage business operations, are scalable, improve overall productivity & efficiency, and provide seamless and world class experience to the Company's customers. Your Company ensured that there was no business or operations impact due to the second/third wave of COVID as its robust Business Continuity Plan was already active.

Your Company has strengthened its information and cyber security mechanisms and other risk measures to mitigate potential threats, risks and challenges. It also procured cyber insurance cover to protect from financial losses.

Your Company believes in skill development, hence various e-learning modules on technology and other business areas have been enabled for employees through online training.

### 24. Contracts and arrangements with Related Parties

Your Company has put in place a Policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors and amended from time to time. The Policy provides for identification of RPTs,

necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and provisions of the SEBI Listing Regulations. The said Policy may be accessed on the website of the Company at <https://www.indiaonline.com/securities/reports/Related-Party-Transaction-Policy-120521.pdf>.

All contracts executed by your Company during the financial year, with related parties, were on arm's length basis and in the ordinary course of business. All such Related Party Transactions were entered into in accordance with the RPT Policy of the Company.

During FY22, the Company has entered into material contract/arrangement/transaction with related parties within the maximum limit approved by the Members of the Company at its meeting held on June 30, 2021. As there is no outstanding balance as at March 31, 2022, the disclosure in Form AOC-2 as prescribed under the Act has not been made. You may refer to note no. 35 and note no. 45 to the Standalone Financial Statements and Consolidated Financial Statements respectively, for the related party disclosures.

### 25. Statutory Auditors and their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration Number: 109208W), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 22<sup>nd</sup> Annual General Meeting (AGM) till the conclusion of the 27<sup>th</sup> AGM of the Company.

The Company has received confirmation from the Auditors to the effect that their re-appointment, if made, will be in accordance with the limits specified under Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company is of the opinion that continuation of M/s V Sankar Aiyar & Co, Chartered Accountants will be in the best interest of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a second term of five years, from the conclusion of the ensuing 27<sup>th</sup> AGM till the 32<sup>nd</sup> AGM, at such remuneration mutually agreed and approved by the Board.

The Statutory Auditors' Report forms part of the Annual Report. There were no qualifications, reservations, adverse remarks or disclaimers in the Report of the Statutory Auditors of the Company.

## 26. Secretarial Audit and their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Nilesh Shah and Associates, Company Secretaries in Practice for conducting the Secretarial Audit for FY22. The Secretarial Audit Report of the Company is annexed as **Annexure - 4**. The Secretarial Auditor has not expressed any qualification, reservation, adverse remark in their Secretarial Audit Report for the year under review. The Secretarial Auditor has mentioned about the following events in their Report:

- 1) The Company has paid Settlement amount of ₹ 2,21,92,125/- in the matter of alleged violation of Clauses A(1), A(2) A(3) & A(4) of Code of Conduct prescribed under Schedule II read with regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 for manipulation of reference price considered for execution of block deal trades in the scrip of Alkem Laboratories Ltd. during the period April 1, 2019 to September 30, 2019 without admitting or denying findings of the facts and conclusion of law;
- 2) In an investigation in the matter of trading activities in the scrip of Pantaloon Retail (India) Ltd. (now known as Future Enterprises Limited) during the period February 02, 2012 to April 30, 2012, it was held by the Adjudicating Officer that the Company has violated provisions of Clause A(2) of the Code of Conduct for Stock Brokers as specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. However, considering the fact that the Company has already been imposed monetary penalty in another matter for a similar charge, the Adjudicating Officer has disposed off the matter without imposing any penalty on the Company.

### Management response:

- 1) In the said transaction the Company acted as broker for buy side institutional clients and the transactions were executed as per the consent of the clients. The buyers in the block window are all reputed institutional investors and all the trades were executed in the block window. There is no dispute that the transaction was genuine i.e. there was indeed a change of beneficial ownership and the buyers were genuine. The delivery of shares was indeed given and taken, the trades were fair to the buyers and the seller they were indeed fair to the market as well. It is clear that the pattern of conduct shows that there was no intention to manipulate. Accordingly, the Company denied the allegation of manipulating the reference price of Alkem for the Volume Weighted Average Price window and believe that the Company had

not violated any provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulation, 2003 or any other securities laws.

However, in the interest of the closure of the matter, the Company had filed a Settlement Application before SEBI and agreed for settlement terms in accordance with the SEBI Settlement Regulations, 2018.

- 2) The Company acted only as a broker for executing the transactions of the client on the exchange platform and confirmed the same to the client through the registered mobile number and email id from time to time and ensured the account settlements from time to time. The Company had ensured with its systems and process as per SEBI/ Exchange norms all the time. The client had never disputed the trades executed on her behalf by her authorized person which shows/reconfirms the fact that the trades were executed by duly authorized person of the client. This clearly demonstrates the Company's actions only as a broker in dealing and servicing the client.

Accordingly, considering the fact that the Company had already been imposed of monetary penalty in another matter for a similar charge and in connection with the same client and corrective action taken by freezing the operations of the client trading account, the Adjudicating Officer has not levied penalty.

Further, pursuant to Regulation 24A of the SEBI Listing Regulations, the Secretarial Audit Report of material unlisted subsidiary of the Company i.e. IIFL Facilities Services Limited for FY22 is annexed as **Annexure- 5**.

## 27. Maintenance of cost records

The maintenance of cost records, for the services rendered by the Company, is not applicable pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

## 28. Reporting of frauds by Auditors

During FY22, the Statutory Auditors of the Company have not reported any instances of fraud committed in the Company, by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

## 29. Particulars of loans, guarantees or investments

Particulars of loans extended and investments made are given in the note 6 of the Standalone Financial Statements for the year ended March 31, 2022 forming part of this Annual Report.



**30. Annual return**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company in Form MGT-7 for FY22 has been placed on the Company's website at <https://www.indiaonline.com/securities/financials.php>.

**31. Material changes and commitments affecting the financial position of the Company**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate till the date of this Report which could have an impact on your Company's operation or its status in the future.

**32. Significant and material order passed by the Regulators or Court or Tribunals**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going-concern status of the Company and its future operations.

**33. Energy conservation**

The information on energy conservation stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as under;

The Company is engaged in providing financial services and, as such, its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company which are:

- i. Installation of capacitors to save power;
- ii. Saving power by providing laptops and tablets instead of desktops;
- iii. Installation of Light Emitting Diode (LED) lights;
- iv. Installation of access-based network printers to control printing, thereby saving paper;
- v. Optimizing usage of air-conditioning;
- vi. Shutting off all lights, when not in use;
- vii. Minimizing usage of single use plastic

Your Company frequently puts circulars on the corporate intranet, IWIN, for its employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

**34. Technology absorption**

The information on technology absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as under;

**Technology absorption and innovation:**

Advancement in Information Technology (IT) has led to accelerated development in newer technologies, resulting in higher demand for digital solutions. This has enabled organizations to create world class products that deliver customer delight through a robust service delivery framework.

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

Your Company remains committed to investing in technology to provide competitive edge and contribute in business that is scalable. Digital and analytics continue to be the key focus areas, to bring in agility, availability and relevance. As the Company continues to expand and amplify its business, it will enhance its digital presence and provide much better features, reports and service to its clients.

The Company is making requisite investments in skilled manpower, security and new technology to ensure that the organization is in line with the market trends, to improve staff performance, enhance the security of data, expand storage and compute capacity.

Data and cyber security along with continuity of services is also considered as a paramount importance for the organization. The Company successfully completed the annual ISO 27001:2013 (ISMS) surveillance audit in December 2021.

As the Company continues to expand its geographic reach and enhance the scale of operations, it intends to further develop and integrate technology to support growth and improve service quality.

The Company made significant investments, in technology, digital innovations, systems and manpower, in the aforesaid initiative and is continuously developing the same.

During FY 22, several new technology initiatives were completed successfully as well as systems upgraded

to latest versions to support the growing needs of the business of the Company.

Some of the key Company-wide projects completed were:

#### Digital innovations and enhancements:

Introduction of best-in-class technologies for simplification and optimization of user journeys and application processing like Digi locker, fraud detection, liveness check, face match, AI based automated document verification, and OCR, WhatsApp based client acquisition journey where customers can open an IIFL account without human intervention. Complete revamp of login process to reduce friction while maintaining 2FA security. Enhancements to fund transfer processes - one click UPI based transfers, support for additional banks, real-time withdrawable balance. Improving transaction experience with contextual nudges and optimizations. Simplification of pledge experience to address concerns around minimum margin requirements defined by the regulator. Implementation of deep integrations enabled richer functionality, cohesive experience, and access to multiple investment products including Global Investing, Wealth Baskets, Tax Filing, ETFy. Entire Application User Interface were revamped and made it more user friendly. Introduced real-time margin requirement monitoring with combined reports of all segments for better risk management. Enabled Earmarking feature so that on the same day margin benefit extended to customer on stock sell even during corporate action period.

#### Launch of new services/products:

Launch of Voice Bot and IIFL Help servicing portal which is one stop shop for all query resolution. Launch of Gemrush which is end-to-end research recommendation and dissemination platform based on e-commerce principles for user engagement and retention. Launch of buy now pay later which is a super simplified end-to-end margin trading experience for users. Launch of AAA Web which is a one stop partner portal for onboarding, servicing, and driving business. Launch of integration and tie-ups with leading advanced trading platforms including Luxemburg based Gocharting, Algobulls, Arthalabs. Launch of Option House which is a simplified option trading tool for beginners. Launch of trading view which is a charting tool for derivative traders.

### 35. Foreign exchange earnings and outgo

The information on foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as under.

(₹ In million)		
Particulars	FY 2021-22	FY 2020-21
Earning in Foreign Currency	355.25	290.48
Expenses in Foreign Currency	115.50	139.51

### 36. Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors, Employees and Stakeholders to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. For further details, please refer Report on Corporate Governance forming part of this Annual Report. The Company has disclosed the Policy on the website of the Company at <https://www.indiaonline.com/securities/reports/Whistle-Blower-120521.pdf>. During FY22, no complaints were received under this Policy.

### 37. Corporate Governance

A Report on Corporate Governance, along with a certificate from the Secretarial Auditors of the Company, regarding the compliance of the requirements of Corporate Governance, as stipulated under the provisions of Regulation 34 of the SEBI Listing Regulations' forms an integral part of this Report.

### 38. Directors' Responsibility Statement:

In compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors ensured the annual accounts are prepared on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 39. Other disclosures

As no application has been made under the Insolvency and Bankruptcy Code, the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

The requirement to disclose the details of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

### 40. Appreciation

The Company is grateful to the Securities and Exchange Board of India, the Exchanges, Depositories, and other Regulatory and Statutory Authorities, its bankers, lenders, clients, investors, members and all other stakeholders for their continued co-operation and support.

Your Directors further wish to place on record their sincere gratitude and appreciation, for the services and generous efforts rendered by its employees at all levels, towards the overall growth and success the Company.

**For and on behalf of the Board**

**R. Venkataraman**

Chairman and Managing Director  
DIN:00011919

Date: April 26, 2022

Place: Mumbai

# Annexure-1 to the Directors' Report

## The Annual Report on Corporate Social Responsibility (CSR) Activities of IIFL Securities Limited

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. OUTLINE OF CSR POLICY:

The CSR Policy and projects of IIFL Securities Limited (herein after referred as "IIFL Securities") are steered by the same values that guide the business of IIFL Securities & its subsidiaries. It can be summarized in one acronym – FIT, which stands for:

- **Fairness** in all our transactions
- **Integrity** and Honesty in letter, in spirit and in all our dealings with people
- **Transparency** in all our dealings

By applying these values to the CSR projects, IIFL Securities & its subsidiaries undertakes initiatives that create sustainable growth and empowers underprivileged sections of the society.

The focus areas prioritized by IIFL Securities Limited & its subsidiaries in its CSR strategy are given below:-

- Literacy initiative for females
- Development of medical facilities at Government hospital
- Delivery of vaccines by Drone
- Support for education of children from financially weaker group
- Electrification of Government schools (Rural)
- Mission Conquer Covid
- Fight against outbreak of COVID-19 pandemic
- Development of market place for women to promote livelihood

The CSR Project of IIFL Securities is managed by India Infoline Foundation (generally referred as "IIFL Foundation").

### 2. COMPOSITION OF THE CSR COMMITTEE:

IIFL Securities has constituted a CSR Committee in compliance with Section 135 of the Companies Act, 2013. The members constituting the CSR Committee as on March 31, 2022 have been listed below:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Mr. Anand Bathiya	Independent Director (Chairman)	2	2
2	Mr. Narendra Jain	Executive Director (Member)	2	2
3	Mr. Viswanathan Krishnan	Independent Director (Member)	2	2

### 3. WEB-LINK FOR DETAILS ON COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD:

#### Web-link for:

The Composition of CSR Committee <https://www.indiainfoline.com/securities/corporate-governance.php>

The CSR Policy: <https://www.indiainfoline.com/securities/corporate-governance.php>

The details on projects: <https://iifloundation.com/>

**4. IMPACT ASSESSMENT OF CSR PROJECTS:**

Not applicable

**5. AMOUNT AVAILABLE FOR SET OFF:**

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Not applicable

**6. PRESCRIBED CSR EXPENDITURE:****Average net profit for last three financial years:**

The average net profit of IIFL Securities of the last three financial years calculated in terms of Section 198 as provided in the Section 135 of the Companies Act, 2013 is ₹ 1,85,34,06,251.64/-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (in ₹)</b>
a.	Two percent of average net profit of the company as per Section 135(5)	3,70,68,125/-
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
c.	Amount required to be set off for the financial year, if any	NIL
d.	<b>Total CSR obligation for the financial year (7a+7b- 7c)</b>	<b>3,70,68,125/-</b>

**8. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:****a) Amount spent or unspent for the Financial Year:**

<b>Total Amount Spent for the Financial Year (in ₹)</b>	<b>Amount Unspent (in ₹)</b>				
	<b>Total Amount transferred to Unspent CSR Account as per Section 135(6)</b>		<b>Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)</b>		
	<b>Amount</b>	<b>Date of transfer</b>	<b>Name of the Fund</b>	<b>Amount</b>	<b>Date of transfer</b>
2,77,42,550/-	93,25,575/-	April 21, 2022	N.A.	NIL	N.A.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
<b>Sr. No.</b>	<b>Name of the Project</b>	<b>Item from the list of activities in Schedule VII to the Act</b>	<b>Local area (Yes/No)</b>	<b>Location of the project</b>	<b>Project duration</b>	<b>Amount allocated for the project (in ₹)*</b>	<b>Amount spent in the current financial Year (in ₹)</b>	<b>Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)</b>	<b>Mode of Implementation - Direct (Yes/No)</b>	<b>Mode of Implementation - Through Implementing Agency</b>		
				<b>State</b>	<b>District</b>					<b>Name</b>	<b>CSR Registration number</b>	
1.	Development at Govt. Hospital	Promoting Healthcare	No	Rajasthan	Udaipur	2 years	82,54,037/-	44,28,462/-	38,25,575/-	No	IIFL Foundation	CSR00002470
2.	Developing Bazaar Hub – Gulaabi Gaon	Eradicating Poverty	No	Maharashtra	Nashik	2 years	26,23,974/-	1,23,974/-	25,00,000/-	No	IIFL Foundation	CSR00002470
3.	Govt. School – Science Laboratory	Promoting Education	No	Rajasthan	Rajsamand	2 years	40,00,000/-	10,00,000/-	30,00,000/-	No	IIFL Foundation	CSR00002470
4.	Sakhiyon ki Baadi	Promoting Education	No	Rajasthan	Ajmer, Pali, Jodhpur, Jalore	4 years	99,96,175/-	99,96,175/-	NIL	No	IIFL Foundation	CSR00002470
<b>TOTAL</b>						<b>2,48,74,186/-</b>	<b>1,55,48,611/-</b>	<b>93,25,575/-</b>				

\* The amount allocated for the project is for FY 2021-22.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
1.	Vaccine delivery using Drone	Promoting Healthcare	No	Maharashtra	Palghar	9,80,000/-	NIL	No	IIFL Foundation	CSR00002470
2.	Development of Ophthalmic Ward	Promoting Healthcare	No	Rajasthan	Rajsamand	11,35,000/-	NIL	No	IIFL Foundation	CSR00002470
3.	Seva Kutir – Learning centre	Promoting Education	No	Madhya Pradesh	Khandwa	34,73,333/-	NIL	No	IIFL Foundation	CSR00002470
4.	Solar installation at Govt. School	Promoting Education	No	Maharashtra	Palghar	11,11,320/-	NIL	No	IIFL Foundation	CSR00002470
5.	Mission Conquer Covid – ECG Machine	Promoting Healthcare	Yes	Maharashtra	Mumbai	26,71,196/-	NIL	No	IIFL Foundation	CSR00002470
6.	Cycle Distribution for students (Girls)	Promoting Education	No	Maharashtra	Palghar	1,71,700/-	NIL	No	IIFL Foundation	CSR00002470
7.	Awareness Campaign on Importance of Education for Female – College of Home Science	Promoting Education	No	Rajasthan	Udaipur	1,390/-	NIL	No	IIFL Foundation	CSR00002470
8.	Donation of C-Arm Machine	Promoting Healthcare	No	Rajasthan	Udaipur	26,50,000/-	NIL	Yes	-	-
<b>TOTAL</b>						<b>1,21,93,939/-</b>				

d) Amount spent in Administrative Overheads: NIL

e) Amount spend on impact assessment: Not applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2,77,42,550/-

g) Excess amount for set off, if any: NIL

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

Not applicable, as the Company has spent the full CSR amount in all the three preceding financial years.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing

**Brief Description of Key Projects:**
**i. Sakhियों ki Baadi - Girl Child illiteracy eradication program:**

It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. IIFL Foundation has vowed to change this in the next few years through starting community schools, which are multi grade multi-level schools set in the villages, making it accessible for girls to get educated. Sakhियों ki Baadi learning centres

has a predefined syllabus which is in alignment with the topics prescribed in the textbooks followed at Government schools in Rajasthan.

The initiative covertly contributes to conservation of indigenous languages, provides employment to native females and promotes skill building among the marginalized communities. The initiative is helping to meet 3 of the UN's Sustainable Development Goals – Quality Education, Gender Equality and Reduced Inequalities.

## ii. Development at Government Hospital – Udaipur, Rajasthan

Developing the dormant wards at the Maharana Bhupal Government Hospital, Udaipur (Rajasthan), to setup Operation Theatres (OT), Intensive Care Unit (ICU), Outpatient Department (OPD), cabins for senior doctors & resident doctors and waiting area for family members of the patients.

The development is carried along with installation of required medical equipment in the OT, OPD and ICU and furnishing of the wards. (ceiling, flooring, electrical fixtures)

## iii. Development at Government School – Science Laboratory

To improve infrastructure at Government Schools (rural) and promote better facilities to students, IIFL Foundation is constructing science laboratories, computer room and sanitation facility at Government girls senior secondary school (up to 12<sup>th</sup> Grade) at GP – Khamnore, Rajasthan. Each year, over 500 girls will be benefited from this facility and enable them to pursue higher education and subsequently careers in science stream.

## iv. Vaccine Delivery using Drone

IIFL Foundation partnered with central and state government to start Maharashtra's first Covid-19 vaccine delivery through drones to reach the inaccessible terrains in Jawhar taluka of Palghar district.

This drone-based vaccine delivery is one of the country's first vaccine delivery operations with a 5 kg payload capacity and range of covering 25 kilometers in 9 mins, which otherwise takes over 70 minutes to cover by road (Hilly region & poor road condition).

## v. Development of Ophthalmic Ward (Rural)

IIFL Foundation helped to setup an Ophthalmic Ward at the **Primary Health Centre (PHC)** at Khamnor (rural), Rajasthan. This is the first and only facility of such kind in the Khamnore village, that shall be beneficial to people residing in the rural hamlets in a radius of 30 kms from PHC. In next phase, IIFL Foundation is planning to setup Ophthalmic Surgery ward.

## vi. Seva Kutir – Learning Centers

A set of community-based learning centre for holistic development of children from marginalized communities. Children are offered special coaching to excel in academics, given nutritious meals twice a day and engaged in extra-curricular activities. A mini library with collection of 100 books is setup to improve reading and comprehension skills. Special sessions

are conducted on value education covering themes as – Self Awareness, Responsibility, Ethics and Morals. The program functions in Khandwa District of Madhya Pradesh.

## vii. Solar Installation at Government Schools

With this initiative IIFL Foundation intends to provide decentralized energy system to 50 Primary Schools (Government) of Zilla Parishad at Palghar District (From Vikramgad, Jawahar, Mokhada & Wada), to not only fulfil their need for electricity, but also help to use digital learning systems (Computers & Android Tablets). The initiative helps to reduce Carbon Footprint and promotes **SDG 7** – Affordable and Clean Energy.

## viii. Mission Conquer Covid – ECG Machine

IIFL Foundation donated an ECG Machine to Endoscopy Dept. at KEM Hospital, Mumbai, Maharashtra. The machine will allow the hospital to offer services to the marginalized / financially weaker section.

## ix. Donation of C-ARM Machine

IIFL Foundation donated a C-Arm Machine to Orthopedic Surgery Dept. at Maharana Bhupal Government Hospital, Udaipur, Rajasthan. The machine will allow the hospital to offer services to the marginalized / financially weaker section.

## 10. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE:

Through this report, IIFL Securities seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the provisions of the Companies Act, 2013. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalized segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the Company has also established a monitoring mechanism to track the progress of its CSR projects.

The CSR Committee and the Board ensures that the funds disbursed have been utilised for the purposes and in the manner as approved by it and same is certified by the Chief Financial Officer of the Company.

**11. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS):**

- (a) Date of creation or acquisition of the capital asset(s). - **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset. - **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - **Not Applicable.**

**12. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):**

The unspent amount was pertaining to the ongoing projects and the same would be required and utilized over the period of three years as stipulated under the Companies Act, 2013.

For **IIFL Securities Limited**

Mr. R. Venkataraman  
Managing Director  
(DIN: 00011919)

Mr. Anand Bathiya  
Chairman of CSR Committee  
(DIN: 03084831)

Date: April 22, 2022  
Place: Mumbai



## Annexure-2 to the Directors' Report

### NOMINATION AND REMUNERATION POLICY

#### I. OBJECTIVE:

This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Directors.

#### II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

2. "Board" means Board of Directors of the Company.

3. "Key Managerial Personnel" (KMP) means:

- Managing Director, or Chief Executive Officer or Manager;
- Whole-time Director;
- Chief Financial Officer;
- Company Secretary;
- such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- and such other officer as may be prescribed.

4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.

5. "senior management" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the "chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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

#### III. ROLE OF COMMITTEE:

1. Formulate criteria and manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that –

- (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals;

3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

5. Devising a policy on diversity of the board of directors;

6. recommend to the board all remuneration, in whatever form, payable to senior management; and

7. Administration and superintendence of the ESOP Schemes.

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

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

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

##### b) Independent Director:

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

An Independent director shall possess appropriate skills, experience and knowledge in terms of the Board Diversity Policy of the Company.

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

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

**2. Removal:**

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

**3. Retirement:**

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

**V. REMUNERATION:**

**A. Directors:**

**1. Executive Directors (Managing Director, Manager or Whole Time Director):**

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

**2. Non-Executive Director:**

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

**B. KMP & Senior Managerial Personnel:**

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

- a. maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

- b. compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- c. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the company;
- d. Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**C. Research Analysts:**

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee
- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and

- b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

**VI. OTHER DETAILS:**

**Membership**

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

**Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Secretary**

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

## Annexure-3 to the Directors' Report

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

Sr. No.	Requirement	Disclosure												
1	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	<p><b>Executive Directors</b></p> <table border="1"> <tr> <td>Mr. R. Venkataraman</td> <td>80.84X</td> </tr> <tr> <td>Mr. Narendra Jain</td> <td>15.85X</td> </tr> </table> <p><b>Non-Executive Directors</b></p> <table border="1"> <tr> <td>Ms. Rekha Warriar</td> <td>2.78X</td> </tr> <tr> <td>Mr. Shamik Das Sharma</td> <td>2.66X</td> </tr> <tr> <td>Mr. Anand Shailesh Bathiya</td> <td>2.04X</td> </tr> <tr> <td>Mr. Viswanathan Krishnan</td> <td>1.33X</td> </tr> </table>	Mr. R. Venkataraman	80.84X	Mr. Narendra Jain	15.85X	Ms. Rekha Warriar	2.78X	Mr. Shamik Das Sharma	2.66X	Mr. Anand Shailesh Bathiya	2.04X	Mr. Viswanathan Krishnan	1.33X
Mr. R. Venkataraman	80.84X													
Mr. Narendra Jain	15.85X													
Ms. Rekha Warriar	2.78X													
Mr. Shamik Das Sharma	2.66X													
Mr. Anand Shailesh Bathiya	2.04X													
Mr. Viswanathan Krishnan	1.33X													
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	<table border="1"> <tr> <td>MD</td> <td>25</td> </tr> <tr> <td>WTD</td> <td>16</td> </tr> <tr> <td>CFO</td> <td>13</td> </tr> <tr> <td>CS</td> <td>10</td> </tr> </table>	MD	25	WTD	16	CFO	13	CS	10				
MD	25													
WTD	16													
CFO	13													
CS	10													
3.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 16%. The calculation of 16% increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.												
4.	The number of permanent employees on the rolls of the Company	The Company had 2254 employees on the rolls as on March 31, 2022.												
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	In Financial Year 2021-22, there is an average increase of 17 % in the remuneration other than managerial personnel as compared to increase of 11% in the remuneration of managerial personnel.												
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed												

### Notes:

- The ratio of the remuneration of each director to the median employee's remuneration is prepared based of comparable remuneration i.e. 2020-21 and 2021-22.
- Remuneration paid to the Independent Non – Executive Directors includes sitting fees for attending Board/Committee meetings and commission on pro rata basis.
- MD- Managing Director, WTD- Whole Time Director, CFO- Chief Financial Officer, CS – Company Secretary.

**For and on behalf of the Board**

**R. Venkataraman**

Chairman and Managing Director

DIN: 00011919

Date: April 26, 2022

Place: Mumbai

## Annexure-4 to the Directors' Report

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To  
The Members,  
**IIFL Securities Limited**  
IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area,  
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31<sup>st</sup> March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable to the Company;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, (SEBI LODR Regulations);
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- (vi) Considering activities, the Company is also subject to compliance of the following laws specifically applicable to the Company:
  - (a) The Securities and Exchange Board of India (Stock-Brokers) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
  - (c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
  - (d) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
  - (e) The Securities and Exchange Board of India (Research Analyst) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

- (g) The Securities and Exchange Board of India (Know Your Client) Regulations, 2011;
- (h) The Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992
- (i) Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2015.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws i.e. laws mentioned in clause vi (in addition to the above mentioned Laws (i to v) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same. During the course of audit, we have come across following events which may be noted:

- 1) The Company has paid Settlement Amount of ₹ 2,21,92,125/- in the matter of alleged violation of Clauses A(1), A(2) A(3) & A(4) of Code of Conduct prescribed under Schedule II read with regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 for manipulation of reference price considered for execution of block deal trades in the scrip of Alkem Laboratories Ltd. during the period April 1, 2019 to September 30, 2019 without admitting or denying findings of the facts and conclusion of law;
- 2) In an investigation in the matter of trading activities in the scrip of Pantaloon Retail (India) Ltd. (now known as Future Enterprises Limited) during the period February 02, 2012 to April 30, 2012, it was held by the Adjudicating Officer that the Company has violated provisions of Clause A(2) of the Code of Conduct for Stock Brokers as specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. However, considering the fact that the Company has already been imposed monetary penalty in another matter for a similar charge, the Adjudicating Officer has disposed off the matter without imposing any penalty on the Company.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non-Compliance in respect of the same.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the year under review.

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and short notice in case of urgency and a system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any corporate action having a major bearing on the Company's affairs in pursuance of aforesaid laws, rules and regulations.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

Signature:  
**Name: Nilesh Shah**  
**For Nilesh Shah & Associates**  
 Company Secretaries

Date: April 26, 2022  
 Place: Mumbai  
 UDIN: FO04554D000215226

FCS : 4554  
 C.P. : 2631  
 Peer Review No. 698/2020

# Annexure-A

To  
The Members,  
**IIFL Securities Limited**  
IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area,  
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

**Sub: Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. Due to COVID-19 outbreak, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form and the documents shared to us were found to be adequate, to enable us to issue the report.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: April 26, 2022  
Place: Mumbai  
UDIN: FO04554D000215226

Signature:  
**Name: Nilesh Shah**  
**For Nilesh Shah & Associates**  
Company Secretaries  
FCS : 4554  
C.P. : 2631  
Peer Review No. 698/2020

## Annexure-5 to the Directors' Report

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

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

To,  
The Members,  
**IIFL Facilities Services Limited**  
IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area, Wagle Estate,  
Thane 400604

Dear Sir / Madam,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that maintenance of proper and updated books, papers, minutes books, filing of forms and returns with applicable regulatory authorities and maintaining other records is the responsibility of management and of the Company. Our responsibility is to verify the content of the documents and returns produced before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws i.e. laws mentioned in clause iv (in addition to the above mentioned Laws (i to iii) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

We further Report that, during the year, either there was no event attracting the below mentioned provisions or it was not mandatory on the part of the Company to comply with the following Provisions, Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;



- (g) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (j) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the substantial provisions of the above mentioned Act/s including applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. as mentioned above and we have no material observation of instances of non-Compliance in respect of the same.

**We further report that:**

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

We also report that adequate notice/s were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda and the same was sent at least seven days in advance and short notice in case of urgency,

and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its officer, we herewith report that the majority decision is carried through and we have been informed that proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

Signature:  
**Name: Nilesh Shah**  
**For Nilesh Shah & Associates**  
 Company Secretaries

Date: April 25, 2022  
 Place: Mumbai  
 UDIN: F004554D000205370

FCS : 4554  
 C.P : 2631  
 Peer Review No. 698/2020

# Annexure-A

To  
The Members,  
**IIFL Facilities Services Limited**  
IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area, Wagle Estate,  
Thane 400604

Dear Sir / Madam,

**Sub: Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. Due to COVID-19 outbreak and Lockdown situation, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form and the documents shared to us were found to be adequate, to enable us to issue the report.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: April 25, 2022  
Place: Mumbai  
UDIN: F004554D000205370

Signature:  
**Name: Nilesh Shah**  
**For Nilesh Shah & Associates**  
Company Secretaries  
FCS : 4554  
C.P. : 2631  
Peer Review No. 698/2020

# Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<b>1 Corporate Identity Number (CIN) of the Company</b>	L99999MH1996PLC132983
<b>2 Name of the Company</b>	IIFL Securities Limited
<b>3 Registered address</b>	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane - 400 604
<b>4 Website</b>	www.iiflsecurities.com
<b>5 E-mail ID</b>	secretarial@iifl.com
<b>6 Financial Year reported</b>	April 2021-March 2022
<b>7 Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	NIC Code: 66120 and 66190 – The Company is engaged into broking and depository participant services, investment banking and distribution of financial products
<b>8 List three key products/services that the Company manufactures/provides (as in balance sheet)</b>	1) Broking and depository participant services 2) Investment banking 3) Distribution of financial products
<b>9 Total number of locations where business activity is undertaken by the Company</b>	
(a) Number of international locations (provide details of major 5)	USA
(b) Number of national locations	IIFL Securities has a: <ul style="list-style-type: none"> <li>Registered office at Thane</li> <li>Corporate office in Mumbai</li> </ul> IIFL Securities and its subsidiaries have pan-India presence in 2,500 + locations and 500 + cities
<b>10 Markets served by the Company– Local/State/ National/International</b>	IIFL Securities Limited serves its customers in national and international locations.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

SR. NO	PARTICULARS	REPLY
1	Paid up capital (₹)	607,872,460
2	Total turnover (FY 2021-22)	Consolidated : ₹ 13,164.11 Million Standalone : ₹ 11,505.20 Million
3	Total profit after taxes (FY 2021-22)	Consolidated: ₹ 3,060.57 Million Standalone: ₹ 2,841.12 Million
4	Total Spending on Corporate Social Responsibility (CSR), spending as a percentage of profit after tax (%)	Please refer <b>Annexure 1</b> of Board's Report forming part of the Annual Report.
5	List of activities in which expenditure in 4 above has been incurred	Please refer <b>Annexure 1</b> of Board's Report forming part of the Annual Report.

## SECTION C: OTHER DETAILS

### 1. Does the Company have any subsidiary company/companies?

Yes – IIFL Securities Limited has 11 subsidiaries including 1 step down subsidiary.

### 2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

In FY2021-22, the Company and 3 of its subsidiaries undertook BR/CSR initiatives through India Infoline Foundation (IIFL Foundation), which is the wholly-owned subsidiary of the Company.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, other business partners of the Company do not directly participate in the Company's BR initiatives. The Company endeavours to encourage its franchisees/ suppliers/ distributors (wherever possible) to participate in the initiatives towards BR and to adopt practices which would help them conduct their business in a fair manner.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN	00011919
2	Name	R. Venkataraman
3	Designation	Chairman and Managing Director

#### b) Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	00011919
2	Name	R. Venkataraman
3	Designation	Chairman and Managing Director
4	Telephone number	+91 22 6108 6300
5	E-mail ID	secretarial@iifl.com

### 2. Principle-wise BR policy/policies

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

- P1 - Businesses should conduct and govern themselves with ethics, transparency and accountability
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 - Businesses should promote the wellbeing of all employees
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 - Businesses should respect and promote human rights
- P6 - Businesses should respect, protect, and make efforts to restore the environment
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 - Businesses should support inclusive growth and equitable development
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

#### a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y (Refer note 1)	Y	Y	Y	Y	Y (Refer note 2)	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies adopted by the Company are in conformity with the applicable rules and regulations.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Policies wherever stated have been approved by the Board /Committee of the Board / Senior Management of the Company and followed by the Company and its subsidiaries.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	As per the provisions of the applicable laws, various policies of the Company have been uploaded on the website of the Company at <a href="https://www.indiaonline.com/securities/corporate-governance.php">https://www.indiaonline.com/securities/corporate-governance.php</a> . Other policies are internal documents and accessible only to employees of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/policies?	Yes, the Company has an in-house structure under the supervision of the management, where each business function is responsible for the implementation of the policies. These functions are headed by respective function heads, who manage and review the policies regularly.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All policies and processes are reviewed annually by the Board and amended in line with the extant applicable regulations from time to time. All policies and processes are subject to internal audit and internal reviews from time to time.								

**Notes:**

- The Company is in the financial services business and hence this principle has limited applicability. The Company, however, complies with all applicable regulations in respect of their operations.
- IIFL Securities Limited is the member of various associations; through which they provide various suggestions with respect to the development of the financial markets.

**3. Governance related to BR**

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BR report for FY2021-22 is provided in the Annual Report and can be accessed through the following link: <https://www.indiaonline.com/securities/financials.php>.

It is published annually.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1 - Businesses should conduct and govern themselves with ethics, transparency and accountability.**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / Others?**

IIFL Securities Limited conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organization.

The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through the Code of Conduct, has adopted a

'zero-tolerance' approach to bribery and corruption. The code is applicable to Directors and employees of the Company, as well as, its subsidiary companies.

Though, the Company's policies currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc.; it emphasizes on adherence to ethical business practises while dealing with such stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Details of the number of complaints received from shareholders and attended during the financial year ended March 31, 2022, are given below:

Opening Balance	Received	Attended	Closing Balance
1	9	10	0

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith, unethical, unlawful or improper practices, acts or activities. The Policy aims to administer good governance practices in the Company and to ensure that serious concerns are properly addressed. The policy provides direct access to the Chairman of the Audit Committee in exceptional cases. Also, the Company has in place Prevention of Sexual Harassment Policy for dealing with complaints of harassment. A report on the concerns received, if any and the manner in which they are dealt with is periodically placed before the Audit Committee/Board. During the FY 2021-22, the Company did not receive any complaint under Whistle Blower Policy and the Prevention of Sexual Harassment Policy.

Of the 02 customer complaints outstanding at the date of previous years report and 5,187 complaints received in FY 2021-22, 5,189 complaints have been resolved, indicating resolution rate of 100% as on the date of this report.

**Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

IIFL Securities Limited is into stock broking, investment banking, depository participant services, portfolio management services, structured product and distribution of financial products.

Customers of the Company are provided online trading facilities through internet and offline trading through

branches and customer care. All operations are carried out online through active support of branches and authorized persons under regulatory environment. All operations are in compliance with relevant rules and regulations. The Company's operations are seamless and communication with customers happens through mailers and text messages, thus creating minimal impact on the environment.

Considering the nature of the business of IIFL Securities Limited, the said principle may not be strictly applicable. However, IIFL Securities Limited endeavours to serve social and economic opportunities through its products and services.

We endeavor to build not only awareness of our financial products but trust in our expertise, through building experiences through customer centric solutions. The IIFL Markets App has gained over 9.4 million downloads in FY22 and a 4.4 rating on Android and iOS. Digitization has driven a 2x growth in new clients.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?  
N.A.
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Please refer to the response under Principle 6.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

N.A.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Wherever practically possible and feasible, IIFL Securities Limited has tried to improve the capacity and capability of local and small vendors by patronizing them to supply/provide different services required by the Company for its day-to-day administration/operations.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.**

Considering that the Company is not a manufacturing unit, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by using the recycled paper from disposed paper, tissue and cardboard waste. The Company has procedures in place to dispose e-waste through authorized e-waste vendors.

**Principle 3 - Businesses should promote the wellbeing of all employees**

**1. Please indicate the total number of employees.**

The total number of employees as on March 31, 2022 stood at **2,254**.

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis.**

The total number of employees hired on temporary/contractual/casual basis as on March 31, 2022 stood at 157.

**3. Please indicate the number of permanent women employees.**

The total number of women employees as on March 31, 2022 stood at 578.

**4. Please indicate the number of permanent employees with disabilities**

There are no employees with disability in the Company and its subsidiaries. However, the Company provides equal opportunity to all and does not discriminate on the basis of disabilities.

**5. Do you have an employee association that is recognized by the management?**

There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same are resolved amicably.

**6. What percentage of your permanent employees are members of this recognized employee association?**

N.A.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not implement any unfair employment practices. The Company has a Prevention of Sexual Harassment Policy and a formal process for dealing with complaints of harassment or discrimination. Also, the Company

has constituted an Internal Complaints Committee for handling complaints under the said policy.

During FY2021-22, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

- (a) Permanent employees
- (b) Permanent women employees
- (c) Casual/Temporary/Contractual employees
- (d) Employees with disabilities

Employees' health and safety is of prime importance to the Company. The Company conducts robust and periodic training regarding fire safety and provides a good working knowledge of its Emergency Action Plan (EAP). Periodic electrical and fire safety audits are conducted at the office locations, to sensitize employees about fire safety norms and regulations.

The Company has also taken various measures to help and support its employees during the COVID-19 pandemic. Most of the employees were enabled to work from home. The Company made necessary arrangements for temperature checks at entry points of the building, social distancing, installed hand sanitizer stations, undertook regular sanitization of high touch surfaces (like table tops, staircase railings, lift buttons, etc.). Employees who were infected got tested immediately with Company's mediclaim tie ups. Homeopathy medicines were given to all employees for building immunity.

IIFL Securities Limited has initiated various training and competency programs to strengthen capabilities of its people, and help them reach their full potential. There are specific training programs for new employee readiness and to prevent infant attrition in the Company. These programs enable employees of the Company to enhance their knowledge, skills and attitude. Our programs cover the areas of corporate induction, functional & compliance training, business orientation for VPs and above grade employees, and behavioral training. Regular structured training is imparted to employees on both domain as well as behavioral topics. Training is delivered through E-learning modes.

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders; especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes.

The Company engages with various stakeholders namely, customers, business partners & vendors, employees, rating agencies/lenders, regulatory bodies, shareholders and investors, communities, etc. on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes. IIFL Securities Limited, through its wholly-owned subsidiary, IIFL Foundation identifies disadvantaged, vulnerable and marginalized stakeholders. Through its dedicated team, IIFL Foundation directs the CSR activities of the Company towards such stakeholders.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

- Yes, a drone-based vaccine delivery service was initiated to administer vaccines in fight against COVID-19, to population (Scheduled Tribe) residing at hamlets in hilly, mountainous or terrain region that are difficult to reach by road. It was one of the country's first vaccine delivery operations of such a kind to be carried out.
- Development of Operation Theatre, ICU, OPD, Ophthalmic Ward, Orthopedic Surgery Ward, Endoscopy Unit at Government Hospital to benefit the financially weaker section.
- Electrification of Government schools by use of Solar Panel at 50 villages dominated by scheduled tribe population in Palghar district of Maharashtra.

These are in addition to the existing CSR activities of IIFL Foundation, all of which cater to the disadvantaged, vulnerable and marginalized stakeholders.

The philosophy of IIFL Foundation is HELP (Health – Education – Livelihood – Poverty Alleviation), Through the said framework, IIFL Foundation addresses 9 out of 17 Sustainable Development Goals.

More details are available in the Annual Report on CSR activities which is available in the Annexure 1 to the Directors' Report.

**Principle 5 - Businesses should respect and promote human rights.**

**1. Does the policy of the Company on human rights cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Respecting and understanding human rights and addressing the potential human rights violation is important responsibility of any organization.

IIFL Securities Limited has adopted several policies viz. Code of conduct, Policy against sexual harassment, Whistle Blower Policy, etc. to ensure that there is no violation of human rights in its conduct – externally or internally.

IIFL Securities Limited adheres to all statues which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment, equal employment opportunities, etc. The Company provides a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., outside vendors, consultants, suppliers or customers are also expected to comply with principles of human rights in every respect.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaint governing this principle.

**Principle 6 - Businesses should respect, protect and make efforts to restore the environment.**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The Company is in financial services business and hence the aspects under this principle have limited applicability. However, the Company and its subsidiaries comply with applicable environmental regulations.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.**

The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company. However, being a responsible corporate citizen, the Company has been embracing sustainable products, processes, policies and practices. The Company emphasizes on cost efficient environment-friendly measures and on building awareness and consciousness of the environment among its employees. The Company's offices have been designed using energy efficient air conditioners, LED lights and other energy conservation measures. The Company has been reducing dependence on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

**3. Does the Company identify and assess potential environmental risks? Y/N**

The Company is in the process of finalizing an ESG policy and incorporating risks related to climate change and implementing appropriate mitigation measures for the same.



- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The above question is not applicable to the Company as it is not a manufacturing Company.

- 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.**

As mentioned above, the Company participates in several initiatives in the area of environment and sustainability. The Company has also taken several measures to minimize the environmental impact due to business travel. These measures include carpooling, company bus service, video/audio conferencing facilities at all major offices. Further, the Company has adopted several digital platforms to reduce the use of paper and stationery.

The Company is exploring implementation of several initiatives at its offices/branches to reduce its environmental footprint.

- 6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The above question is not applicable to the Company as it is not a manufacturing Company.

- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

- 1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

IIFL Securities Limited is presently a member of the Confederation of Indian Industry (CII), Association of National Exchanges Members of India (ANMI), Commodity Participants Association of India (CPAI), Association of Mutual Funds in India (AMFI), Association of Investment Bankers of India (AIBI) and Insurance Brokers Association of India (IBAI).

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

During the year the Company has not taken up any issue through the aforesaid trade associations.

**Principle 8 - Businesses should support inclusive growth and equitable development.**

- 1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes provide details thereof.**

Yes. IIFL Securities Limited, through IIFL Foundation, its wholly-owned subsidiary undertakes the following activities:

IIFL Foundation is focusing over four areas - Health, Education, Livelihood and Poverty Alleviation or HELP. IIFL Foundation's flagship program - Sakhiyon Ki Baadi (SKB), is dedicated to provide basic education to out-of-school girls in Rajasthan and mainstream them into the government schools. During the lockdown, education of nearly 36,000 girls under this project continued seamlessly due to adoption of digital tools and online platforms.

IIFL Foundation has constructed a Science laboratory at Government Girls School (rural) to enable girls to pursue careers in science stream, awarded bicycles to girls enrolled at Government School to ensure their retainment at school and avoid dropping-out due to commuting issues, installed solar panels to facilitate electricity at Government Schools (Maharashtra) and has been supporting Community based learning centres in various districts of Madhya Pradesh.

Under Mission Conquer Covid, IIFL Foundation launched a project to deliver Covid-19 vaccines using 'Drone', reaching out to the population residing in terrains difficult to reach by road. The project was carried out by partnering with the Government of Maharashtra. The Foundation donated an ECG machine to Government Hospital, developed an Ophthalmic Ward at Primary Health Care Centre (Rural) and an Orthopaedic Surgery Ward at Government Hospital, that shall enable individuals from marginalised communities to access healthcare at the least cost. Currently, IIFL Foundation is developing an entire 'Emergency Unit' comprising Multiple Operation Theatres, Intensive Care Unit & Out-Patient Department at Maharana Bhupal Government Hospital, Udaipur, Rajasthan.

The Foundation is also developing a market place in rural villages in Maharashtra to promote entrepreneurship among women, making an avenue for development of livelihood opportunities.

- 2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

IIFL Securities and its subsidiaries undertake various CSR projects through its wholly-owned subsidiary, IIFL Foundation, a Section-8 company under the Companies Act, 2013 (implementing agency).

**3. Have you done any impact assessment of your initiatives?**

Impact assessment is not applicable to IIFL Securities Ltd. However, IIFL Foundation has carried out program evaluation for Sakhiyon ki Baadi (SKB) Program through an independent agency. The key impacts of SKB program were: Good quality education, professional aspiration, financial independence, platform to transact comfortably in society.

**4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

Please refer to Annual Report on CSR activities annexed to Directors' Report as Annexure 1.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. All the community school programs are implemented with active participation of the community by constituting Chaupal Committee (a school inspiration committee) comprising members from community viz. sarpanch, ward-panch, elderly members, women representatives. They participate in decisions regarding the school such as location, appointment of teacher, school timing, etc. This ensures that the community owns the program and works towards achieving the goals and objectives. Community is made a part of the program and is encouraged to adopt the learning centres, thus promoting sustainability of the initiative.

The women participants that attend online training programs on digital literacy and English, are encouraged to hold training sessions for women and girls from their community and neighbourhood. They shall then in return, teach new set of women and girls.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending at the end of financial year?**

Of the 02 customer complaints outstanding at the date of previous years report and 5,187 complaints received in FY 2021-22, 5,189 complaints have been resolved, indicating resolution rate of 100% as on the date of this report.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

IIFL Securities follow all guidelines issued by regulators like SEBI and AMFI in case of any product solicitation. In case of any promotional activities the Company always takes pre-requisite approval from local and other regulatory agencies before publishing.

In case of Mutual Funds our relationship representative are AMFI certified to solicit the product that suites to the customer. The Company follows basic code of conduct and ethics defined to solicit other wealth management products.

The Company complies with regulations and required certification to solicit any product to the best of the abilities for suited with customers need.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of the financial year? If so, provide details thereof, in about 50 words or so.**

IIFL Securities Limited regularly advertises its products and offerings as per regulatory guidelines. Whenever the Company receives enquiries or issues by the regulators, the same are addressed promptly and it is ensured that the regulatory guidelines are adhered to.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company interacts with its clients for consumer survey/consumer satisfaction trends. The Company keeps track of responses/comments on its social media platforms.

For and on behalf of the Board

Date: April 26, 2022  
Place: Mumbai

R. Venkataraman  
Chairman & Managing Director  
DIN: 00011919

# Corporate Governance Report

The Board of Directors (“the Board”) present the Company’s Report on Corporate Governance in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) as amended thereof from time to time, for the financial year ended March 31, 2022 and forms a part of the Directors’ Report to the Members of IIFL Securities Limited (“the Company”).

## 1. CORPORATE GOVERNANCE PHILOSOPHY

The governance philosophy of the Company is based on the principles of

- Discipline
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness and social responsibility

in various aspects of its functioning and leading to the protection of stakeholders’ interest and an enduring relationship with them.

The Company prioritizes making a positive social impact, behaving ethically and ensuring the long-term sustainability of its operations, among other actions. The Company has adopted a corporate governance framework for attaining its objectives. This framework encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The Company firmly believes that performance driven by integrity, business ethics and good governance will help it realize its vision of ‘being one of the most respected financial services companies in the capital markets space in India’. We also endeavor to enhance long-term shareholder value and respect minority stakeholders’ rights in all our business decisions.

## Corporate Governance Structure



## Policies and Procedures

The Company has various policies in place which forms the foundation of its strong corporate governance ethos. These include Code of Conduct for Directors, Senior Management and other employees, code of conduct for prevention of insider trading, whistle-blower policy, among others. The Company has a well-defined code of practices and procedures for fair disclosure of unpublished price sensitive information, based on the principles of transparency, timeliness, fairness and continuity of information. These policies are reviewed periodically and are implemented in a timely manner and are available on the website of the Company and can be accessed through the web link at <https://www.indiaonline.com/securities/corporate-governance.php>.

Succession planning is key to ensure the organization sustains no major setback in case the talent exits, retires

or even deceases. The Company’s succession planning process involves nurturing the next set of leaders through development programs incorporated across various stages of their careers. The talent is handpicked basis performance and potential. Skill sets are identified and appropriate development interventions are implemented from time to time.

## Employee training

The Company conducts various online trainings/webinars for its employees to create awareness on diverse topics of ethical behavior.

Webinars have been conducted for employees for creating awareness on the compliances under the Code of Conduct for Prevention of Insider Trading with respect to trading in securities of the Company, as well as, other securities.

A video module is designed to create awareness on the implications and penalties for:

- Non-compliance with Anti-Money Laundering laws
- Due diligence measures undertaken by the Company to deter money laundering and terrorist financing
- Familiarizing the employees with current practices for preventing money laundering and identifying financial crimes

To educate the employees about handling information security threats and minimizing their impact, an e-learning course has been introduced, namely, Information & Cyber Security Awareness and Policies.

An online course has also been designed to increase employee understanding of sexual harassment, its prevention and methods for reporting sexual harassment, if any.

Privacy has always been important for the Company and its customers. But, as more of its data becomes digitalized, and the Company shares more information online, data privacy is assuming greater importance. The Company has created a module for generating employee awareness on data privacy.

Employees trained on			
Anti-Money laundering	Sexual Harassment of Women at the Workplace	Information and Cyber Security	Data Privacy
75%	89.25%	79.56%	89.75%

During FY 22

## 2. BOARD OF DIRECTORS

### (a) Board Structure:

The Company's Board comprises a combination of executive and non-executive directors (including one independent woman director) with majority of Independent Directors in accordance with the provisions of Companies Act, 2013 (**"the Act"**) and SEBI Listing Regulations as amended from time to time. The Board is well diverse, comprising highly experienced individuals with eminent expertise. The Company recognizes that an independent, dynamic and well informed Board is essential to ensure highest standards of corporate governance. The Board's primary role is fiduciary.

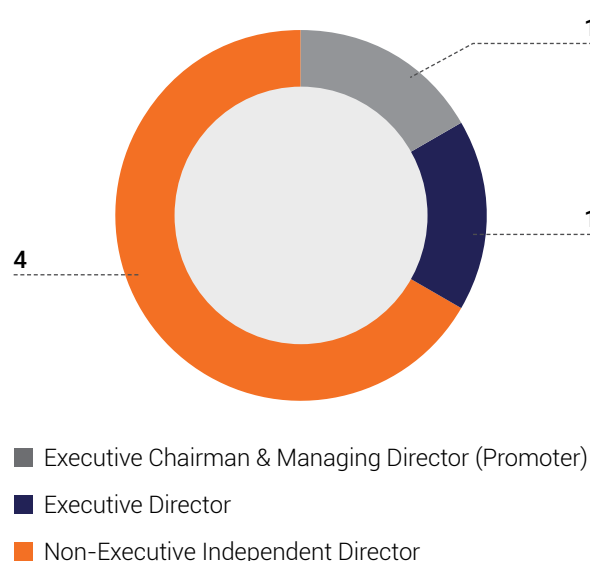
The management of the Company is entrusted in the hands of its core management team and is headed by the Managing Director. None of the Directors of the Company are inter se related to each other.

All the Independent Directors of the Company have given declaration that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

As per Regulation 17A of the SEBI Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director and the Whole-Time Director of the Company does not serve as an Independent Director in any other listed entities.

Composition of the Board of Directors as on March 31, 2022:

Category	Name of the Directors
<b>Executive Chairman &amp; Managing Director (Promoter)</b>	Mr. R. Venkataraman
<b>Executive Director</b>	Mr. Narendra Deshmal Jain
<b>Non-Executive Independent Directors</b>	Mr. Anand Shailesh Bathiya
	Mr. Shamik Das Sharma
	Ms. Rekha Gopal Warriar
	Mr. Viswanathan Krishnan



**(b) Matrix Chart of Core Skills/Expertise/Competencies of the Board Members**

The Company's Board consists of members having diverse set of expertise, experience, skills and backgrounds. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, gender, and ethnicity. In terms of SEBI Listing Regulations, the following skills, expertise and competencies have been identified by the Board of Directors as required in the context of its business and sector for it to function effectively:

Sector Knowledge	Accounting and Finance	Corporate Governance and Compliance	Marketing Experience
Leadership and Strategy Planning	Information Technology	Stakeholders Relationship	Risk Management

Below table depicts the Board members' skills / expertise/ competencies:

Technical skills/ experience/competencies	Mr. R. Venkataraman	Mr. Narendra Jain	Ms. Rekha Warriar	Mr. Shamik Das Sharma	Mr. Anand Shailesh Bathiya	Mr. Viswanathan Krishan
Sector knowledge	√	√	√	√	√	√
Accounting and Finance	√	√	√	√	√	√
Corporate Governance and Compliance	√	-	√	-	√	√
Marketing experience	√	√	-	-	-	-
Leadership and Strategy planning	√	√	√	√	√	√
Information Technology	√	√	-	√	-	√
Stakeholders Relationship	√	√	√	√	√	√
Risk Management	√	√	√	√	√	√

**Age group of Directors with the Company (in years)**

No. of years	Number of Directors
<40	1
41 to 50	-
51 to 60	4
60 to 65	1

SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ('SEBI Guidance Note').

In accordance with the said Policy, the evaluation of performance of the Board of Directors, Board Committees and the individual Directors has been carried out on the basis of structured questionnaire comprising of evaluation criteria forming part of the Policy, through peer evaluation, excluding the Director being evaluated.

**(c) Annual Evaluation of the Board**

The Company has in place a Policy on Performance Evaluation, framed in accordance with the relevant provisions of the Act, SEBI Listing Regulations and

**The criteria for performance evaluation are as under:**

Individual Director	Chairman	Committees	The Board as a whole
Based on his/her:	* Providing effective leadership	* Sufficiency in the scope for addressing the objectives	* Providing entrepreneurial leadership to the Company
* Level of participation and contribution to the performance of Board/ Committee(s) meetings	* Setting effective strategic agenda of the Board	* Effectiveness in performing the key responsibilities	* Having clear understanding of the Company's core business and strategic direction
* Qualification & experience	* Promoting effective participation by the Board members	* Adequacy in composition and frequency of meetings	* Maintaining contact with management
* Knowledge & competency	* Establishing effective communication with all stakeholders, etc.	* Quality of relationship of the Committees with the Board and the management	* Ensuring integrity of financial controls and systems of risk management
* Fulfillment and ability to function as a team			
* Initiatives taken			
* Adherence to the rules/ regulations			

Individual Director	Chairman	Committees	The Board as a whole
* Having independent views and judgement		* Clarity of agenda discussed	* Making high quality decisions
* Providing guidance to senior management and Board members, etc.		* Discussion on critical issues	* Maintaining high standards of integrity and probity, etc.
		* Clarity of role and responsibilities, etc.	

**(d) Board Meetings and Directorship / Committee membership(s) of Directors:**

In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors on the Board of the Company is a member in more than 10 committees or acts as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. Relevant details of the Board of Directors as on March 31, 2022 are given below:

Name of the Director (DIN)	Category	No. of positions held in other company(ies)*			Directorship in other listed company(ies) <sup>§</sup>	
		Board	Committee <sup>#</sup>		Name of the company	Position held
			Chairman	Member		
Mr. R. Venkataraman (00011919)	Chairman and Managing Director	5	2	2	1. IIFL Finance Limited	Managing Director
					2. IIFL Wealth Management Limited	Non-Executive Director
					3. IIFL Home Finance Limited	Non-Executive Director
Mr. Narendra Deshmal Jain (01984467)	Whole-Time Director	3	Nil	Nil	Nil	Nil
Mr. Anand Shailesh Bathiya (03084831)	Non-Executive Independent Director	2	2	1	1. Goldcrest Corporation Limited	Non-Executive Independent Director
					2. Cineline India Limited	Non-Executive Independent Director
Mr. Shamik Das Sharma (07779526)	Non-Executive Independent Director	Nil	Nil	Nil	Nil	Nil
Ms. Rekha Gopal Warriar (08152356)	Non-Executive Independent Director	2	1	Nil	1. IIFL Wealth Limited	Prime Non-Executive Independent Director
Mr. Viswanathan Krishnan <sup>@</sup> (09026252)	Non-Executive Independent Director	Nil	Nil	Nil	Nil	Nil

**Note:**

\* Excludes directorships held in private limited companies, foreign companies, high value debt listed private entities and companies under Section 8 of the Act.

<sup>#</sup> The Committees considered for the above purpose are those prescribed in the Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee.

<sup>@</sup> Mr. Viswanathan Krishnan was appointed as an Additional Director (Independent Non-Executive Director) of the Company w.e.f. January 21, 2021 and subsequent to the approval of the shareholders at the 26<sup>th</sup> Annual General Meeting of the Company held on June 30, 2021, he was appointed as an Independent Director for a term of five consecutive years w.e.f. January 21, 2021.

<sup>§</sup> It includes equity and debt listed entities.

**Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries, apart from other statutory matters as required to be deliberated and approved by the Board. In case of business exigencies, the Board's approval is taken through circular resolutions as permitted by law. The circular resolutions are noted and confirmed at the subsequent board meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. Video-conferencing facility as per procedure mandated under the Act, is also provided to facilitate the Directors to participate at the meetings conveniently. The Board agenda includes an Action Taken Report comprising of actions arising from the board meetings and status/updates thereof.

During the year under review, the Board of Directors met 8 (Eight) times i.e.

- 1) April 16, 2021
- 2) May 04, 2021
- 3) July 03, 2021
- 4) July 22, 2021
- 5) September 24, 2021
- 6) October 21, 2021

- 7) December 06, 2021
- 8) January 24, 2022

The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Details of Board meetings and attendance of the Directors in the Board meeting and the previous Annual General Meeting along with number of shares held is mentioned herein below:

Sr. No.	Name of the Director	Number of board meetings held during the tenure	Number of board meetings attended	Attendance at last AGM held on June 30, 2021	Number of shares held as on March 31, 2022
1	Mr. R. Venkataraman	8	8	Yes	11184432
2	Mr. Narendra Deshmaj Jain	8	8	Yes	82500
3	Mr. Anand Shailesh Bathiya	8	8	Yes	Nil
4	Mr. Shamik Das Sharma	8	8	Yes	Nil
5	Ms. Rekha Gopal Warriar	8	7	Yes	Nil
6	Mr. Viswanathan Krishnan	8	8	Yes	Nil

During the year under review, the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board/Board Committees, from time to time, for their consideration, to the extent applicable, relevant and deemed appropriate by the management. This information was made available as a part of the agenda papers in advance of the respective meetings or by way of presentation and discussion or in exceptional cases, tabled at the meetings.

**Overall attendance rate at Board and Board committee meetings**

**97.62%**

During FY 22

**Key matters considered by the Board during the year**

- Livlong Protection & Wellness Solutions Limited, a subsidiary of the Company commenced its business during the year.
- Created a detailed framework of Enterprise Risk Management at the Organizational Level.

**(e) Separate meetings of Independent Directors:**

In compliance with the provisions of the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of Independent Directors of the Company was held on March 03, 2022, *inter alia*, for:

- Reviewing the performance of Non-Independent Directors and the Board as a whole;

- Reviewing the performance of the Chairperson of the Company;
- Assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory.

**(f) Familiarization Programs:**

The Board members are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company at the time of their appointment as a Director of the Company. Presentations are made during the Board/Committee meetings periodically to the Directors on various matters, *inter-alia*, covering the Company's and its major subsidiaries, businesses and operations, industry and regulatory updates, strategies, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://www.indiaonline.com/securities/corporate-governance.php>.

### 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees in accordance with the provisions of the Act and SEBI Listing Regulations to deal with specific areas and activities which concern the Company and requires a closer review. These committees play a pivotal role in the overall management of day-to-day affairs and governance of the Company. The Board committees meet at regular intervals and take necessary steps to perform their duties.

The Company had 6 Board Committees as on March 31, 2022:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Corporate Social Responsibility Committee
- D. Stakeholders' Relationship Committee
- E. Risk Management Committee
- F. Finance Committee

The Chairman of the Board/respective Committees, in consultation with the Company Secretary determine the schedule for the Committee meetings. The minutes of all the Committee meetings are placed at its subsequent meeting for confirmation and also before the Board for its noting. The recommendations of the Committees are placed before the Board for approval, wherever required. During the year, all mandatory recommendations made by the Committees, were accepted by the Board.

The details with respect to the composition, terms of reference, meetings and attendance of various Committees, are given below:

#### A. AUDIT COMMITTEE

##### Composition

Audit Committee of the Board of Directors (**"the Audit Committee"**) is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of SEBI Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation and risk. Mr. Anand Bathiya, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. Narendra Jain, Whole-Time Director, Mr. Viswanathan Krishnan, Independent Director and Ms. Rekha Warriar, Independent Director.

##### Meetings and Attendance

The Audit Committee met 5 (Five) times during the FY 22. The maximum gap between two meetings was not more than 120 days.

##### The Committee met on:

- April 16, 2021
- May 04, 2021
- July 22, 2021
- October 21, 2021
- January 24, 2022

The requisite quorum was present at all the meetings.

The details of attendance of each member of the Committee at the meetings are given below:

Sr. No.	Name of the Director	Position	Category	Meetings held	Meetings attended
1	Mr. Anand Bathiya	Independent Director	Chairman	5	5
2	Mr. Narendra Jain	Whole-Time Director	Member	5	5
3	Mr. Viswanathan Krishnan	Independent Director	Member	5	5
4	Ms. Rekha Warriar	Independent Director	Member	5	4

Audit Committee meetings are attended by the Chief Financial Officer of the Company and partners/representatives of Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on June 30, 2021.

##### The Broad terms of reference of the Audit Committee are as under:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services they have rendered to the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management;



- d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications/ modified opinions in the draft audit report
5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Scrutiny of inter-corporate loans and investments;
  9. Valuation of undertakings or assets of the Company, wherever necessary;
  10. Evaluation of internal financial controls and risk management systems;
  11. Monitoring the end use of funds raised through public offers and related matters, if any;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussing with internal auditors of any significant findings and following up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussing with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
  18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  19. To establish and review the functioning of the whistle blower mechanism;
  20. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  21. Related Party Transactions:  
Granting approval / omnibus approval for transaction(s) with related parties, subject to conditions as may be prescribed under the Policy on Related Party Transaction of the Company or any other applicable laws, regulations, guidelines or any subsequent modification in the transactions thereof;
  22. Review of:
    - a. Management Discussion and Analysis of financial condition and results of operations;
    - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses;
    - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
    - f. Statement of deviations including:
      - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
      - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
    - g. The utilization of loans and/or advances from/investment by the holding company in the subsidiary > ₹ 100 crore or 10% of asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;
  23. To investigate into any matter in relation to the terms of reference of the Audit Committee or referred to it by the Board and for this purpose shall have power

to obtain professional advice from external sources and have full access to information contained in the records of the Company;

24. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act 2013 or the SEBI Listing Regulations or by any other regulatory authority.

## B. NOMINATION AND REMUNERATION COMMITTEE

### Composition

Ms. Rekha Warriar, Independent Director, is the Chairperson of the Nomination and Remuneration Committee (“NRC”). The other members of NRC include Mr. Anand Bathiya and Mr. Shamik Das Sharma, Independent Directors. The composition of NRC is in accordance with the provisions of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations.

The NRC works with the Board, in determining the attributes, skills and experience required for the Board as a whole, as well as, for individual members and recommends the appointment and remuneration of Directors/Senior Management.

### Meetings and Attendance

During the year under review, NRC met twice i.e.

- May 04, 2021
- October 08, 2021

The requisite quorum was present at the meetings.

The details of attendance of each member of the Committee at the meetings are given below:

Sr. No.	Name of the Director	Position	Category	Meetings held	Meetings attended
1	Ms. Rekha Warriar	Independent Director	Chairperson	2	2
2	Mr. Anand Bathiya	Independent Director	Member	2	2
3	Mr. Shamik Das Sharma	Independent Director	Member	2	2

The Company Secretary of the Company acts as the Secretary of the Committee. The Chairperson of NRC was present at the last Annual General Meeting of the Company held on June 30, 2021. The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is provided in **Annexure 2** to the Directors' Report and is also available on the website of the Company.

### The Broad terms of reference of Nomination and Remuneration Committee are as under:

1. Formulate criteria and manner for effective evaluation of performance of Board, its committees and Individual Directors and review its implementation and compliance;

2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating this policy ensure that:
  - i. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run our Company successfully;
  - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals;
3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
4. Suggest whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
5. Devise a policy on diversity of the Board of Directors;
6. Recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
7. Administer the Company's employee stock option schemes.

### Remuneration of Directors

#### A. Remuneration to Non-Executive Independent Directors

During the year under review, the Non-Executive Independent Directors were paid ₹ 30,000/- towards sitting fees for attending each of the Board meeting, Audit Committee meeting and Independent Directors' meeting and were paid ₹ 15,000/- towards attending each of the other Committee meetings plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Further, Commission of ₹ 10,00,000/- was paid on pro rata basis. The Company has not granted any employee stock options to the Independent Directors. None of the Non-Executive Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

**Details of remuneration paid to Non-Executive Independent Directors is provided below;**

(Amount in ₹)

Name of the Director	Commission	Sitting Fees	Total
Mr. Anand Bathiya	5,23,288	5,10,000	10,33,288
Mr. Shamik Das Sharma	10,00,000	3,45,000	13,45,000
Mr. Viswanathan Krishnan	1,91,781	4,80,000	6,71,781
Ms. Rekha Warriar	10,00,000	4,05,000	14,05,000

**Notes:**

- Criteria for making payment to Non-executive Directors as specified in Nomination and Remuneration Policy of the Company are available on the website of the Company and can be accessed through the web link at <https://www.indiainfoline.com/securities/reports/NR-Policy-120521.pdf>
- Pursuant to the sections 178, 197, 198 and any other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and SEBI Listing Regulations, and in terms of the approval of the Board vide resolution dated May 15, 2020 and the approval of the shareholders dated June 30, 2020, the Company has created a provision for payment of commission to Independent Directors for FY2021-22 of ₹ 10 lakh, considering their contribution to the Board/Committees, attendance at the meeting, among other parameters.

**B. Remuneration to Executive Director**

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director and Whole-Time Director is governed by the recommendation of the NRC, resolutions passed by the Board and shareholders of the Company.

**Details of remuneration paid to Executive Directors is provided below;**

Particulars	Mr. R. Venkataraman Chairman and Managing Director	Mr. Narendra Jain Whole-Time Director
Term of Appointment	For a period of 5 years from May 15, 2019	For a period of 5 years from May 13, 2019
Salary and Allowances (₹)	4,08,65,340	67,59,544
Bonus (₹)	-	12,19,000
Perquisites (₹)	39,600	39,600
Minimum Remuneration	Mr. R. Venkataraman shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of Schedule V of the Companies Act, 2013 in the event of inadequacy/absence of profits.	Mr. Narendra Jain shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of Schedule V of the Companies Act, 2013 in the event of inadequacy/absence of profits.
Notice Period and Severance Fees	Three months' notice	As per Company's Policy
Stock Option (Exercised and allotted in no.)	-	15,000

**Note:**

- This amount does not include amount in respect of gratuity and leave entitlement as the same is not determinable
- Remuneration is within limits recommended by NRC and approved by Board for their tenure and approved by the members of the Company vide special resolution passed on May 17, 2019

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE****Composition**

Pursuant to provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations, Stakeholders' Relationship Committee ("**SRC**") of the Board has been constituted by the Board to oversee matters relating to the interest of the stakeholders as well

as quality of investor services provided by the Company. The Committee comprises of three Directors. Ms. Rekha Warriar, Independent Director is the Chairperson of this Committee. The other members of the Stakeholders' Relationship Committee include Mr. Narendra Jain, Whole-Time Director and Mr. Shamik Das Sharma, Independent Director.

### Meetings and Attendance

During the year under review, SRC met once on October 08, 2021. The requisite quorum was present at the Meeting.

The details of attendance of each member of the Committee at the meeting is given below:

Sr. No.	Name of the Director	Position	Category	Meetings held	Meetings attended
1	Ms. Rekha Warriar	Independent Director	Chairperson	1	1
2	Mr. Narendra Jain	Whole-Time Director	Member	1	1
3	Mr. Shamik Das Sharma	Independent Director	Member	1	1

The Chairperson of SRC was present at the last Annual General Meeting of the Company held on June 30, 2021. Ms. Meghal Shah is the Compliance Officer of the Company and also acts as the Company Secretary to the Committee.

### The broad terms of reference of Stakeholders' Relationship Committee are as under:

- Resolving grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### Details of shareholders' complaints received, solved and pending:

Details of the number of complaints received from shareholders and attended during the financial year ended March 31, 2022 are given below:

Complaints pending as on April 1, 2021	1
Complaints received during the year	10
Complaints resolved during the year	11
Complaints pending as on March 31, 2022	0

The above table includes complaints received by the Company from SEBI SCORES and through Stock Exchanges where the securities of the Company are listed.

Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations, there are no shares lying in

the suspense account as on March 31, 2022. Further, no pledge has been created over the equity shares held by the promoters.

## D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition

The Corporate Social Responsibility ("CSR") Committee comprises of three Directors. Mr. Anand Bathiya, Independent Director is the Chairman of CSR Committee. The other members of CSR Committee include Mr. Narendra Jain, Whole-Time Director and Mr. Viswanathan Krishnan, Independent Director. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### Meetings and Attendance

During the year under review, the CSR Committee met twice i.e.

- April 20, 2021
- March 24, 2022

The requisite quorum was present at the meetings.

The details of attendance of each member of the Committee at the meetings are given below:

Sr. No.	Name of the Director	Position	Category	Meetings held	Meetings attended
1	Mr. Anand Bathiya	Independent Director	Chairman	2	2
2	Mr. Narendra Jain	Whole-Time Director	Member	2	2
3	Mr. Viswanathan Krishnan	Independent Director	Member	2	2

### The broad terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
- Recommending the amount of the expenditure to be incurred on CSR activities;
- Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;
- Such other functions as may be entrusted to it by the Board, from time to time.

## E. RISK MANAGEMENT COMMITTEE

### Composition

The composition of the Risk Management Committee ("RMC") is in conformity with the requirements of the SEBI Listing Regulations, comprising of Mr. Viswanathan Krishnan, Independent Director as

Chairman of the Committee. The other members of RMC include Mr. Narendra Jain, Whole-Time Director, Mr. Shamik Das Sharma and Mr. Anand Bathiya, Independent Directors.

### Meetings and Attendance

During the year under review, the RMC met twice i.e.

- September 15, 2021
- March 11, 2022

The requisite quorum was present at the meetings.

### The details of attendance of each member of the Committee at the meetings are given below:

Sr. No.	Name of the Director	Position	Category	Meetings held	Meetings attended
1	Mr. Viswanathan Krishnan	Independent Chairman Director		2	2
2	Mr. Narendra Jain	Whole-Time Director	Member	2	2
3	Mr. Shamik Das Sharma	Independent Director	Member	2	2
4	Mr. Anand Bathiya	Independent Director	Member	2	2

### The broad terms of reference of the Risk Management committee are as under:

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment-related risks), information, cyber security risks or any other risk as may be determined by the committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

## F. FINANCE COMMITTEE

### Composition

The Finance Committee ("FC") comprises Mr. R. Venkataraman, Managing Director, Mr. Narendra Jain, Whole-Time Director and Mr. Ronak Gandhi, Chief Financial Officer.

### Meetings and Attendance

During the year under review, FC met 5 (Five) times i.e.

- June 07, 2021
- June 22, 2021
- July 15, 2021
- February 10, 2022
- March 22, 2022

The requisite quorum was present at the meetings.

### The details of attendance of each member of the Committee at the meetings are given below:

Sr. No.	Name of the Director	Position	Meetings held	Meetings attended
1	Mr. R. Venkataraman	Managing Director	5	5
2	Mr. Narendra Jain	Whole-Time Director	5	5
3	Mr. Ronak Gandhi	Chief Financial Officer	5	5

The broad terms of reference of the Finance Committee are as under:

1. To borrow funds for and on behalf of the Company up to the maximum amount as determined by the Board of Directors of the Company from time to time;
2. To invest funds of the Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund / units of alternative investment fund, security receipts, securities, etc. taking into consideration all investment parameters up to the maximum amount as determined by the Board of Directors of the Company from time to time. To enter into any agreements including but not limited to Share Purchase Agreement, Share Subscription Agreement, Shareholders Agreement, etc. as may be required to give effect to such transaction;

3. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
4. To borrow funds for meeting the short/ long term requirements of funds of the Company by issuing Commercial Paper including redemption and buyback of Commercial Paper and also to list the same as per the SEBI Regulations, Term Loan from bank, etc;
5. To avail intraday facilities from Banks/Financial Institution upto ₹ 3,000 Crore (Rupees Three Thousand Crore);
6. To offer assurances on behalf of subsidiaries, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Banks, Financial Institutions, Non-Banking Financial Companies, other body corporates, etc. upto such limit, if applicable, as delegated/decided by the Board from time to time;
7. Powers relating to issuance and allotment of Debentures:
  - a. To determine terms and conditions and number of debentures to be issued;
  - b. To determine timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of over subscription, if any and early redemption thereof;
  - c. To approve and make changes to the Draft Prospectus, to approve the Final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
  - d. To approve all other matters relating to the issue and do all such acts, deeds, matters

and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient, extension of issue and/or early closure of the issue.

#### 4. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

The Company follows a system, whereby all the acts, rules and regulations applicable to the Company are identified and compliance with such acts, rules and regulations is monitored by a dedicated team on a regular basis. The regulatory inspection reports/ advisory/orders, etc. are periodically examined and the necessary implementation/rectifications to the system and processes are initiated. Wherever representations for reconsideration or appeals are preferred, the same are necessitated through appropriate forums or authorities from time to time and the status of the same are reviewed.

Further, verification of the compliances with major acts/regulations is carried out by suitable external auditors/lawyers/consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically.

A consolidated compliance certificate based on the compliance status received in respect of various laws, rules and regulations applicable to the Company is placed before the Board periodically. Necessary reports are also submitted to the various regulatory authorities, as per the requirements from time to time.

#### 5. GENERAL BODY MEETINGS:

##### Details of last three Annual General Meetings

AGM	Financial Year	Date and Time	Location/Venue	Special Resolution Passed
26 <sup>th</sup>	2020-2021	June 30, 2021 at 12.00 Noon	Through Video Conferencing / Other Audio Visual means	<ol style="list-style-type: none"> <li>1. To approve sale/disposal/leasing of asset(s) of the material subsidiary</li> <li>2. To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis</li> </ol>
25 <sup>th</sup>	2019-2020	June 30, 2020 at 2.00 P.M.	Through Video Conferencing / Other Audio Visual means	<ol style="list-style-type: none"> <li>1. To approve payment of remuneration by way of Commission to Non-Executive Directors including Independent Directors up to 1% (one percent) of net profit of the Company</li> <li>2. To approve offer or invitation to subscribe to the Non-Convertible Debentures on private placement basis</li> </ol>

AGM	Financial Year	Date and Time	Location/Venue	Special Resolution Passed
24 <sup>th</sup>	2018-2019	September 30, 2019 at 2.30 P.M.	Hall of Harmony, Ground Floor, Nehru Centre, Discovery of India, Dr. Annie Besant Road, Worli, Mumbai – 400018	<ol style="list-style-type: none"> <li>To approve an offer or invitation made by the Company to the investors to subscribe to the Non-Convertible Debentures on private placement basis</li> <li>To ratify the "IIFL Securities Employees' Stock Option Scheme- 2018"</li> </ol>

#### Extra Ordinary General Meeting

During the year under review, no Extra Ordinary General Meeting was held.

#### Postal Ballot

During the year under review, shareholders of the Company passed the ordinary resolutions pursuant to the Postal Ballot Notice dated February 19, 2022 and the results of which were announced on March 28, 2022.

The Board appointed P. Naithani and Associates, Practicing Company Secretaries to conduct the postal ballot voting process in a fair and transparent manner.

No special resolution was passed for the financial year ended March 31, 2022

There is no immediate proposal for passing any special resolution through Postal Ballot

- The Company's financial results and official press releases are displayed on the Company's website- [www.indiaonline.com](http://www.indiaonline.com).
- Presentations made to the institutional investors or/ and analysts are intimated to the stock exchanges within the prescribed time specified under the SEBI Listing Regulations and hosted on the Company's website simultaneously.
- SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint against the Company for his/ her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI scores.
- The Company has designated the email id: [secretarial@iifl.com](mailto:secretarial@iifl.com) exclusively for investor relations, and the same is prominently displayed on the Company's website [www.indiaonline.com](http://www.indiaonline.com).

## 6. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

The Board takes on record the audited/unaudited annual/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the SEBI Listing Regulations within prescribed time limit from the closure of the quarter/year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in The Free Press Journal (English) and Nav Shakti (Marathi), within forty-eight hours of the conclusion of the meeting of the Board in which they are approved.

- The quarterly, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review/full audit (as applicable) and the report of the Auditors is also filed with the stock exchanges viz., BSE Limited and National Stock Exchange of India Limited after it is approved by the Board of Directors.

#### Go Green Initiative

As a part of its go green initiative, the Company has taken necessary steps to send documents viz. notice of the general meeting, annual report, etc. at the registered email addresses of shareholders. Those who have not registered their email ids are requested to register the same with the RTA in case of physical holdings/ Depository Participants in case of electronic holdings with depositories, to enable the Company to send the documents by the electronic mode. In view of the relaxation provided by the Securities and Exchange Board of India, no physical copies of the annual report for FY 2021-22 will be issued by the Company. However hard copy of full annual report will be sent to shareholders who request for the same. Members can access the documents at the website of the Company [www.indiaonline.com](http://www.indiaonline.com), as well as the website of the stock exchanges i.e. BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)).

## 7. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting ("AGM") for the Financial Year 2021-22

Day and date	Tuesday, July 12, 2022
Time	11.00 a.m.
Mode/Venue	Through Video Conferencing / Other Audio Visual Means
Book closure date for AGM	July 06, 2022 to July 12, 2022 (both days inclusive)
Financial year	April 1, 2021 to March 31, 2022

### Dividend

During the year under review, the Board of Directors' have declared dividend as follows:

Dividend	Date of Declaration	Date of Payment	Percentage of Dividend on the face value of equity share	Amount Per Share
Interim Dividend	January 24, 2022	February 14, 2022	150%	3/-

This led to an outgo of ₹ 911.58 million. The same is considered as final dividend.

### Listing of equity shares on the stock exchanges

The Company's share is listed on the following stock exchanges and the listing fees for FY 2021-22 have been paid to the stock exchanges.

Stock Exchanges	Stock Code
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	542773
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	IIFLSEC

### Market price data during financial year 2021-22

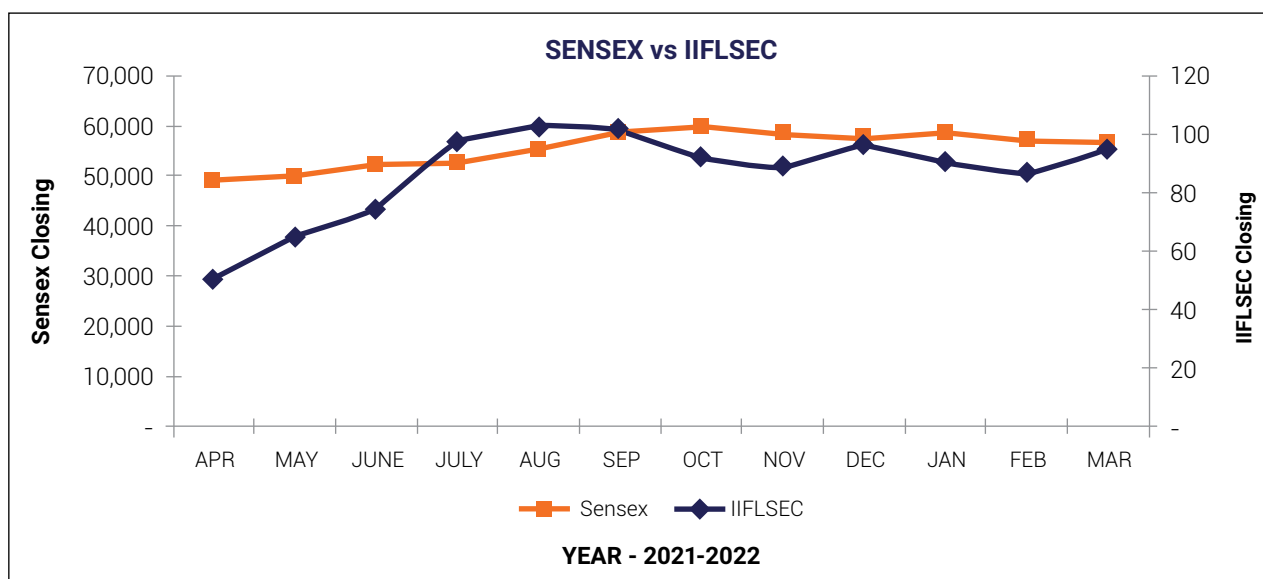
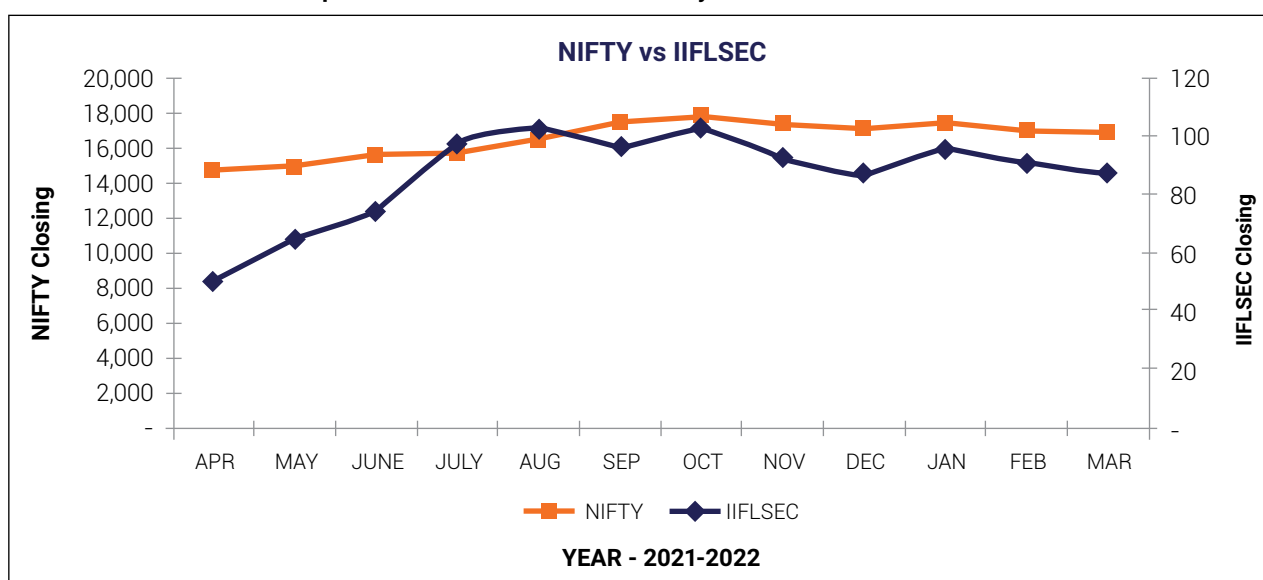
The table herein below gives the monthly high and low prices and volume of the Company's shares traded on BSE Limited and National Stock Exchanges of India Limited for the FY 22.

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2021	56	46.2	909211	57	46	9035272
May, 2021	80.9	50.7	5829293	80.90	50.15	65144804
June, 2021	80.1	67.7	1376300	80.50	67.70	15242293
July, 2021	128.55	73.2	7027010	128.50	74	81182095
August, 2021	117.8	80.75	1365240	117.25	80.50	11962422
September, 2021	105.1	89	950082	104.95	88.70	9418157
October, 2021	119.15	94.1	1532401	119.15	94.20	15119205
November, 2021	102.75	83.9	665788	102.75	83.55	5333447
December, 2021	98.1	81.15	845601	97.80	71.45	8373612
January, 2022	103.9	89.7	1215419	103.70	89.25	12773579
February, 2022	101.5	76.25	790631	101.60	76.25	5813358
March, 2022	98.35	76.8	1229593	98.40	76.70	8119696

### Performance in Comparison to Broad Based Indices – BSE Sensex and NSE S&P CNX Nifty

Below charts plot the monthly closing price of IIFL Securities Limited versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2022



**IIFL Securities Limited share price versus the BSE Sensex****IIFL Securities Limited share price versus the NSE S&P CNX Nifty****Distribution of shareholding as on March 31, 2022**

The distribution of shareholding as on March 31, 2022, is as follows:

**IIFL Securities Limited**  
**Distribution of shareholding Based on shares held**  
**Report Type : All(NSDL+CDSL+PHYSICAL)**

Sr. no.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 to 500	51599	86.4131	5438903	1.7895
2	501 to 1000	3853	6.4526	3092463	1.0175
3	1001 to 2000	1890	3.1652	2867531	0.9435
4	2001 to 3000	717	1.2008	1832973	0.6031
5	3001 to 4000	334	0.5594	1195139	0.3932
6	4001 to 5000	280	0.4689	1332340	0.4384
7	5001 to 10000	465	0.7787	3494796	1.1498
8	10001 to *****	574	0.9613	284682085	93.6651
<b>Total</b>		<b>59712</b>	<b>100.0000</b>	<b>303936230</b>	<b>100.0000</b>

### Category wise shareholding

Details of category wise shareholding as on March 31, 2022 is as follows:

Category	No. of Shares	Percentage of Holding
Promoters & Promoters Group	95143214	31.30
Alternate Investment Funds	9598900	3.16
Foreign Portfolio Investor	50359710	16.57
Financial Institution/Banks	1883	0.00
Individuals and others	45218817	14.88
NBFCs registered with RBI	1200	0.00
Foreign Nationals	151000	0.05
Hindu Undivided Family	1208366	0.40
Foreign Companies	84641445	27.85
NRIs	14631796	4.82
Investor Education and Protection Fund	26244	0.00
Bodies Corporates and Trust	2953655	0.97
<b>Total</b>	<b>303936230</b>	<b>100</b>

### Share Transfer System

In accordance with the provision to Regulation 40(1) of the SEBI Listing Regulations, effective from April 01, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

### Dematerialization of shares and liquidity

Percentage of shares held in physical and dematerialized form for the financial year ended on March 31, 2022 is as follows:

Physical form: 0.08%

In electronic form with CDSL: 6.43%

In electronic form with NSDL: 93.49%

Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL, as per notifications issued by the Securities and Exchange Board of India.

Process of dematerialization of shares:

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant ("DP")
- Shareholders should submit the Dematerialization Request Form ("DRF") along with share certificates in original, to their DP

### Demat ISIN numbers in NSDL and CDSL for equity shares - INE489L01022

### Registrar & Transfer Agent

Link Intime India Private Limited  
C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar,  
Vikhroli West, Mumbai -400083.  
Tel: 022-49186000  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### Outstanding GDRs/ADRs/Warrants or any convertible Instruments conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants during FY 22 and there are no outstanding GDRs/ADRs/Warrants as on date.

As on March 31, 2022, the Company has 273416 stock options outstanding under IIFL Securities Employee Stock Option 2019-Demerger Scheme and 13117938 stock options outstanding under IIFL Securities Limited Employee Stock Option Scheme 2018. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will accordingly increase.

### Commodity price risk or foreign exchange risk and hedging activities

The Company offers trading facilities in the commodity derivatives and currency derivatives segments to its clients. The Company, in the capacity of trading/clearing member may be exposed to commodity price risk or foreign exchange risk on account of its clients' positions. These risks of clients' positions are mitigated by collecting upfront margins from clients and monitoring their positions by marking them to market.

**Address for correspondence**

<b>Compliance Officer</b>	<b>Link Intime India Private Limited</b>	<b>Company</b>
Ms. Meghal Shah, Company Secretary and Compliance Officer Office No 1, Gr Floor, Hubtown Solaris, N. S. Phadke Marg, Andheri, Vijay Nagar, Mumbai - 400 069 Email: <a href="mailto:secretarial@iifl.com">secretarial@iifl.com</a>	Unit: IIFL Securities Limited C-101, 247, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai -400083. Tel: 022-49186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	IIFL House, Sun Infotech Park, Road No. Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604 Email: <a href="mailto:secretarial@iifl.com">secretarial@iifl.com</a>

**Plant Location**

The Company is in the business of broking, therefore, it does not have any manufacturing plants.

**Credit Ratings obtained by the Company**

<b>Name of the Credit Rating Agency</b>	<b>Credit Rating obtained in respect of various securities</b>	<b>Amount (₹ million)</b>	<b>Issue Date/ Revalidation</b>	<b>Validity of Rating</b>	<b>If Rating Downgraded (specify reason)</b>
CRISIL	Commercial Paper	10,500	August 31, 2021	One year from the date of the report	CRISIL A1+ (Reaffirmed)

**8. DISCLOSURES**

**i. Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

The Company has put in place a Policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors and amended from time to time. The said Policy may be accessed on the website of the Company at [https://content.indiainfoline.com/wb/securities/reports/Related1205211.pdf?\\_ga=2.167693246.1664058785.1655295150-2017514718.1654148603](https://content.indiainfoline.com/wb/securities/reports/Related1205211.pdf?_ga=2.167693246.1664058785.1655295150-2017514718.1654148603).

During FY 22, the Company has entered into material contract/arrangement/transaction with related parties within the maximum limit approved by the members of the Company at its meeting held on June 30, 2021. You may refer to note to the Standalone Financial Statements and Consolidated Financial Statements respectively, for the related party disclosures.

All transactions entered into by your Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such related party transactions were entered into in accordance with the RPT Policy of the Company.

Further, in terms of the provisions of Regulation 23(9) of the SEBI Listing Regulations, disclosure of related party transactions on a consolidated basis is made to the stock exchanges where the securities of the Company are listed, on a half-yearly basis. The same is also uploaded on the website of the Company.

**ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years:**

There have been no instances of material non-compliances by the Company on any matter related to the capital markets and no material penalties and/or strictures have been imposed on it by the stock exchanges or by SEBI or by any statutory authority on any matter related to the capital markets during the last three financial years. However, during the ordinary course of business, the SEBI has levied minor penalties and the same have been appealed before the relevant authorities and courts.

**iii. Vigil Mechanism/Whistle Blower policy**

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a Vigil Mechanism/Whistle Blower Policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith, unethical, unlawful or improper practices, acts or activities. The said mechanism ensures that the whistle blowers are protected against victimization/any adverse action and/or discrimination as a result of such a reporting and provides a direct access to the Chairman of the Audit Committee in exceptional cases. The Company hereby affirms that none of its personnel have been denied access to the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the website of the Company at <https://www.indiaonline.com/securities/reports/Whistle-Blower-120521.pdf>.

#### iv. Compliance with mandatory and non-mandatory provisions

The Company has adhered to all the mandatory requirements of corporate governance norms, as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations to the extent applicable to the Company.

The status on the compliance with the non-mandatory recommendation in the SEBI Listing Regulations is as under:

- **The Board**

Maintenance of the Non-Executive Chairperson's Office: Currently, Chairman of the Company is the Managing Director, hence maintenance of the Non – Executive Chairperson's Office is not applicable.

- **Shareholder Rights**

The quarterly financial results as well as all significant information/events disseminated to the stock exchanges are uploaded on the website of the Company and is available to all the shareholders.

- **Modified opinion(s) in the Audit Report**

The Auditor's Report on financial statements of the Company is unmodified.

- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

There was no separate post for the Chairman and Managing Director in the Company.

- **Reporting of Internal Auditor**

The Internal Auditor makes quarterly presentations to the Audit Committee on their reports.

#### v. Disclosure in relation to Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints resolved during the financial year	Nil
Number of complaints pending at the end of the financial year	Nil

#### vi. Prevention of Insider Trading

The Company has adopted the 'Code of Conduct for Prevention of Insider Trading' to regulate, monitor and report trading by its Designated Persons and their immediate relatives in the securities of the Company and other securities in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI PIT Regulations**") as amended from time to time, adopting minimum standards set out in Schedule B and Schedule C of SEBI PIT Regulations.

The Company has also adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' under SEBI PIT Regulations for preserving the confidentiality of Unpublished Price Sensitive Information (UPSI) and preventing misuse of such information and ensuring timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for the Company's securities. The same is available on the website of the Company at [https://www.indiaonline.com/securities/reports/Code\\_of\\_Practices\\_and\\_Procedures\\_for\\_Fair\\_Disclosure\\_of\\_Unpublished\\_Price\\_Sensitive\\_Information\\_%28UPSI%29.pdf](https://www.indiaonline.com/securities/reports/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_%28UPSI%29.pdf).

#### 9. DETAILS OF UTILIZATION OF FUNDS:

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A) during FY 22.

#### 10. SUBSIDIARY COMPANIES

The Company has the following subsidiaries, out of which IIFL Facilities Services Limited is the material subsidiary of the Company as per SEBI Listing Regulations.

Sr. No.	Name of the Domestic Subsidiary
1	IIFL Facilities Services Limited*
2	IIFL Management Services Limited*
3	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)*
4	IIFL Commodities Limited*
5	Livlong Protection and Wellness Solutions Ltd (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)
6	India Infoline Foundation* (Section 8 Company)
7	Shreyans Foundations LLP (Step down Subsidiary)
8	Meenakshi Towers LLP
9	IIFL Securities Services IFSC Limited*
Name of the Foreign Subsidiary	
10	IIFL Wealth (UK) Limited*
11	IIFL Capital Inc.*

\* Wholly-owned subsidiary company

Ms. Rekha Warriar, Independent Director on the Board of the Company is also an Independent Director on the Board of IIFL Facilities Services Limited, the material subsidiary.

The Audit Committee/Board periodically reviews significant developments, transactions and arrangements entered with the subsidiary companies. The Audit Committee/Board also reviews the financial statements of the subsidiary companies, including investments made by such companies. The minutes of the meetings of the Board of Directors of the subsidiary companies are periodically placed before the Board of Directors of the Company.

The policy for determining 'material' subsidiaries as approved by the Board can be accessed on the website of the Company at [https://www.indiainfoline.com/securities/reports/Policy\\_for\\_determining\\_material\\_subsidiaries.pdf](https://www.indiainfoline.com/securities/reports/Policy_for_determining_material_subsidiaries.pdf).

#### 11. FEES PAID TO THE STATUTORY AUDITORS:

Total fees incurred by the Company including its subsidiaries, on a consolidated basis to the statutory auditors and all entities in their network / firm / network entity of which they are a part, is ₹ 9.57 million .

#### 12. DETAILS OF LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The disclosures of transactions of loans and advances to firms or companies in which Directors are interested are given in the Note 44 of the Consolidated Financial Statements.

#### 13. MD/CFO CERTIFICATE

The certificate required under SEBI Listing Regulations duly signed by the Managing Director and Chief Financial

Officer, was placed before the Board at its meeting held on April 26, 2022 and the same is annexed to this Report.

#### 14. CODE OF CONDUCT

The Company has formulated a Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the website of the Company at [https://www.indiainfoline.com/securities/reports/Code\\_of\\_Conduct\\_for\\_all\\_members\\_of\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.indiainfoline.com/securities/reports/Code_of_Conduct_for_all_members_of_Board_of_Directors_and_Senior_Management.pdf).

The declaration by the Managing Director, as required under Regulation 34(3) read with Schedule V (D) of the SEBI Listing Regulations, stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct has been obtained for FY 22 and forms part of this Annual Report.

#### 15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained the certificate from M/s. Nilesh Shah & Associates, Company Secretary in practice as required under SEBI Listing Regulations confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority and the same is annexed to this Report.

**For and on behalf of the Board**

**R. Venkataraman**

Chairman & Managing Director

DIN: 00011919

Place: Mumbai

Date: April 26, 2022

## Auditor's Certificate on Compliance of Conditions of Corporate Governance

To the Members of  
**IIFL Securities Limited**  
Mumbai

We have examined the compliance of conditions of Corporate Governance by **IIFL Securities Limited** ('the Company'), for the financial year ended on **31<sup>st</sup> March, 2022**, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: April 26, 2022  
UDIN: F004554D000215261

For **Nilesh Shah & Associates**  
Company Secretaries

**Nilesh Shah**  
Partner  
FCS - 4554  
C.P.No: 2631  
Peer Review No. 698/2020

Note: In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**IIFL Securities Limited**  
IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area,  
Wagle Estate, Thane – 400 604.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IIFL Securities Limited**, having CIN: L99999MH1996PLC132983 and having registered office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400 604 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory:

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Venkataraman Rajamani	00011919	15/05/2019
2	Narendra Jain	01984467	13/05/2019
3	Anand Bathiya	03084831	22/09/2020
4	Shamik Sharma	07779526	14/01/2020
5	Rekha Warriar	08152356	08/05/2019
6	Viswanathan Krishnan	09026252	21/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: April 26, 2022  
UDIN: F004554D000215270

For **Nilesh Shah & Associates**  
Company Secretaries

**Nilesh Shah**  
Partner  
FCS - 4554  
C.P.No: 2631  
Peer Review No. 698/2020

**Managing Director (MD) and Chief Financial Officer (CFO) Certification under SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors  
IIFL Securities Limited  
Mumbai

We Certify that

- (a) We have reviewed the financial statements and the cash flow statement of IIFL Securities Limited for the year ended March 31, 2022 and, that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- i. Significant changes in internal control during the year, if any;
  - ii. Accounting policy has been consistently applied during the year except where a newly Accounting Standard (Ind AS) is initially adopted or a revision to existing Ind AS required a change in accounting policy hitherto in use;
  - iii. that there are no instances of significant fraud of which we have become aware.

**R. Venkataraman**  
Chairman & Managing Director  
DIN: 00011919

**Ronak Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date: April 26, 2022

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**DECLARATION BY MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of IIFL Securities Limited, as applicable to them, for the Financial Year ended March 31, 2022.

**For IIFL Securities Limited**

Place: Mumbai  
Date: April 26, 2022

**R. Venkataraman**  
Chairman & Managing Director  
DIN: 00011919



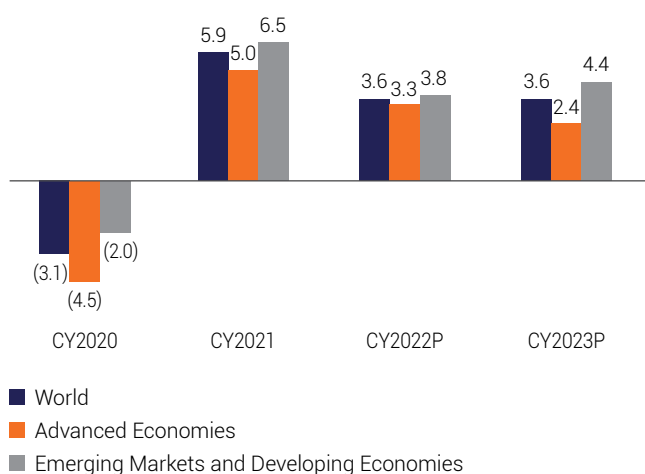
# Management Discussion and Analysis

## GLOBAL ECONOMY OVERVIEW

Even as the world economy was limping back to normalcy post the COVID-19 pandemic, the Russia-Ukraine war triggered a costly humanitarian crisis. Further, economic damage from the conflict will contribute to a significant slowdown in growth and add to inflation.

Due to supply-demand mismatches and government support during the epidemic, inflation was on the upward trajectory in various countries prior to the war, necessitating monetary policy tightening. Adding to this, the recent Chinese lockdowns will exacerbate global supply chain constraints and add to inflation in the coming months, with a trickle-down effect on finished goods supply. According to the International Monetary Fund (IMF), global economic growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. War-induced commodity price increases and broadening price pressures led to 2022 inflation projection of 5.7% in the advanced economies and 8.7% in the emerging markets and developing economies.

### World Economic Growth (%)



(Source: IMF Report April 2022)

P: Projected

In this complex and uncertain atmosphere, effective national-level policies and global efforts have become increasingly important in shaping economic outcomes. As central banks in mature economies tighten policy and interest rates rise, emerging markets and developing nations may experience increased capital flight and currency depreciation, adding to the inflationary pressures. In such a scenario, the IMF forecasts that growth will remain stable at 3.6% in 2023.

Multi-lateral efforts are essential to respond to prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic. There is a need for quick and decisive actions to ensure a

steady flow of food and energy in the open markets by lifting export restrictions, allocating surpluses and reserves to those who need them and addressing food price increases to calm market volatility. Higher energy and food prices are particularly affecting developing economies that import commodities, and the outlook is compounded by worsening food insecurity.

## INDIAN ECONOMY OVERVIEW

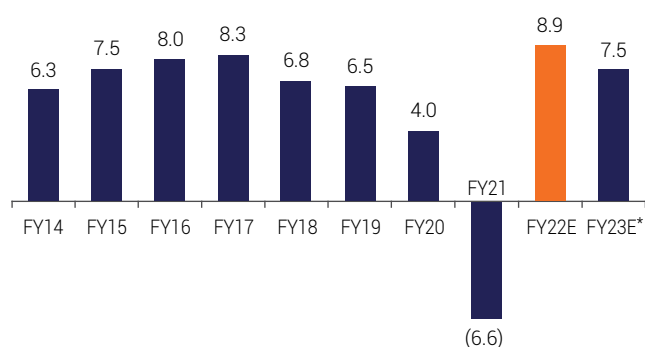
Economic recovery in India was shaping up well after the second wave of the pandemic, and there was a steady improvement across industries and services. Multiple outbreaks and waves of the COVID-19 pandemic led to supply chain disruption and also pushed inflation higher, comprehending even more challenges for policy-making. According to the NSO second advance estimates, the Indian economy could grow by 8.9% in FY 2021-22. Given the forecast for inflation and growth, uncertainty related to global events and the unprecedented impact of COVID-19, the Reserve Bank of India (RBI) believes that continued policy assistance is required for the economy.

In comparison to the preceding waves, the impact of the continuing third wave of the pandemic on recovery is likely to be limited. The proposals in the Union Budget for FY 2022-23 to develop public infrastructure through higher capital spending are expected to boost growth and attract private investment via a high multiplier effect. However, persistent supply-side bottlenecks, steadily rising international crude oil prices and increasing raw material costs have added the concerns.

Returning consumer confidence, improving business conditions across the manufacturing sector, robust financial markets, strengthening demand, and improved market circumstances are leading to improved growth in the economy. India's prospects for FY 2022-23 are boosted by forecast improvements in credit growth, investment, and consumption, which would be aided by the financial sector's better-than-expected performance.

Widespread vaccine coverage, gains from supply-side reforms and regulatory ease, sustained export growth, and the availability of budgetary space to ramp up capital spending will contribute to a 7.5% growth in FY 2022-23 (Source: RBI Survey Report). The year ahead looks promising for private sector investment, with the banking system in a strong position to help the economy recover. The Economic Survey 2021-22 expects recovery of the economy with India's real GDP estimated to record 8.0%-8.5% growth in FY 2022-23. As per IMF's World Economic Outlook projections – January 2022, India's real GDP projected to grow at 9% in FY 2021-22 and FY 2022-23 and at 7.1% in FY 2023-24, which would make India the fastest growing major economy in the world for all 3 years.

### Indian Economic Outlook (%)



Source: National Statistics Office 2nd Advance Estimates dated Feb 28, 2022

\*RBI SPF report as on April 8  
E: Expected

The RBI estimates headline Consumer Price Index (CPI) inflation to be at 5.4% in FY 2021-22 and 4.5% in FY 2022-23 (new base 2012=100). The uptick was fuelled by a significant increase in food prices and also due to rising energy prices. According to the Reserve Bank of India, Wholesale Price Inflation (WPI) is expected to be 12.4% in FY 2021-22 and 7.5% in FY 2022-23, majorly due to inflation in fuel prices. Inflation is projected to moderate in the future, assisted by the government's robust supply-side intervention in pulses and edible oils, fresh arrivals of winter commodities, relief from pandemic-induced supply-side troubles, and a muted pass-through of increased input costs to final prices.

(Source: NSE Market Pulse– April 2022)

### EQUITY MARKETS

Indian equities emerged as the best-performing market in 2021 among its regional peers in Asia as well as the developed markets. Increased liquidity, supportive monetary policy, a faster-than-expected post-pandemic economic rebound, and steep reduction in COVID cases have all contributed

to the market rally in the first nine months of FY 2021-22. However, over the last three months of FY 2021-22, Indian equities have remained under pressure, mirroring negative global trends. Market sentiment has been pulled down by a faster-than-expected monetary tightening in the US, which has resulted in a spike in bond yields, a steep rise in crude oil and other commodity prices, and growing geopolitical tensions following Russia's invasion of Ukraine.

As per the NSE Market Pulse April 2022 report, the Hang Seng Index (Hong Kong) and Nikkei 225 Index (Japan) declined by 22.5% and 4.7% respectively in last 12 months till March 2022. Macro indicators in China pointed to stress in economic activity and weakened consumption induced by a new wave of COVID infections. Indian equities followed global markets in terms of increased volatility but meaningfully outperformed its emerging as well as developed market counterparts. The Nifty 50 Index as well as Nifty 500 index grew by 18.9% and 21% during FY 2021-22. Nifty Midcap 50 and Nifty Small Cap 50 Indexes gained by 20.9% and 18.4%, respectively, in FY 2021-22.

Economic, financial, and humanitarian impact of events across the globe led the foreign investment to migrate to safe-haven and cheaper asset classes. Indian markets have found support from strong participation by domestic institutional investors as well as direct buying by retail investors that have far exceeded huge foreign capital outflows by FIIs. Domestic investors' sentiments have remained buoyant because of the economy's reopening and substantial fiscal assistance. However, in an off-cycle meeting held on May 2 and May 4, 2022, the RBI surprised the markets with a 40 bps rate hike – the first hike since August 2018 and the first off-cycle hike since July 2010. The RBI also raised the CRR by 50 bps to a decadal high of 4.5% with effect from May 21, 2022, translating into permanent liquidity withdrawal of ₹ 870 billion. RBI's sudden hike in repo rate might impact the equity markets over the short-term period.

### Market Performance across Equity Indices

Indicator Name	Mar-22	Feb-22	Dec-22	Mar-21	1M(%)	3M(%)	6M(%)	12M(%)	YTD(%)
<b>Equity Indices</b>									
Nifty 50	17,465	16,794	17,354	14,691	4.0	0.6	-0.9	18.9	0.6
Nifty 500	14,895	14,308	14,996	12,314	4.1	-0.7	-1.1	21.0	-0.7
MSCI India	2,034	1,952	2,037	1,680	4.2	-0.1	-0.4	21.1	-0.1
India Volatility Index (%)	21	29	16	21	-28.0	26.7	11.7	-0.4	26.7
MSCI WORLD	3,053	2,978	3,232	2,812	2.5	-5.5	1.5	8.6	-5.5
S&P 500 COMPOSITE	4,530	4,374	4,766	3,973	3.6	-5.0	5.2	14.0	-5.0
DOW JONES INDUSTRIALS	34,678	33,893	36,338	32,982	2.3	-4.6	2.5	5.1	-4.6
HANG SENG	21,997	22,713	23,398	28,378	-3.2	-6.0	-10.5	-22.5	-6.0
FTSE 100	7,516	7,458	7,385	6,714	0.8	1.8	6.1	12.0	1.8
NIKKEI 225	27,821	26,527	28,792	29,179	4.9	-3.4	-5.5	-4.7	-3.4

Source: NSE Market Pulse April 2022

## INDUSTRY OVERVIEW

### Retail Equity

Retail participation into Indian equities has jumped manifold over the last two years, reflected in huge retail inflows into Indian equities, surge in new investor registrations and a sharp jump in share of individual investors in the cash market turnover. A rapid market crash in March 2020 after the onset of COVID-19 lured retail investors into trading in equity markets, with a strong market rebound thereafter further strengthening their sentiments. Retail investors turned net buyers in 2021 by further bolstering their participation. During FY 2020 and FY 2021, they have invested a total of ₹ 1.9 billion in the NSE's capital market segment (secondary market only) of which ₹ 1.4 billion has been invested in 2021 alone.

Inflows in last two years could be attributed to increased interest by retail investors who stayed or worked from home during the COVID-19 pandemic and shift in investments towards high-yielding investment avenues from a gradual fall in real interest rates in an easing monetary policy environment with high inflation. The robust performance of equities as an asset class as well as IPOs of new-age companies, resulted in rising interest in equities from new and young investors, with interest normalising during the period. As per NSE Market Pulse April 2022, new investor registrations stood at a record 19.3 million in FY 2021-22.

Overall, Foreign Institutional Investors (FIIs) net flows in Indian equities (primary and secondary markets together) were muted in FY 2021-22, with a net outflow of ₹ 1,300 billion in Indian equities in FY 2021-22, DIIs, on the other hand have invested ₹ 2,021 billion during the same period. The risk-off

sentiment amid monetary policy tightening by central banks, rising inflation, rising crude prices and geopolitical tensions have led to muted flows by FIIs.

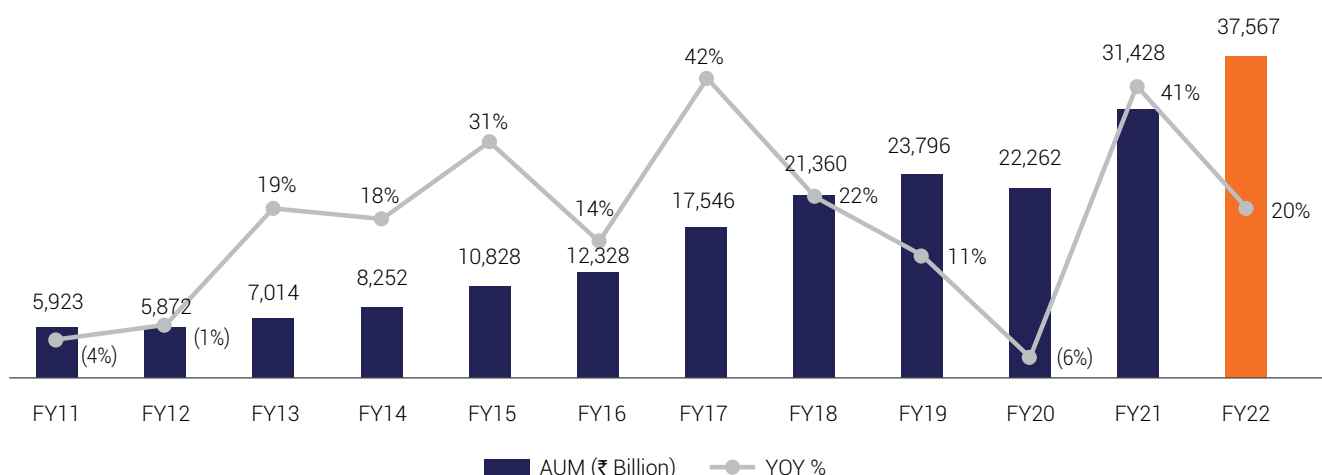
The trend in Internet-based Trading (IBT) has gained traction because of greater retail involvement, particularly after the nationwide lockdown, as retail investors and traders began using this online platform to trade equities directly from their homes. As per the NSE Market Pulse report, the average daily turnover through internet-based trade stood at ₹ 155 billion in FY 2021-22.

Source: NSE Market Pulse April 2022

### Mutual Funds

The mutual fund (MF) industry's assets grew as a result of strong stock market performance and net inflows into equity schemes. Assets managed by mutual funds grew by 20% from ₹ 31.43 trillion in FY 2020-21 to ₹ 37.57 trillion in FY 2021-22, recording a new all-time high. The overall number of schemes stood at 1,495 by the end of FY 2021-22. There were several New Fund Offers (NFOs) during FY 2021-22. The industry launched funds that would give investors exposure to investments that were not available hitherto. As per AMFI, the proportionate share of equity-oriented schemes stood at 48.9% of the industry assets in March 2022, up from 42.6% in March 2021. The share of debt-oriented scheme reduced to 23.1% of the industry assets down from 31.1% in March 2021. There was also significant increase in Exchange Traded Funds (ETFs) market share from 9.4% in March 2021 to 11.6% in March 2022. Rest 16.4% share of the industry assets was contributed by Liquid/Money Market schemes in March 2022.

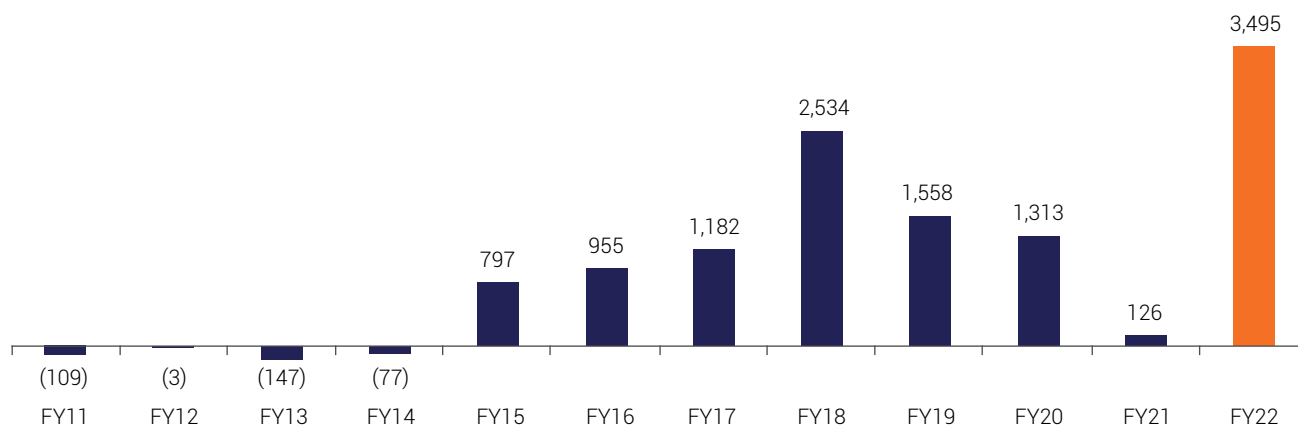
### Total Mutual Fund AUM (₹ billion)



Source: AMFI, CEIC, IIFL Research

Equity mutual funds became an appealing investment destination for investors due to its strong SIP book and lower returns from traditional investments, with equity-oriented funds getting a spectacular return. Net mutual fund equity collection increased to ₹ 3,495 billion in FY 2021-22 as against ₹ 126 billion in FY 2020-21.

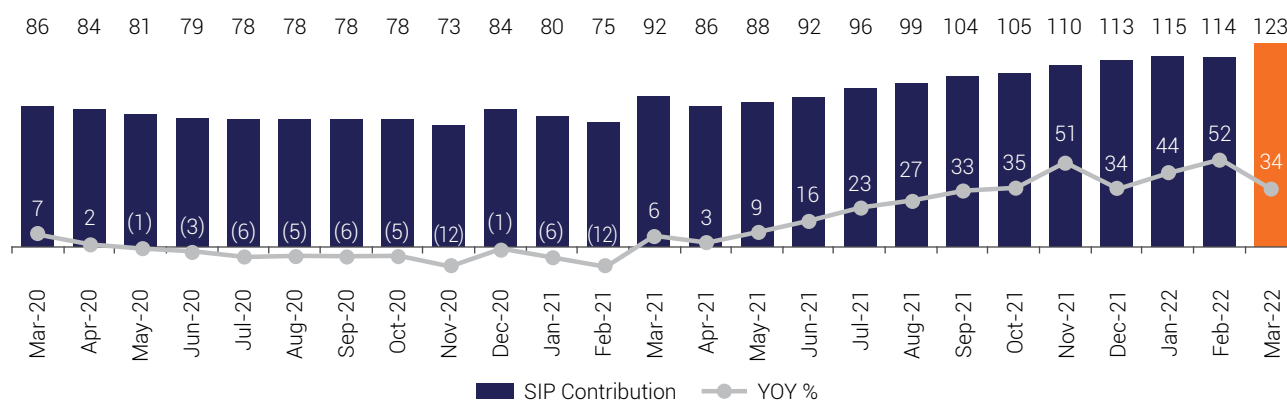
### Net Mutual Fund Equity Collections (₹ billion)



Source: AMFI, IIFL Research

In March 2022, the SIP inflows reached a new all-time high of about ₹ 123 billion. This translates to ₹ 104 billion in average monthly inflows for the year ended FY 2021-22, as compared to that of ₹ 79 billion recorded in FY 2020-21. SIP AUM declined marginally MoM in February, to about 14.6% of the mutual fund industry's AUM, down from 15.2% in January 2022.

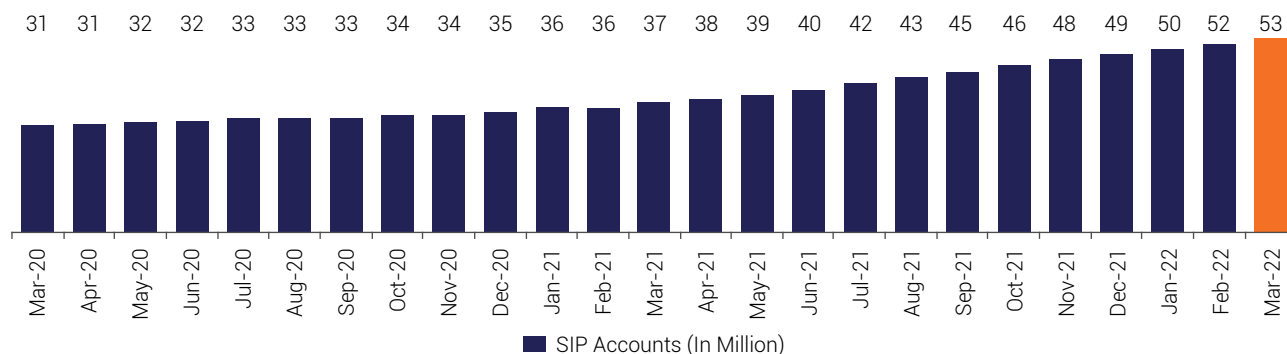
### Monthly SIP Contribution (₹ billion)



Source: AMFI, IIFL Research

The overall number of outstanding SIP accounts, continued to rise, reaching a new high of 52.8 million in March 2022, about 43.2% more than the total number of existing SIP accounts at the end of March 31, 2021.

### Monthly SIP Accounts



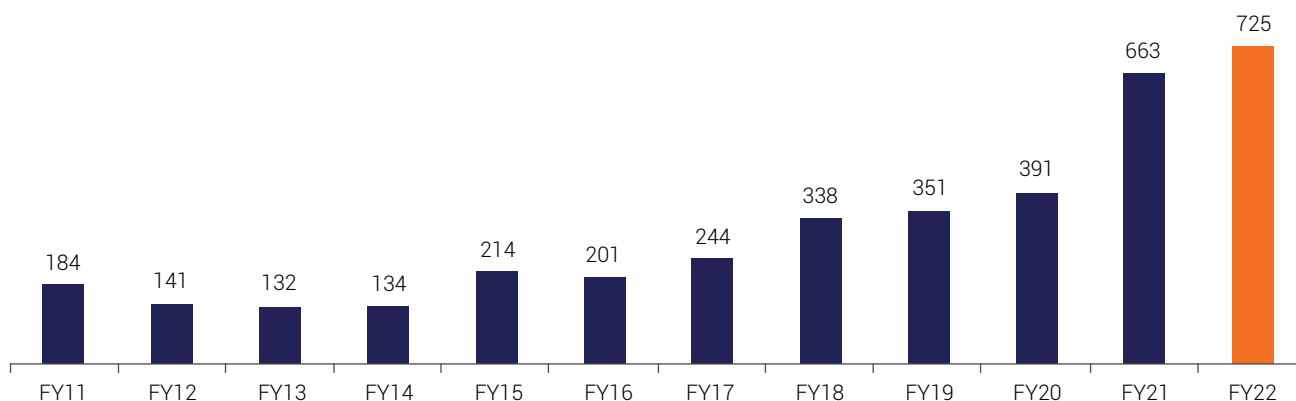
Source: AMFI, IIFL Research

Investor trust in the mutual fund asset class in India is reflected in all-time high AUMs and a surge in retail folios and SIP folios. While profit-driven redemptions have resulted in negative net inflows in equity and hybrid funds, gross inflows are solid. One of the important growth causes, notably for fund inflows into passive and stock funds, is an increased share of mutual funds in household savings, driven by expectations of greater and more reliable returns.

## Stock Broking

Indian equities started the calendar year 2022 on a strong note, as global markets hit new highs, boosting domestic investors' confidence. Despite headwinds from high inflation, manufacturing activity in India improved in April 2022, on the back of quicker increases in production, factory orders and international sales. The month of April marked 10 straight months of expansionary readings above 50, even as there is a gradual loss since the beginning of CY2022. Robust corporate earnings, favourable liquidity in both international and local markets, increasing internet penetration, and retail engagement have all contributed to a rise in equity market activity. During FY 2021-22, the average daily turnover in the cash market increased by 9.6% YoY to ₹ 725 billion, compared to ₹ 663 billion in FY 2020-21.

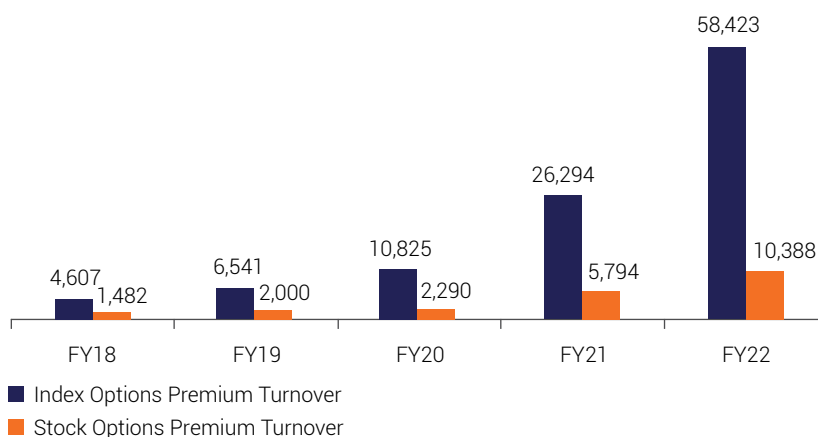
### Average Daily Market Turnover in Cash Segment (₹ billion)



Source: IIFL Research

In FY 2021-22, the Index Option Premium Turnover increased by 122% YoY to ₹ 58,423 billion. The stock options premium climbed by approximately 79% YoY in FY 2021-22, reaching ₹ 10,388.3 billion.

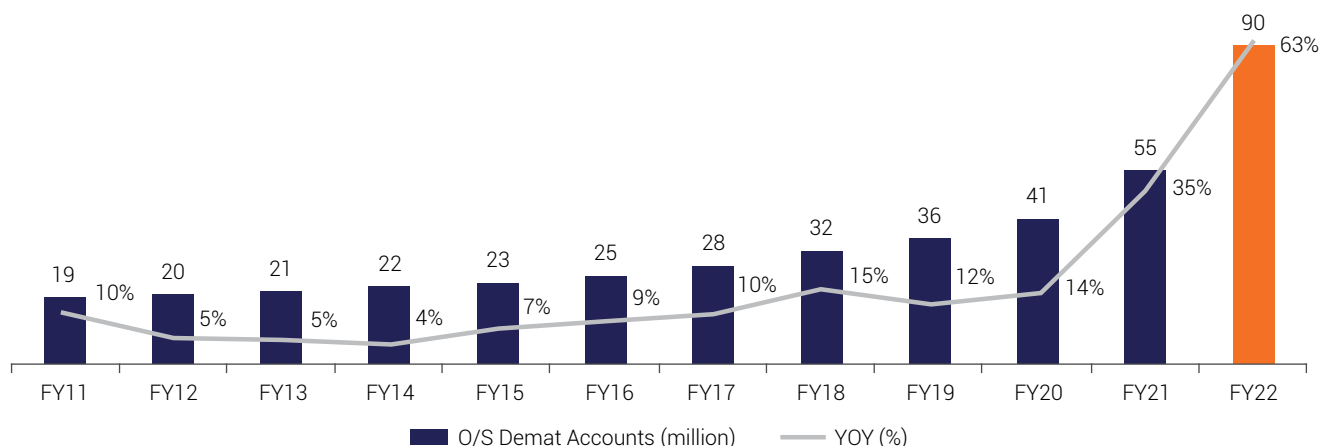
### Options Premium Turnover at NSE is gaining predominance (in ₹ billion)



Source: NSE

Expectations of a stronger economic recovery and higher corporate earnings inspired the necessary confidence in investors, prompting them to pump more money into Indian stocks. The huge growth in the number of private investors accessing the capital markets is in line with the global trend. Furthermore, brokerage firms' cost structure and operational efficiency have increased as a result of a strong focus on digital customer acquisition and economies of scale. From an average of 41 million new demat accounts established per month in FY 2019-20, it increased to 55 million FY 2020-21, and then to about 90 million in FY 2021-22, the number has more than doubled.

### Demat Accounts (in million)



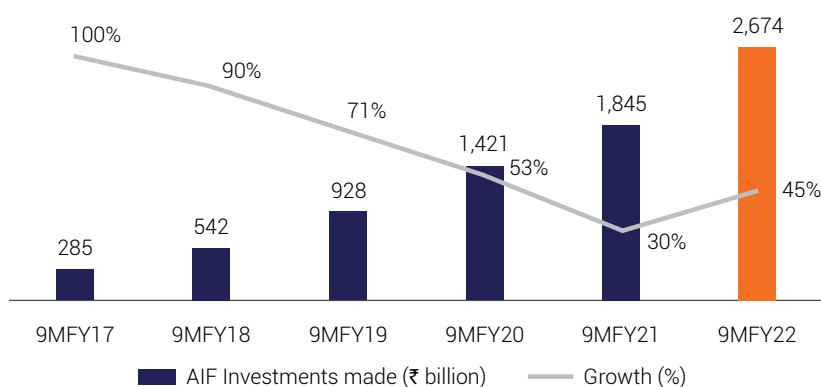
Source: IIFL Research

The brokerage industry is expected to have a record year in FY 2022-23, because of strong participation from individual investors and favourable systemic liquidity, according to ICRA. According to a recent report by ICRA, the industry is expected to generate total revenue of ₹ 27,000-28,000 crore in FY 2021-22, representing a 28-33% YoY increase. Moreover, with a projected industry total turnover of ₹ 28,500-29,000 crore in FY 2022-23, revenue growth is expected to moderate to 5-7%; and will be dependent on capital market performance and maintaining similar yields as in prior years.

### Alternative Investment Funds (AIF)

AIF is a privately-pooled investment vehicle that collects funds from sophisticated private investors in India and abroad and invests them according to a predetermined investment philosophy. AIFs' cumulative investments in India increased to ₹ 2,674 billion by December 2021 as compared to ₹ 1,845 billion recorded in December 2020, surging 45% during the year. The huge increase in YoY growth rate from 30% in 9M FY 2020-21 to 45% in 9M FY 2021-22 is largely due to favourable improvements in tax structure, fewer restrictions on FDI limits on Indian-owned AIF funds, and SEBI's standardisation and transparency implementation. The ongoing positive upticks in AIF demonstrate investors' interest in the Indian financial markets.

### AIF Investments (₹ billion)



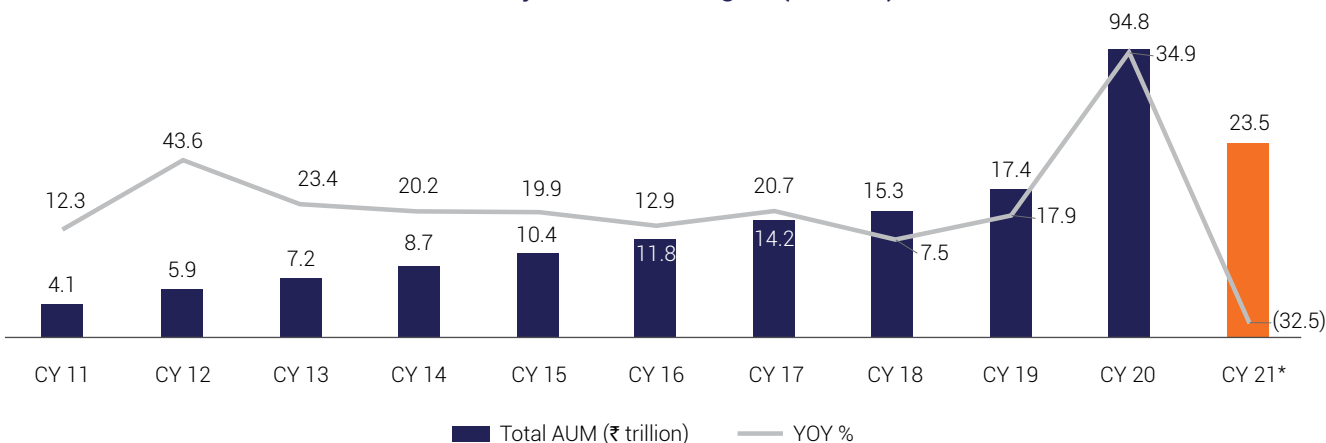
Source: SEBI

### Portfolio Management Services (PMS)

Asset management firms, banks, brokerage firms, and independent investment managers all provide portfolio management services in India. Investment portfolios often include a diverse variety of securities such as stocks, bonds, and cash equivalents. This combination is determined by the investor's risk tolerance, which influences the portfolio's return potential. AMC's in India have started offering investors tailor-made investment strategies with greater flexibility through PMS, in addition to managing mutual fund schemes.

With the market maturing, a higher number of High Net Worth Individuals (HNIs), a greater requirement for tailored asset allocation based on risk-return profiling, and an improving awareness of PMS as a product, the industry has witnessed substantial growth over the previous five years. The AUM by Portfolio Managers declined 32.5% in CY 2021. However, it was an increase from CY 2019 levels, which indicated a recovery to long-term trends. The discretionary part of PMS, where the portfolio manager manages the customers' assets according to their needs, was the key driver of this recovery. Discretionary PMS dominated the market with 83% market share, followed by advice at 10% and non-discretionary at 7%.

### AUM by Portfolio Managers (₹ trillion)



Source: SEBI

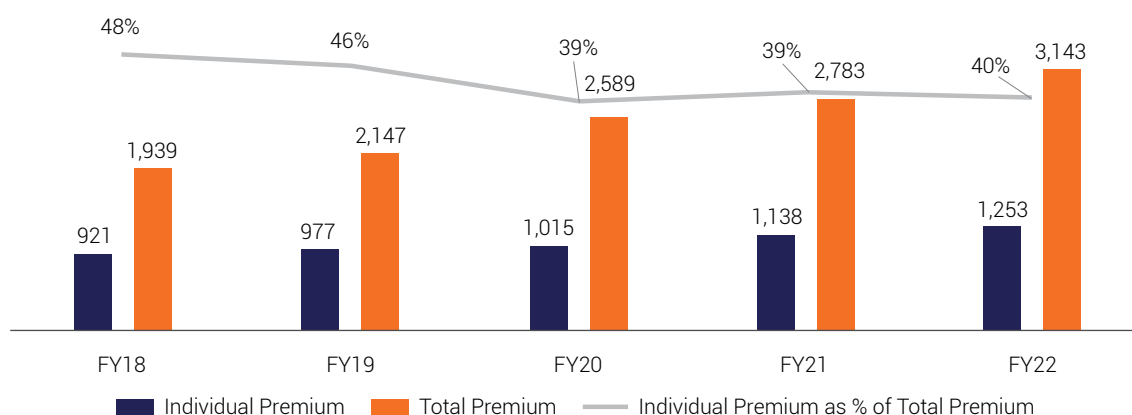
\*Data as on December 2021

### Insurance

In recent years, the insurance industry has been evolving in equal measure by external influences and the expansion of the industry itself. Extraneous considerations include the recent pandemic as well as developments in the larger financial services area, such as a greater focus on digitalisation, improved economic formalisation, payment disruption, and so on. The sector has altered as well, thanks to the growth of insure-techs, the regulator's sandbox framework, ecosystems, embedded products, and a stronger focus on digital transformation. Such expansion has been fuelled by the industry's inherent under-penetration as well as joint efforts by the industry and the Insurance Regulatory and Development Authority of India (IRDAI) to raise awareness about adoption of insurance products.

According to IRDAI data, non-life insurance companies collected about ₹ 2,206 billion in premiums for FY 2021-22, up by 11.0% from ₹ 1,987 billion collected in the previous year. On the life insurance front, first-year life insurance premium collections grew to ₹ 3,143 billion in FY 2021-22, up from ₹ 2,783 billion in FY 2020-21. A similar set of themes will continue to drive growth in the future. An enabling environment produced by an increase in the foreign direct investment (FDI) cap, insurance company valuations, capital markets activity, and increased awareness, particularly regarding health and life insurance, would fuel growth from a structural standpoint. From an operational standpoint, the insurance business will be propelled forward by rising consumer willingness to connect digitally, remote underwriting, contactless processing, video onboarding, and other related themes.

### Movement in Total First Year Life Insurance Premium (₹ billion)



Source: IRDAI, KPMG Outlook dated Jan 7, 2022

## Investment Banking

In 2021, the investment banking industry in India had its finest year ever, owing to a wave of public offerings and stock sales, which enabled the industry, earn its highest fee from deal-making. According to a Refinitiv study, the country's M&A activity totalled USD 17.2 billion last year (as of March 17, 2022), with 417 M&A deals completed. The enthusiasm of private equity and SPACs' (Special Purpose Acquisition Vehicles) signalled a strong appetite for risk and value in the market. Due to a slew of big-ticket IPOs and the maturation of India's IT unicorns from start-ups to mature listed businesses, investment bankers have cracked such deals.

During FY 2021-22, the country's M&A activity was the third highest in the world, trailing only the United States and Australia, with around USD 61.1 billion in M&A transactions. India has the competitive advantage of having achieved considerable success in the field of software, and entrepreneurs should take advantage of this by applying it to digitalisation and other relevant fields. Fintechs, PLI scheme manufacturing, and retail have latent potential. Mergers and acquisitions are primarily driven by economies of scale, cost-effectiveness, and higher-earning capacities. With the economy's further opening, reforms, and the benefits of new schemes, existing players will be forced to move quickly and make place for mergers and acquisitions in the coming year.

Source: Refinitiv

## OPPORTUNITIES

### Large Young Population

According to statista.com, India is one of the few countries with the greatest youth population, with a median age of 28 years. Due to strong demand-side and supply-side dynamics, the domestic financial industry is expected to grow at a high rate. Some important drivers signalling market development potential for established financial service providers in India include a substantial share of the working population, predicted growth of the Indian economy, increasing urbanisation, and rising consumption due to higher per capita earnings.

### Expected Surge in Demand for Financial Products in Rural and Semi-rural Areas

Two-thirds of India's population lives in rural areas, where financial services have just recently gained traction. Rural India, on the other hand, has witnessed a continuous rise in earnings, generating a growing market for financial services. Demand for financial products has surged in smaller cities and rural areas on account of increased financial literacy, mobile penetration, awareness, and the establishment of Jan Dhan bank accounts. Because of technological advancements, financial services are now available throughout India, helping to raise awareness and lower the cost of reaching out to smaller areas. Moreover, the Reserve Bank of India's (RBI) financial inclusion campaign has broadened the target market to semi-urban and rural areas.

## Increasing Focus on Financial Inclusion

Financial inclusion programs like the Pradhan Mantri Jan Dhan Yojana, as well as reforms like the simplicity of account opening through e-KYC, have increasingly helped capital market participants. As more members of society are introduced to the concept of financial savings and products, this will continue to rise. As on April 13, 2022, accounts under the PMJDY scheme had a total deposit of ₹ 1.68 trillion.

## Investments in Capital Markets Fuelled by Escalated Domestic Savings

In March 2021, India's Gross Savings Rate was 28.2%, same as the previous year. (Source: CEIC). Demonetisation in November 2016, implementation of the GST in July 2017 and the Benami Transaction Act in July 2017 all resulted in a large part of household cash savings being funnelled into financial assets. Furthermore, dropping interest rates, along with comparative low returns from traditional investment products like gold and real estate, prompted a change in retail interest toward capital markets, including direct investment in stocks, debentures, and mutual funds. As per the Economic Survey Report 2021-22, share of individual investors in total turnover at NSE increased from 38.8% in FY 2019-20 to 44.7% in April-October 2021. Also in April-March 2022, new demat accounts increased from an average of 55 million per month in FY 2020-21 to about 90 million in FY 2021-22. Reduced investments in physical assets and increased individual participation in the capital markets indicate higher consumer penetration and promising further growth.

## Increased Revenue Streams from the Extensive Usage of Distribution Services

New distribution methods, such as bancassurance, online distribution, and Non-Banking Financial Companies (NBFCs), have increased access for the market players while reducing its operating costs significantly. To diversify income sources, several significant players ventured into similar fee-based operations such as mutual fund distribution and capital markets financing. In addition to their physical presence, majority of brokers are utilising internet platforms. This enables them to better attract digitally savvy clients who are prepared to pay a premium for higher-quality services that incorporate technology, automation, value-added services, and product safety. They supplement their income with other sources such as additional fees, distribution, and interest income. Apart from advice services, brokers are increasingly focussing on fund-based operations such as margin funding and loan against shares, which helps them develop long-term earnings.

## Innovation in Technology

The primary growth factors for the broking industry are technological advancements and the significant increase in smartphone adoption. Rapid technological advancements have lowered transaction time and costs, as well as allowing brokers to expand their reach and penetration by investing in online trading platforms. With the rapid spread of mobile



and internet, India is poised to become one of the largest digital markets in the world. India benefits from a high level of channel cross-utilisation to broaden the reach of financial services.

### Demand for Standardised Products to Improve Overall Insurance Sales

The pandemic has had a significant impact on the Indian insurance business in terms of enhanced insurance penetration in the country along with shift in product mix towards standardised term and life protection as well as health insurance. Under the Union Budget FY 2021-22, the government permitted 100% FDI for insurance intermediaries and increased the FDI cap in the insurance sector to 74% from 49%. Increased investments in the insurance market would lead to higher competitiveness. This could provide customers with a plethora of options, resulting in improved services, competitive products and prices and technical advancements assisting the insurance sector reach its full potential.

### THREATS

#### India's Downgraded Sovereign Rating

India's credit rating was downgraded due to the pandemic effect, when the economy experienced its first downturn in more than four decades. India's sovereign rating was reduced to 'Baa3' from 'Baa2' by Moody's Investors Service, citing difficulties in implementing measures to mitigate the risks of a prolonged period of low growth and poor fiscal condition.

#### Preference of Debt over Equity Amid Rising Interest Rates

Inflation, budget deficits, and a bad monsoon can all cause interest rates to rise, limiting equity inflows. A large

increase in interest rates will make developed economies more appealing in terms of risk-return, while emerging economies may see an increase in outflows from foreign institutional investors.

### Technology-related Disruptions

With rapid changes in technology and inventions, businesses must pay more attention to innovation goals in addition to corporate growth goals. Technical upkeep is vital to stay ahead of the competition, especially with new competitors that are "born digital" and operate on a low-cost basis, with increased performance expectations in terms of quality, timeliness, and cost.

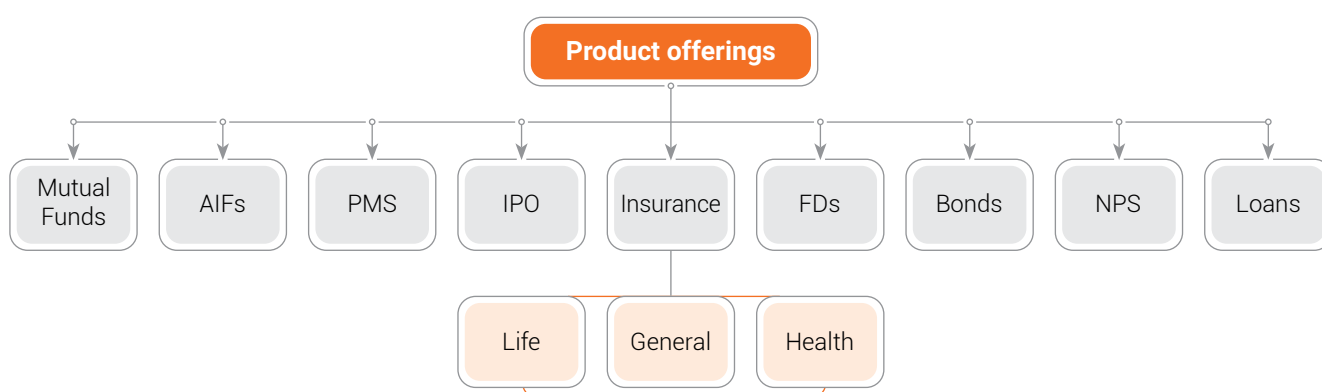
### Changes in Government Regulations

Any stringent regulatory change or unfavorable policy change can pose a threat to the industry players in the short run.

### COMPANY OVERVIEW

IIFL Securities (hereafter referred to as "the Company" or "IIFL Securities") is one of India's largest independent stock brokerage businesses, providing a comprehensive range of services to both retail and institutional clients. The Company was founded in 1996 as a broking arm of the IIFL Group and serves as a one-stop shop for investors looking for a wide range of financial goods and services across the country.

The Company offers a full range of broking services which includes financial planning, equities, commodities, and currency broking (both cash and derivatives), depository participant services, portfolio advisory, investment banking, mutual fund distribution, bond distribution, portfolio management services, alternate investment funds, and other investment products.



The Company has a wide customer base including many corporate, institutional investors, sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds, alternate investment funds, trusts, high net worth individuals and other retail clients.

Also, it has also emerged as a topmost domestic investment banker, engaged in marquee Initial Public Offerings (IPOs) and qualified institutional placements in the last few years. The Company has a network of above 2,500 points of presence across 500 cities in India.

IIFL Securities has been promoted under the vision and supervision of first-generation entrepreneurs, Mr. Nirmal Jain and Mr. R. Venkataraman. The Company was listed on the Indian stock exchanges in September 2019, pursuant to the composite scheme of arrangement of the IIFL Group. The Company forms one of the major institutional broking franchises in India with robust research capabilities. As on March 31, 2022, the Company has over 780 international as well as domestic clients.

With its legacy of being part of the IIFL Group, the Company continues to provide a comprehensive range of services and products to its growing clientele. In lieu of its client-centric approach in terms of products and services, user-friendly digital interfaces, and the ability to provide unified access to all segments of the stock market, the Company has developed a loyal and dedicated clientele. It offers a wide range of financial goods and services through advanced web and digital broking platforms which in turn assists with product innovation, customer acquisition and retention.

### OPERATIONAL REVIEW

The Company accounted for 2.7% of daily cash turnover and 1.1% of NSE turnover in FY 2021-22. The Institutional broking franchisee is one of the best on the market, with an 80-person team based in Mumbai and New York. Over 780

institutional (local and international) clients are served by the Company. It offers in-depth analysis by covering over 263 stocks, accounting for over 78% of India's market value. During the year, the Investment Banking business performed exceptionally well. The Company completed 39 transactions in a variety of categories, including 17 IPOs, 7 QIPs, 7 debt transactions and 10 advisory transactions. The outlook for FY 2022-23 remains positive, thanks to a robust pipeline of transactions in various stages of completion.

The distribution of retail financial products such as insurance, mutual funds, PMS and AIF is a major focus for the Company. During the year, mutual funds and insurance acquired a lot of traction. In FY 2021-22, insurance premiums totalled ₹ 1,880 million, up 29% YoY, primarily due to health insurance sales, while mutual fund AUM totalled ₹ 71.30 billion, up 38% YoY. The mutual funds and insurance segment has long-term growth prospects to support the Company's financial prowess. The Company has concentrated on selling insurance products over the internet.

Through its subsidiary IIFL Facilities Services Limited, the Company also provides office and related infrastructure and facility services, mostly to group firms and outside corporates. It also offers property consulting and advice services.

### FINANCIAL PERFORMANCE (₹ in million)

Particulars	Year Ended	
	March 31, 2022 Audited	March 31, 2021 Audited
<b>1. Income</b>		
a. Interest income	1,794.1	747.8
b. Rental income	159.9	211.4
c. Fees and commission income	10,369.3	6,494.3
<b>Total Revenue from operations (a)+(b)+(c)</b>	<b>12,323.3</b>	<b>7,908.5</b>
2. Other Income	840.8	767.7
<b>3. Total Revenue (1+2)</b>	<b>13,164.1</b>	<b>8,676.2</b>
<b>4. Expenses</b>		
a. Employee benefits expense	3,240.6	2,113.1
b. Finance cost	1,015.3	496.2
c. Depreciation and amortisation expense	634.5	458.8
d. Fees and commission expense	2,103.6	1,177.0
e. Administration and other expense	2,150.5	1,585.4
<b>Total Expenses (a+b+c+d+e)</b>	<b>9,144.5</b>	<b>5,830.5</b>

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
	Audited	Audited
5. Profit before share of profit/(loss) of joint venture, exceptional items and tax (3-4)	4,019.6	2,845.7
6. Share of profit/(loss) of associates and joint ventures	1.4	1.6
7. Profit before exceptional items and tax (5+6)	4,021.0	2,847.3
8. Exceptional items	-	-
<b>9. Profit before tax (7+8)</b>	<b>4,021.0</b>	<b>2,847.3</b>
10. Tax Expenses		
a. Current Tax	998.2	648.7
b. Deferred Tax	(22.9)	(12.5)
c. Tax adjustment for prior years	(12.6)	8.0
<b>Total Tax Expenses (a+b+c)</b>	<b>962.7</b>	<b>644.2</b>
11. Profit/(loss) for the period (9-10)	3,058.3	2,203.1

The Company posted a total income of ₹ 13,164.1 million during the financial year 2021-22, while the profit after tax stood at ₹ 3,058.3 million.

## Income

### Revenue from Operations

The Company's revenue from operations primarily comprises investment banking and broking products and services across multiple asset classes. Equity, commodities, and currencies are among them, as are depository services, clearing services, insurance broking, distribution of third-party financial product, facilities and ancillary services.

In comparison to the previous year, interest income grew to ₹ 1,794.1 million, representing a growth of 140%.

Fee and commission income has increased mainly on account of increase in Investment Banking Income, Broking income and FPD Business.

### Other Income

Other income mainly consists of income earned on investments; interest income on inter-corporate deposits placed and income tax refunds; gain due to change in fair value of investments.

## Expenses

### Finance Costs

Interest on borrowings and other finance expenses such as bank guarantee commissions, franking charges for commercial paper borrowings, and so on are included in finance costs.

### Fees and Commission Expense

Fees and commission expense include sub-brokerage charges, cross-sell pass-out and other related expenses. The fee and commission expenses for FY 2021-22 stood at ₹ 2,103.6 million, increased by 78% YoY, mainly due to higher pay-outs on account of increase in revenues earned through franchisee / sub-brokers.

### Employee Benefits Expense

Employee benefit expenses include salaries and wages, contribution to provident and other funds, share based payments, staff welfare expenses, leave encashment and gratuity. The employee cost has increased mainly due to increase in headcount on account of hiring/retaining of talent pool.

### Depreciation, Amortisation and Impairment

Depreciation, amortisation and impairment expenses include depreciation of property, plant and equipment, and amortisation of intangible assets. Depreciation has increased due to amortisation of intangible asset.

### Other Expenses

The Company's other expenses mainly include advertisement expense, communication expense, legal and professional charges, marketing and commission expenses, office expenses, electricity charges, rates and taxes, software charges and travelling and conveyance expenses. Other expenses for FY 2021-22 remain at ₹ 2,150.5 million. Other expenses for the year were higher as compared to previous year which can largely be attributable to increase in technology expenditure for automation of various processes, advertisement and outsourced calling service for increasing customer acquisition pace.

### Liquidity and Capital Resources

The Company has always maintained liquidity principally through cash earned from operations, bank borrowings, and equity share issues. As of March 31, 2022, cash, bank balances and fixed deposit stood at ₹ 37,401.5 million. IIFL has adequate working capital and cash flows from operations in order to support the future capital expenditure requirements as well as to augur growth momentum in the Company.

### Disclosure of accounting treatment

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in the preparation of the financial statements of your Company.

## Segment-wise Performance (₹ in million)

Segments	For the year ended			
	March 31, 2022		March 31, 2021	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Capital market activity	11,158.7	3,129.0	7,507.1	2,320
Insurance Broking	516.2	304.8	430.9	244.0
Facilities and ancillary	2,000.1	655.1	1,352.1	278.5
Others	29.1	(67.9)	4.7	4.8
Less: Inter Segment Revenue/unallocated	(540.0)	-	(618.6)	-
<b>Total</b>	<b>13,164.1</b>	<b>4,021.0</b>	<b>8,676.2</b>	<b>2,847.3</b>

Revenue from the capital market activity increased from ₹ 7,507.1 million for the year ended March 31, 2021 to ₹ 11,158.7 million for the year ended March 31, 2022, up 48% YoY. This was primarily due to increase in investment banking and broking income.

Revenue from Insurance broking segment is increased from ₹ 430.9 million for the year ended March 31, 2021 to ₹ 516.2 million for the year ended March 31, 2022, an increase of 20% YoY.

Revenue from facilities and ancillary segment has increased from ₹ 1,352.1 million for the year ended March 31, 2021 to ₹ 2,000.1 million for the year ended March 31, 2022, an increase of 48% YoY and result from ₹ 278.5 million to ₹ 655.1 million mainly due to IPO Funding activity.

### KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year)

Key Ratios	FY	FY	Variance %
	2021-22	2020-21	
Debt/Equity Ratio	0.51	0.30	70%
Return on Net Worth	28.4%	23.9%	19%
Interest Coverage Ratio	5.58	6.73	(18%)

#### Explanation:

1. Debt Equity Ratio – Debt to equity ratio increased from 0.30 in FY 2020-21 to 0.51 in FY 2021-22 mainly due to increase in borrowings from ₹ 2,916 million in FY 2020-21 to ₹ 6,070 million in FY 2021-22 and higher shareholders' equity from ₹ 9,676 million in FY 2020-21 to ₹ 11,818 million in FY 2021-22.
2. Return on Net Worth: RoNW has increased mainly on account of higher total income of ₹ 3,057 million in FY 2021-22 as compared to ₹ 2,210 million in FY 2020-21.
3. Interest Coverage Ratio: Interest coverage ratio decreased mainly due to increased borrowing cost to ₹ 1,015 million in FY 2021-22 from ₹ 496 million in FY 2020-21.

### BUSINESS OUTLOOK

IIFL Securities is among the most well-known domestic institutional brokers, and it is the first line of reference for any domestic institution, owing to its strong research credentials. The Company is concentrating on acquiring clients by properly streamlining its client acquisition engine. In addition, the Company has a channel called premiere that caters to the mass affluent HNI group. IIFL Securities plans to improve technical investments and update the app to cater the requirements of new millennials. In the future, the Company aims to invest in and support further expansion in the derivatives segment. The Company has been diversifying its revenue by focussing more on the distribution business, with revenues tied to AUM, which gives its profitability profile more resilience. Client acquisition and the development of an AUM-led model are leading to a gradual shift in the cyclical business's stability. The Company is also pursuing new opportunities through strategic tie-ups.

The Company's technology-based platforms facilitate business from the self-serviced and partner-serviced segments while also enabling a larger base for cross-selling financial items. With over 9.4 million downloads, its mobile trading app, 'IIFL Markets,' remains one of the most prominent in the market. Its strategy remains focussed on improving and strengthening research content, as well as investing in trading platform technology and its human capital.

Alongside from solid fundamentals, the large and growing share of the working population, rising family incomes, increasing shift to financial savings, more awareness of financial products, and higher retail participation are all helping the Company's financial product distribution division.

### RISK MANAGEMENT & GOVERNANCE

Risk management is significant for the implementation of the strategy of IIFL Securities' and is seamlessly integrated across all of its business processes. The Enterprise Risk Management Framework serves as the foundation for the Risk Management and Internal Control Framework. Furthermore, Risk Management and Internal Controls play an important role in the timely identification and adequate management of strategic, market, and commercial risks.

The goal of the Company's risk management strategy is to optimise the risk-return equation and assure strict adherence to all existing laws, rules, and regulations that apply to all of its commercial activities.

The Company has implemented a system of risk management consisting of an organisational risk management framework, policies, tools, and procedures in line with its overall business operations. Its risk assessment methodologies are based on regulatory requirements, historical market behaviour and statistics. IIFL's entire risk management program is focussed on the unpredictability of financial markets, with the goal of minimising potential negative consequences on the Company's financial performance.

By using a well-defined Risk Management Policy, all major risks are managed - Technology & Information Security Risks, Compliance Risks, Operational Risks, Fraud Risks, Human Resource Risks and Market Risks. To ensure smooth client communication and operations, IIFL Securities has a centralised risk team which manages clients' trading, exposure limits, margins, and the collection of margin/deposits by automating the process. IIFL Securities has online systems in place and clients receive risk alerts online and through SMS, branches, and relationship managers. Management periodically reviews technological risks such as securing customer data, identity theft, cybercrimes, data leakage, business continuity, and access control. IIFL Securities has put in place systems and controls to guarantee compliance with anti-money laundering standards.

*Read more in the Managing Risks Strategically section of the narrative*

## TECHNOLOGY

The Company has adopted best-in-class technologies to drive data, digital and security initiatives. Data analytics and digitalisation are improving employee productivity and enhancing operational efficiency. Going forward, IIFL Securities will continue to focus on digitalising and simplifying the entire customer lifecycle to best serve the evolving needs of its customers. The Company introduced the industry's shortest and least-documented account opening journey, which aided in providing best-in-class customer service during the year. The Company intends to build a customised trip for numerous channels, allow franchisees to boost credibility and customer happiness by allowing them to create a personalised journey. The Company also created an integration stack with exchanges, depositories, and aggregators, removing the requirement for manual account activation. IIFL Securities implemented a number of industry-first solutions that included real-time account verification during the account opening process. This allowed for the high volume of account opening to be supported with even fewer people. The Company also introduced new and exciting features through the IIFL markets app. The Company's technological initiatives would be driven by technology, knowledge, simplification and customer first approach.

*Read more in the Intellectual Capital section of the narrative*

## HUMAN RESOURCES

The Human Resource Department at IIFL Securities is constantly working to align with the business, implement digital solutions, and foster a strong culture of transparency and service orientation within the Company. In the previous year, the Company has continued to implement people-friendly policies and processes, with an emphasis on implementing industry-wide best practices for its HR policies. The Company attracts and builds a professional workforce driven by a sense of purpose with the proper leadership at the helm. Additionally, Adrenalin is used by the Company as a one-stop employee interface for all of their human resource needs. Hirecraft has been connected with our internal HR software, Adrenalin, allowing our employees to access all features and activities from on-boarding through exiting through a single system. Moreover, the Company has a specialised training and development team that focusses on giving information, developing skills, and assisting with functional and technological development. With a heavy emphasis on digital learning, the Company employs a variety of learning approaches, including e-learning modules, video-based modules, simulation learning, mobile-based micro learning, and so on, to assist the employees in their professional development. Individual performance measures ("IPMs"), Monthly spot cash incentive schemes ("MSCI"), incentives and recognition programs, and numerous other feedback mechanisms are used by the Company to achieve staff retention and job satisfaction, as well as to develop effective retention strategies. The Company has 2,254 employees as of March 31, 2022, including 177 engineers, 463 MBA graduates, and 31 chartered accountants. As of March 31, 2022, IIFL Securities has been recognised as a 'Great Place to Work'.

*Read more in the Human Capital section of the narrative*

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In addition to creating economic value, the Company is committed to actively contributing to the development of a sustainable society. The Company has adopted a CSR policy to guide its initiatives that contribute to inclusive growth and equitable development. The policy outlines the Company's commitment to contributing to the financial, environmental, and social well-being of its communities. During the fiscal year under review, the Company engaged in CSR initiatives aimed at boosting health care, financial literacy and education, disaster relief and rehabilitation, and enhancing the lives of socially and economically backward persons. Under the healthcare program, IIFL undertook various COVID-19 activities such as delivering vaccines, providing oxygen concentrators, COVID-relief kits as well as health equipment. The Company's 'Sakhiyon Ki Baadi' initiative contributes discreetly to the promotion of foundational literacy among children, employs 1,000+ tribal women, and promotes adult education among women. Since its inception in 2016, the initiative has reached out to 35,759 children this year. Special sessions on value education are held in a community-based learning centre for the holistic development of children from marginalised communities,

addressing topics such as self-awareness, responsibility, ethics, and morals. The Company enrolled 2,207 beneficiaries between the ages of 4 and 15, at its 21 centres in Khandwa, Madhya Pradesh. The IIFL Foundation has established a one-of-a-kind online platform to assist artisans, craftspeople, and small-scale producers around the country in resurrecting their livelihoods in the post-lockdown period.

*Read more in the Social and Relationship Capital section of the narrative*

## **INTERNAL CONTROLS**

IIFL Securities' internal control activities offer reasonable confidence that there are no misstatements in financial reporting, that local laws and regulations are followed and continued to improve the efficacy of internal processes. In the organisation and management's incentive structures, IIFL Securities has built a complete internal control framework with a set of minimal standards. IIFL Securities reviews standards on a regular basis to ensure that the controls and guidance remain relevant, effective, and in line with the identified key risks.

In accordance with the Annual Audit Plan approved by the Audit Committee, the Company has in place an internal audit system that is effective and appropriate to the nature of our business, regulatory requirements, and size of operations. For internal audit, the Company has in place Mahajan & Aibara Chartered Accountants. The scope of internal audits includes regular operations, such as the front end and back end, and internal compliance. The Company's robust internal control systems enable it to safeguard sensitive information, ease auditing processes, maintain proper accounting controls, monitor operations, conserve assets, and deter fraud. Furthermore, the Company has achieved ISO 27001:2013 certification and has implemented effective information security processes, reinforcing a strong commitment to provide customers with robust and secure technology.

The Company also hires specialised audit firms to conduct a half-yearly internal audit of broking mandated by SEBI/ Exchanges, DP processes, Know Your Customer (KYC) verifications, demat transfers, pay-out verifications, systems audits, branches and sub brokers audits, PMS, mutual fund and alternative investment funds operations audit, insurance broking business operation audit, and verification

of related parties. It has put in place enhanced risk-based supervision systems and ensures continuous monitoring. It has specific internal audit teams for each business. Internal auditors conduct exceptional scenario audits, and the internal team monitors the implementation of internal auditors' recommendations and action plans. In addition, the Company follows various specialised audits specified by regulatory agencies such as SEBI, Exchanges, Depositories, and IRDA, and reports are provided to the regulators on a continuous basis.

The Board of Directors/Audit Committee of the Company examines the internal control system and considers the findings of the statutory and internal auditors. Appropriate actions are made in a timely manner as deemed required to ensure the Company's long-term viability and future growth potential. The audit function ensures that operations are functional and efficient, assets are protected, financial records and reports are accurate, and applicable rules and regulations are followed in compliances. Internal controls help to detect and correct any irregularities in business operations quickly. At all times, the controls provide an accurate summary of the organisation's position.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the internal financial controls system over financial reporting are adequate and such controls are operating effectively.

## **CAUTIONARY STATEMENTS**

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions and are therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Securities Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.

# Independent Auditor's Report

## To the Members of IIFL Securities Limited

### Report on the Audit of the Standalone Ind AS financial statements

#### Opinion

We have audited the standalone Ind AS financial statements of IIFL Securities Limited, which comprise Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters for the Company. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
Information technology (IT) systems used in financial reporting process.	We obtained an understanding of the Company's IT control environment relevant to the audit.
The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.	We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting.
We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.
	In addition to above, we have also relied on the work of the internal auditors and system auditors.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 30 of the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note No 42(3) of the financial statements;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note No 42(4) of the financial statements;
    - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 42(1) of the financial statements;
    - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 42(2) of the financial statements; and
    - (c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
    - (v) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

**(G.SANKAR)**  
(M.No.46050)

Place: Mumbai  
Date: April 26, 2022

UDIN: 22046050AHUJVS6588

## Annexure A

### to the Independent Auditor's Report

#### Annexure referred to in our report of even date to the members of IIFL Securities Limited on the accounts for the year ended 31<sup>st</sup> March 2022

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) As explained to us, the company has a phased programme of verification of fixed assets once in 3 years which in our opinion is reasonable considering the size of the company and nature of its fixed assets. Based on the information and the explanation given to us and on verification of the records of the Company, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold and disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanation given to us and records of the Company examined by us, the Company has not revalued its Property Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder and accordingly, the requirements of paragraph 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) The Company is not carrying on any trading or manufacturing activity. Therefore Para 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us and records of the Company examined by us, the Company has availed working capital limits from Banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks are in agreement with the books of accounts of the Company.
- (iii) The Company has granted unsecured loans and advance to Companies, during the year, in respect of which:
- (a) (A) Company has provided loans aggregating to ₹ 5815.80 Millions during the year to subsidiaries, joint ventures and associates and balance due as at March 31, 2022 is ₹ 160.00 Millions.
- (B) Company has provided loans aggregating to ₹ 2000.00 Millions during the year to entities other than subsidiaries, joint ventures and associates and balance due as at March 31, 2022 is ₹ Nil.
- (b) In our opinion, the terms and conditions of grant of loans, during the year are, prima facie, not prejudicial to the Company's interest;
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular.
- (d) In respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information and explanations given to us and based on our verification of the records, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdue of existing loan given to same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- The Company has not made any investment, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties during the year.
- (iv) According to the information and explanations given to us and records of the Company examined by us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made as applicable.
- (v) According to the information and explanations given to us and based on our verification of the records, the Company has not accepted any deposits from the

public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and based on our verification of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including

provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained to us, there are no undisputed statutory dues outstanding for more than six months as at March 31, 2022 from the date they became payable;

- (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of sales tax or goods and services tax or duty of customs or duty of excise. However, according to the information and explanations given to us, the following dues of service tax & income tax has not been deposited by the Company on account of dispute:

Nature of the Statute	Nature of the Dispute	Amount of Tax (₹ in Millions)	Period to which amount relates	Forum where dispute is pending
Service Tax, 1994	Service Tax on Delayed Payment Charges	₹ 301.64 Outstanding out of total demand of ₹ 309.39.	01.04.2014 to 31.03.2016	CESTAT
Service Tax, 1994	Service Tax on FII - Brokerage	₹ 123.64 Outstanding out of total demand of ₹ 127.58.	01.04.2014 to 30.09.2014	CESTAT
Income Tax Act, 1961	Income Tax	₹ Nil Outstanding out of total demand of ₹ 22.41.	Financial Year 2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	₹ 46.42 Outstanding out of total demand of ₹ 46.42.	Financial Year 2015-16	CIT (Appeal)
Income Tax Act, 1961	Income Tax	₹ 49.79 Outstanding out of total demand of ₹ 107.13.	Financial Year 2018-19	Assessing Officer

- (viii) In our opinion and according to the information and explanation given to us and records of the Company examined by us, in respect of tax assessments made under the Income Tax Act, 1961, there are no transactions which have been surrendered or disclosed as income by the Company. Accordingly, there are no previously unrecorded income and related assets which have been accounted in the books of account during the year.
- (ix) According to information and explanation given to us and records of the Company examined by us,
- a. According to the information and explanation given to us and records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanation given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used long-term purposes by the Company.
- e. According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, and its associate and hence reporting on clause 3(ix)(e) of the Order not applicable.
- f. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, and its associate and hence reporting on clause 3(ix)(f) of the Order not applicable.
- (x) (a) In our opinion and according to the information and explanation given to us and records of the Company examined by us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the clause 3(x)(a) is not applicable.

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under the clause 3(x)(b) is not applicable.
- (xi) (a) Based upon the audit procedures performed and information and explanations given by the management, we have not come across any instances of fraud by the Company or on the Company during the year.
- (b) We have not filed Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government since we have not come across any instances of fraud by the Company or on the Company during the year.
- (c) The Company has a whistle blower policy system in place and according to the information and explanation received, no complaints have been received by the Company during the year (and up to the date of this report).
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports for the year under audit, issued to the Company and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us and records examined by us, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year.
- (xvi) (a) In our opinion and according to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(a) of the order are not applicable to the Company.
- (b) In our opinion and according to information and explanation given to us, Company has not conducted any Non-Banking financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(b) of the order are not applicable to the Company.
- (c) In our opinion and according to information and explanation given to us, the Company is not core investment company.
- (d) In our opinion and according to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable to the Company.
- (xvii) The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly the requirements of Clause 3(xviii) of the Order not applicable to the Company.
- (xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to information and explanation given to us and records examined by us, the Company does not have other than ongoing projects. Hence reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) According to information and explanation given to us and records examined by us, in respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount to special account, within a period of thirty days from the end of the financial year in compliance with the provision of section 135(6) of the Companies Act.

For **V. Sankar Aiyar & Co.**,  
 Chartered Accountants  
 (FRN 109208W)

**(G.SANKAR)**  
 (M.No.46050)

Place: Mumbai  
 Date: April 26, 2022

UDIN: 22046050AHUJVS6588

## Annexure B

### to the Independent Auditor's Report

**Annexure referred to in our report of even date to the members of IIFL Securities Limited on the standalone accounts for the year ended 31st March 2022**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of IIFL Securities Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the

risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

**(G.SANKAR)**  
(M.No.46050)

Place: Mumbai  
Date: April 26, 2022

UDIN: 22046050AHUJVS6588

# Standalone Balance Sheet

as at March 31, 2022

Particulars	Note No.	(₹ in Million)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	10,731.86	2,562.53
(b) Bank Balance other than (a) above	4	26,182.50	13,968.00
(c) Receivables			
(i) Trade receivables	5	226.79	289.62
(ii) Other receivables	5	103.68	76.73
(d) Loans	6	4,884.24	1,478.35
(e) Investments	7	1,574.18	950.16
(f) Other financial assets	8	9,607.47	9,730.72
<b>Sub-total</b>		<b>53,310.72</b>	<b>29,056.11</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)		178.50	169.05
(b) Deferred tax assets (net)	9	174.27	172.40
(c) Property, Plant and Equipment	10	129.66	113.42
(d) Capital work-in-progress	10	10.99	19.09
(e) Other intangible assets	10	928.64	1,151.39
(f) Right-of-use assets	11	547.76	410.62
(g) Other non-financial assets	12	110.42	94.04
<b>Sub-total</b>		<b>2,080.24</b>	<b>2,130.01</b>
<b>Total Assets</b>		<b>55,390.96</b>	<b>31,186.12</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	9.62	25.53
(ii) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	829.88	330.06
(b) Borrowings (Other than debt securities)	14	3,362.89	890.00
(c) Other financial liabilities	15	41,208.03	22,244.75
<b>Sub-total</b>		<b>45,410.42</b>	<b>23,490.34</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		122.17	18.64
(b) Provisions	16	57.76	43.86
(c) Other non-financial liabilities	17	308.53	59.42
<b>Sub-total</b>		<b>488.46</b>	<b>121.92</b>
<b>(3) Equity</b>			
(a) Equity share capital	18	607.87	605.87
(b) Other equity	19	8,884.21	6,967.99
<b>Sub-total</b>		<b>9,492.08</b>	<b>7,573.86</b>
<b>Total Liabilities and Equity</b>		<b>55,390.96</b>	<b>31,186.12</b>

See accompanying notes forming part of Standalone Financial statements 1 - 43

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G.Sankar**  
Partner  
Membership No.: 046050

Place : Mumbai  
Dated : April 26, 2022

**For and on behalf of Board of Directors**
**R. Venkataraman**  
Chairman and Managing Director  
(DIN: 00011919)

**Ronak Gandhi**  
Chief Financial Officer

**Narendra Jain**  
Whole Time Director  
(DIN: 01984467)

**Meghal Shah**  
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Million)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>1. Revenue from operations</b>			
(a) Interest income	20	981.51	492.14
(b) Fees and commission income	21	9,623.31	6,264.89
<b>Total revenue from operations (a+b)</b>		<b>10,604.82</b>	<b>6,757.03</b>
<b>2. Other income</b>	22	900.38	843.76
<b>3. Total income (1+2)</b>		<b>11,505.20</b>	<b>7,600.79</b>
<b>4. Expenses</b>			
(a) Finance costs	23	343.42	191.06
(b) Fees and commission expense	24	2,115.93	1,216.08
(c) Employee benefits expenses	25	2,963.81	1,954.91
(d) Depreciation, amortization and impairment	26	643.09	442.92
(e) Other expenses	27	1,851.25	1,572.52
<b>Total expenses (a+b+c+d+e)</b>		<b>7,917.50</b>	<b>5,377.49</b>
5. Profit / (loss) before exceptional items and tax (3-4)		3,587.70	2,223.30
6. Exceptional items		-	-
<b>7. Profit before tax (5-6)</b>		<b>3,587.70</b>	<b>2,223.30</b>
<b>8. Tax Expense:</b>			
(a) Current Tax	28	761.31	511.86
(b) Deferred Tax	28	(1.03)	(23.54)
(c) Short/(excess)	28	(13.70)	6.54
<b>Total Tax Expenses (a+b+c)</b>		<b>746.58</b>	<b>494.86</b>
<b>9. Profit for the period (7-8)</b>		<b>2,841.12</b>	<b>1,728.44</b>
<b>10. Other Comprehensive Income</b>			
(A)			
(i) Items that will not be reclassified to profit or (loss)			
a) Remeasurements of the defined benefit plans		(3.33)	8.62
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		0.84	(2.17)
<b>Subtotal (A)</b>		<b>(2.49)</b>	<b>6.45</b>
(B)			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(2.49)</b>	<b>6.45</b>
<b>11. Total Comprehensive Income for the Year (9+10)</b>		<b>2,838.63</b>	<b>1,734.89</b>
<b>Earnings per equity share</b>			
Basic (in ₹)	29	9.37	5.46
Diluted (in ₹)	29	9.23	5.42

See accompanying notes forming part of Standalone Financial statements 1 - 43

As per our attached report of even date

For V Sankar Aiyar &amp; Co.

Chartered Accountants  
Firm's Registration No.109208WG.Sankar  
Partner  
Membership No.: 046050Place : Mumbai  
Dated : April 26, 2022

For and on behalf of Board of Directors

R. Venkataraman  
Chairman and Managing Director  
(DIN: 00011919)Ronak Gandhi  
Chief Financial OfficerNarendra Jain  
Whole Time Director  
(DIN: 01984467)Meghal Shah  
Company Secretary

# Statement of Changes in Equity

for the year ended March 31, 2022

## A. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
<b>At the beginning of the year</b>	302,935,330	605.87	319,609,462	639.22
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Shares issued during the year under ESOP scheme	1,000,900	2.00	326,262	0.65
Less: Shares extinguished on buyback (Refer Note 18)	-	-	(17,000,394)	(34.00)
<b>Closing at the end of year</b>	<b>303,936,230</b>	<b>607.87</b>	<b>302,935,330</b>	<b>605.87</b>

## B. Other equity

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve		
<b>Balance as at April 01, 2021</b>	<b>670.91</b>	<b>34.00</b>	<b>1,199.16</b>	<b>2.27</b>	<b>5,023.54</b>	<b>6,967.99</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Transfer from/to reserve	-	-	-	3.34	(3.34)	-
Additions/(deletions) during the year	-	-	34.32	-	38.15	72.47
Total comprehensive income for the year	-	-	-	-	2,841.12	2,838.63
Share issue expenses	-	-	(83.30)	-	-	(83.30)
Appropriation towards dividend paid	-	-	-	-	(911.58)	(911.58)
<b>Balance as at March 31, 2022</b>	<b>670.91</b>	<b>34.00</b>	<b>1,150.18</b>	<b>5.61</b>	<b>6,953.08</b>	<b>8,884.21</b>

(₹ in Million)



# Statement of Changes in Equity (Contd.)

for the year ended March 31, 2022

(₹ in Million)

Particulars	Reserves and Surplus					Share options outstanding account	Other items of Comprehensive Income	Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at April 01, 2020</b>	<b>670.91</b>	<b>-</b>	<b>2,244.95</b>	<b>0.90</b>	<b>3,598.04</b>	<b>28.84</b>	<b>(14.87)</b>	<b>6,528.77</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	2.34	1.37	-	(3.71)	-	-
Additions/(deletions) during the year	-	-	9.51	-	-	21.40	-	30.91
Total comprehensive income for the year	-	-	-	-	1,728.44	-	6.45	1,734.89
Buyback of Equity shares (Refer Note 18)	-	-	(832.81)	-	-	-	-	(832.81)
Buyback expenses including tax (Refer Note 18)	-	-	(190.83)	-	-	-	-	(190.83)
Creation of Capital Redemption Reserve (Refer Note 18)	-	34.00	(34.00)	-	-	-	-	-
Appropriation towards dividend paid	-	-	-	-	(302.94)	-	-	(302.94)
<b>Balance as at March 31, 2021</b>	<b>670.91</b>	<b>34.00</b>	<b>1,199.16</b>	<b>2.27</b>	<b>5,023.54</b>	<b>46.53</b>	<b>(8.42)</b>	<b>6,967.99</b>

See accompanying notes forming part of Standalone Financial statements (1 -43)

As per our attached report of even date

## For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

## G.Sankar

Partner  
Membership No.: 046050

Place : Mumbai  
Dated : April 26, 2022

## For and on behalf of Board of Directors

### R. Venkataraman

Chairman and Managing Director  
(DIN: 00011919)

### Ronak Gandhi

Chief Financial Officer

### Narendra Jain

Whole Time Director  
(DIN: 01984467)

### Meghal Shah

Company Secretary

# Standalone Cash Flow Statement

for the year ended March 31, 2022

Particulars	(₹ in Million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Net profit before taxation	3,587.70	2,223.30
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	643.09	442.92
Interest expenses	343.42	191.06
Gain on termination on finance lease	(4.77)	(4.34)
Dividend income	(479.12)	(229.53)
Provision for gratuity	(7.41)	(1.82)
Provision for leave encashment	57.76	43.86
Provision for expenses	801.93	324.16
Employee share based payment	38.15	21.40
Interest income	(95.57)	(276.59)
Loss on sale of preference share of subsidiary	-	282.88
Net loss/(gain) on financial instrument measured at fair value	(210.74)	(219.71)
Net loss/(gain) on sale of fixed assets	0.58	(0.58)
<b>Operating Profit Before working capital changes</b>	<b>4,675.02</b>	<b>2,797.01</b>
(Increase)/Decrease in other bank balances	(12,214.50)	(7,164.65)
(Increase)/Decrease in loan	(3,405.88)	(1,257.99)
(Increase)/Decrease in trade and other receivables	35.88	(165.82)
(Increase)/Decrease in other financial assets	127.33	(5,197.87)
(Increase)/Decrease in other non-financial assets	(16.38)	220.89
Increase/(Decrease) in trade and other payable	(318.02)	(269.50)
Increase/(Decrease) in other financial liabilities	18,812.01	12,092.98
Increase/(Decrease) in provisions	(43.86)	(32.67)
Increase/(Decrease) in other non-financial liabilities	249.12	(126.82)
<b>Cash generated from operations</b>	<b>7,900.72</b>	<b>895.56</b>
Current tax expense	(653.53)	(519.48)
<b>Net cash generated from operating activities (A)</b>	<b>7,247.19</b>	<b>376.08</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(147.06)	(1,200.63)
Sale of Fixed Assets	33.57	13.24
Interest income	80.07	227.58
Dividend income	479.12	229.53
(Purchase)/Sale of Current Investments (net)	8.98	21.90
Purchase of Investment	(728.00)	(6,927.27)
Sale of Investment	321.26	8,414.67
<b>Net cash generated from investing activities (B)</b>	<b>47.94</b>	<b>779.02</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of share capital	36.32	10.17
Share issue expenses	(83.30)	-
Buyback of Equity Shares (including tax and other expenses)	-	(1,057.64)
Dividend paid	(911.58)	(302.94)
Proceeds from Borrowings	21,897.89	4,649.97
Repayment of Borrowings	(19,425.04)	(4,516.34)
Repayment of Lease Liabilities	(353.96)	(362.63)
Interest expenses	(286.13)	(142.06)
<b>Net Cash generated/(used) in financing activities (C)</b>	<b>874.20</b>	<b>(1,721.47)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>8,169.33</b>	<b>(566.37)</b>
Cash and cash equivalents at the beginning of the year	2,562.53	3,128.90
<b>Cash and cash equivalents at the end of the year</b>	<b>10,731.86</b>	<b>2,562.53</b>

See accompanying notes forming part of the standalone financial statements (1 - 43)

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W

**G.Sankar**  
Partner  
Membership No.: 046050

Place : Mumbai  
Dated : April 26, 2022

**For and on behalf of Board of Directors**
**R. Venkataraman**  
Chairman and Managing Director  
(DIN: 00011919)

**Ronak Gandhi**  
Chief Financial Officer

**Narendra Jain**  
Whole Time Director  
(DIN: 01984467)

**Meghal Shah**  
Company Secretary

# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022

## Note 1. Corporate Information:

IIFL Securities Limited the Company was incorporated on March 21, 1996. The Company is in the financial services spaces offering capital financial services such as equity, currency and commodity broking, depository participant services, merchant banking and distribution of financial product besides holding investments in subsidiaries.

### Note: 1.1 Purpose and Basis of Accounting and Preparation of Financial Statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

### a) Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets, retirement benefit obligations and lease arrangements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### b) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

## c) Basis of Preparation of Standalone financial statements:

These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). 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 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.

These Financial Statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

The Financial Statements are presented in million, except when otherwise indicated. Amount which is less than ₹ 0.01 million is shown as ₹ 0.00 million.

The Standalone financial statements for the year ended March 31, 2022 are being authorized for issue in accordance with a resolution of the directors on April 26, 2022

## Note 2. Significant Accounting Policies

### a) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the

net identifiable assets acquired and liabilities assumed, the difference is accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

### b) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU,

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

### c) **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 PPE 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 PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

The cost of an item of PPE 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 directly attributable to new manufacturing facility during its construction period are capitalized 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.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associates with these will flow into the Company and the cost of the item can be measured reliably.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property as its carrying amount on the date of reclassification.

On transition to Ind AS, the Company has elected to continue with the carrying value for all of its PPE recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

### **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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

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

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

Derecognition: The carrying amount of an item of property, plant and equipment is derecognized on

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### Estimates of useful lives of property, plant and equipment

Class of assets	Useful life in years
Buildings *	20
Computers *	3
Electrical equipment *	5
Office equipment *	5
Furniture and fixtures *	5
Vehicles *	5

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation / Amortization is charged on pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / earmarked for disposal.

### Capital work in progress and Capital advances:

Cost of assets not yet 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.

#### d) Intangible assets:

##### Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. 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.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

On transition to Ind AS, the Company has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

##### 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 amortisation 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
Commercial rights	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 de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

#### e) Investment Property

##### Measurement at recognition:

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

## Depreciation:

Depreciation on each item of Investment property 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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

## Derecognition:

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in the statement of profit and loss in the period of the retirement or disposal.

The fair values of investment property is disclosed in the notes.

## f) Impairment of Non-Financial Assets:

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

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable

from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

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

## g) Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

## 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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

### Financial assets

#### Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. 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 asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

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 below criteria:

- i) The Company business model for managing the financial asset and
- ii) 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:

- a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

### ii. Financial assets measured at FVTOCI:

Financial instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to profit or loss.

### iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at

fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the statement of profit and loss when the Company right to receive dividends is established. As at the reporting dates, there are no equity instruments measured at FVOCI.

### vi. Investments in equity instruments of subsidiaries & associates

Investments in equity instruments of subsidiaries & associates are measured at cost.

### v. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and 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. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit & Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

### Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. 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;
- iii. 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);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, 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 applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

### **Financial Liabilities and equity:**

#### **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. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

### Subsequent measurement:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the

carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### i) Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs for assets or liabilities that are not based on observable market data.

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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### j) Foreign Currency Translation:

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

#### i. Functional and presentation currencies:

Items included in the Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Company.

#### ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

#### iii) Foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date, and
- income and expenses are translated at average exchange rates

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

### k) Income Taxes:

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

#### Current tax:

- i) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- ii) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
- iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
- iv) where there is uncertainty over income tax treatments, the Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

#### Deferred tax:

Deferred tax is provided using the balancesheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financials reporting purposes as at the reporting date. 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. However, 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 if any that may 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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

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. Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised

### **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.

### **l) Provisions and Contingencies:**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ address from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

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.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

### **m) Statement of Cash Flows :**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a noncash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

### **n) Cash and Bank Balances:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents. that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### o) Revenue Recognition

#### Revenue from contracts with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customers. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is acting as a principal in all of its revenue arrangements.

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Commission and fees recognized as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

#### The Company recognised revenue from various activities as follows:

##### i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual term of the financial instruments in estimating the cash flow.

##### ii. Fees & Commission

Fees and commission income is recognised based on five step model set out in Ind AS 115.

- Brokerage income earned on secondary market operations is accounted on trade date basis.
- Income related with advisory activities, Investment banking, Financial Product Distribution Income in respect of other heads is accounted on accrual basis.

##### iii. Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### p) Employee Benefits

#### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. If the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. 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.

# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

## 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 contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company operates a Superannuation scheme for eligible employees.

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 scheme: The Company, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

#### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations 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. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

### Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

### q) 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

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

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 underlying asset or 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. 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 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, 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 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.

### Short-term leases and leases of low-value assets

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

### As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

### r) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

### s) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### t) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

## u) Segment Reporting :

The Company's business is to provide capital market services in primary & secondary market. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

## 2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### Critical accounting estimates and assumptions

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

#### a. Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

#### b. Determination of the estimated useful lives of tangible 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 useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes

or improvements in production or from a change in market demand of the product or service output of the asset.

#### c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note no 25.

#### d. 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.

#### e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

#### f. Provision for litigations:

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

#### g. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are disclosed in note no.- 32.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

**h. Determining whether an arrangement containing a lease**

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset,

even if that right is not explicitly specified in the arrangement.

**i. 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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Cash on hand	0.28	0.38
Cheques in hand	43.45	49.80
<b>Balances with banks :</b>		
- In current accounts	271.57	297.54
- In client accounts	10,416.56	2,214.81
<b>Total</b>	<b>10,731.86</b>	<b>2,562.53</b>

### NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Earmarked Bank Balances		
- Unclaimed Dividend	1.70	37.93
(b) Lien marked Fixed Deposit with banks*	26,180.80	13,930.07
<b>Total</b>	<b>26,182.50</b>	<b>13,968.00</b>

\* Company has pledged fixed deposits with the banks for bank guarantee, overdraft facilities and with the stock exchange for margin/arbitration purpose.

### NOTE 5 : RECEIVABLES

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>(i) Trade receivables</b>		
- Receivables considered good - unsecured	145.47	269.96
- Receivables which have significant increase in credit risk	89.13	22.42
- Receivables - credit impaired	0.98	3.92
<b>Total (i) Gross</b>	<b>235.58</b>	<b>296.30</b>
- Less : Impairment loss allowance	(8.79)	(6.68)
<b>Total (i) Net</b>	<b>226.79</b>	<b>289.62</b>
<b>(ii) Other receivables</b>		
- Receivables considered good - unsecured	103.68	76.73
- Receivables considered good - unsecured	-	-
<b>Total (ii) Net</b>	<b>103.68</b>	<b>76.73</b>
<b>Total (i+ii)</b>	<b>330.47</b>	<b>366.35</b>

a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at March 31, 2022 and March 31, 2021.

b) No trade receivables and other receivables are interest bearing.

### Trade Receivable ageing schedule

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment as at 31-March-2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	103.68	145.47	-	-	-	-	249.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	82.61	6.52	-	-	-	89.13
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.49	0.49	-	0.98
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment as at 31-March-2021					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	76.73	269.96	-	-	-	-	346.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	19.07	3.35	-	-	-	22.42
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	3.67	0.25	-	3.92
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### NOTE 6 : LOANS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Loan repayable on demand</b>		
Margin trading facility balances*	4,724.24	964.35
Loan to related parties	160.00	514.00
<b>Total</b>	<b>4,884.24</b>	<b>1,478.35</b>

\* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds.

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	% of the total loans & advances in the nature of loan	Amount of loan or advance in the nature of loan outstanding	% of the total loans & advances in the nature of loan
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	160.00	3%	514.00	35%

### NOTE 7 : INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>I) At cost</b>		
<b>Investment in equity shares of Subsidiaries &amp; Associates</b>		
- IIFL Facilities Services Limited	321.40	321.40
- IIFL Commodities Limited	20.00	20.00
- Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	43.41	43.41
- IIFL Management Services Limited	10.00	10.00
- IIFL Wealth (UK) Limited	11.20	11.20
- IIFL Capital Inc	40.29	40.29
- Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited) @	41.93	44.13
- IIFL Securities Services IFSC Limited	5.00	5.00
- Giskard Datatech Private Limited #*	-	0.00

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in preference shares of Subsidiaries &amp; Associates</b>		
- Compulsory convertible preference share of Giskard Datatech Private Limited*	-	38.21
<b>II) At fair value through profit or loss</b>		
<b>Investment in AIF</b>		
- India Alternative Private Equity Fund - Category II - AIF Class S	35.43	64.45
- IIFL Income Opportunities Fund Series - Special Situation Category II- AIF	-	18.50
- IIFL Securities Capital Enhancer Fund - Class S	95.14	-
- IIFL Securities Dynamic Fund - Class A3	50.48	-
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	169.94	220.17
<b>Investment in equity shares</b>		
- Bombay Stock Exchange Limited	184.08	37.12
- National Stock Exchange of India Limited	-	33.48
<b>Investment in debt Instruments</b>		
- IIFL-Secured Redeemable Non-Convertible Debentures Market Linked Debenture 2021 –Series D8	-	42.80
- IIFL Home Finance Limited Sr D7 8.20 Ncd 28Sp26	83.31	-
- IIFL-Secured Redeemable Non-Convertible Debentures Market Linked September 2024 –Series D14	462.57	-
<b>Total -Gross (A)</b>	<b>1,574.18</b>	<b>950.16</b>
- Less: Allowance for impairment loss (B)	-	-
<b>Total -Net (C) = (A) - (B)</b>	<b>1,574.18</b>	<b>950.16</b>
- Investment outside India	51.49	51.49
- Investment in India	1,522.69	898.67
<b>Total Net (C)</b>	<b>1,574.18</b>	<b>950.16</b>

\* During the year the Company has sold entire stake of 21.47 % of compulsory convertible preference shares (CCPS) of Giskard Datatech Private Limited. Accordingly Giskard Datatech Private Limited has Ceased to be Associate of the Company.

@ During the year the Company has sold its 5% stake in Livlong Protection and Wellness Solutions Ltd (earlier known as IIFL Corporate Services Ltd), a wholly owned subsidiary of the Company. Consequent to the same, Livlong Protection and Wellness Solutions Ltd continues to be a subsidiary of the Company.

# Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.

# Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

## NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Clients receivables (net of provision) #	7,900.44	5,391.50
Exchanges receivables	1,010.72	2,821.54
Interest accrued & not due on deposits and investments	224.99	100.83
Deposit with exchanges	79.00	79.00
Margin with exchanges	28.33	1,033.63
Gratuity (funded) (Refer note 25)	7.41	1.82
Security deposit with landlords and others*	225.64	222.99
Receivable from related parties (Refer note 35)	80.21	21.73
Other financial assets	50.73	57.68
<b>Total</b>	<b>9,607.47</b>	<b>9,730.72</b>

# Include receivable from directors &amp; key managerial personnel of ₹ 0.02 million (As at March 31, 2021 ₹ Nil) (Refer note 35)

\* Include deposit with related party of ₹ 113.40 million (As at March 31, 2021 ₹ 119.24 million) &amp; directors and its relatives of ₹ 50.00 million (As at March 31, 2021 ₹ 50.00 million) (Refer note 35)

## NOTE 9 : DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	As at March 31, 2022				
	Opening balance	Impact of change in rate	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	10.66	-	(4.99)	-	5.67
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	121.65	-	5.64	-	127.29
Finance Lease	12.46	-	3.56	-	16.02
Compensated absences and retirement benefits	10.60	-	1.97	0.84	13.41
Unrealised profit on investments	17.03	-	(5.15)	-	11.88
<b>Total deferred tax assets</b>	<b>172.40</b>	<b>-</b>	<b>1.03</b>	<b>0.84</b>	<b>174.27</b>
<b>Deferred tax liabilities:</b>					
Unrealised profit on investments	-	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (Net)</b>	<b>172.40</b>	<b>-</b>	<b>1.03</b>	<b>0.84</b>	<b>174.27</b>

(₹ in Million)

Particulars	As at March 31, 2021				
	Opening balance	Impact of change in rate	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	50.56	-	(39.90)	-	10.66
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	113.89	-	7.76	-	121.65
Finance Lease	9.36	-	3.10	-	12.46
Compensated absences and retirement benefits	11.74	-	1.03	(2.17)	10.60
Unrealised profit on investments	(34.52)	-	51.55	-	17.03
<b>Total deferred tax assets</b>	<b>151.03</b>	<b>-</b>	<b>23.54</b>	<b>(2.17)</b>	<b>172.40</b>
<b>Deferred tax liabilities:</b>					
Unrealised profit on investments	-	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (Net)</b>	<b>151.03</b>	<b>-</b>	<b>23.54</b>	<b>(2.17)</b>	<b>172.40</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

#### Tangible Assets:

(₹ in Million)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicle	Total
<b>Cost:</b>							
<b>As at April 01, 2020</b>	<b>7.22</b>	<b>205.66</b>	<b>38.39</b>	<b>72.29</b>	<b>49.42</b>	<b>0.37</b>	<b>373.35</b>
Additions	-	26.76	4.39	5.68	1.97	-	38.80
Disposals/Adjustments	-	(19.16)	(5.24)	(5.59)	(2.44)	-	(32.43)
<b>As at March 31, 2021</b>	<b>7.22</b>	<b>213.26</b>	<b>37.54</b>	<b>72.38</b>	<b>48.95</b>	<b>0.37</b>	<b>379.72</b>
Additions	-	79.21	4.28	15.09	6.39	-	104.96
Disposals/Adjustments	-	(22.83)	(3.82)	(4.81)	(2.10)	-	(33.57)
<b>As at March 31, 2022</b>	<b>7.22</b>	<b>269.63</b>	<b>38.00</b>	<b>82.65</b>	<b>53.23</b>	<b>0.37</b>	<b>451.12</b>
<b>Accumulated Depreciation:</b>							
<b>As at April 01, 2020</b>	<b>2.10</b>	<b>120.12</b>	<b>22.43</b>	<b>35.19</b>	<b>30.27</b>	<b>0.37</b>	<b>210.48</b>
Depreciation charge for the year	0.70	56.39	6.38	11.97	6.70	-	82.14
Deductions/Adjustments	-	(13.85)	(5.08)	(5.15)	(2.24)	-	(26.32)
<b>As at March 31, 2021</b>	<b>2.80</b>	<b>162.66</b>	<b>23.73</b>	<b>42.01</b>	<b>34.73</b>	<b>0.37</b>	<b>266.30</b>
Depreciation charge for the year	0.70	49.59	6.31	14.70	5.97	-	77.27
Deductions/Adjustments	-	(14.28)	(3.12)	(3.23)	(1.49)	-	(22.12)
<b>As at March 31, 2022</b>	<b>3.50</b>	<b>197.97</b>	<b>26.91</b>	<b>53.48</b>	<b>39.21</b>	<b>0.37</b>	<b>321.45</b>

#### Net Book Value:

(₹ in Million)

Particulars	Building	Computer	Electrical Equipment	Furniture & Fixture	Office Equipment	Vehicle	Total
As at March 31, 2021	4.42	50.60	13.81	30.37	14.22	0.00	113.42
<b>As at March 31, 2022</b>	<b>3.72</b>	<b>71.66</b>	<b>11.09</b>	<b>29.17</b>	<b>14.02</b>	<b>0.00</b>	<b>129.66</b>

#### Capital Work In Progress (CWIP) Ageing Schedule

(₹ in Million)

Capital Work In Progress	Amount in CWIP for the period 31-March-2022					Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		
Projects in Progress	7.02	3.97	-	-	10.99	
Projects temporarily suspended	-	-	-	-	-	

(₹ in Million)

Capital Work In Progress	Amount in CWIP for the period 31-March-2021					Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years		
Projects in Progress	6.00	13.09	-	-	19.09	
Projects temporarily suspended	-	-	-	-	-	

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### Other intangible assets (other than internally generated):

(₹ in Million)

Particulars	Commercial rights	Software	Goodwill	Total
<b>Cost:</b>				
<b>As at April 01, 2020</b>	-	104.08	1.14	105.22
Other additions	1,129.11	44.97	-	1,174.08
Deductions/Adjustments	-	(12.24)	-	(12.24)
<b>As at March 31, 2021</b>	<b>1,129.11</b>	<b>136.81</b>	<b>1.14</b>	<b>1,267.06</b>
Other additions	8.50	18.99	-	27.49
Deductions/Adjustments	-	-	-	-
<b>As at March 31, 2022</b>	<b>1,137.61</b>	<b>155.81</b>	<b>1.14</b>	<b>1,294.56</b>
<b>Accumulated Depreciation:</b>				
<b>As at April 01, 2020</b>	-	84.33	1.14	85.47
Depreciation charge for the year	8.04	22.16	-	30.20
Deductions/Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	<b>8.04</b>	<b>106.49</b>	<b>1.14</b>	<b>115.67</b>
Depreciation charge for the year	229.83	20.41	-	250.24
Deductions/Adjustments	0.01	-	-	0.01
<b>As at March 31, 2022</b>	<b>237.88</b>	<b>126.90</b>	<b>1.14</b>	<b>365.92</b>

### Net Book Value:

(₹ in Million)

Particulars	Commercial rights	Software	Goodwill	Total
As at March 31, 2021	1,121.07	30.32	-	1,151.39
<b>As at March 31, 2022</b>	<b>899.73</b>	<b>28.91</b>	<b>-</b>	<b>928.64</b>

### NOTE 11 : RIGHT-OF-USE ASSETS

#### A) Carrying value of right of use assets at the end of the reporting period by class

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Premises	Vehicle	Total	Premises	Vehicle	Total
<b>Balance at the beginning of the year</b>	399.74	10.88	410.62	656.40	11.06	667.46
Additions during the year	513.10	31.54	544.64	121.49	6.68	128.17
Deletions during the year	(91.21)	(0.71)	(91.92)	(53.30)	(1.13)	(54.43)
Depreciation charged for the year	(305.19)	(10.39)	(315.58)	(324.85)	(5.73)	(330.58)
<b>Balance at the end of the year</b>	<b>516.44</b>	<b>31.32</b>	<b>547.76</b>	<b>399.74</b>	<b>10.88</b>	<b>410.62</b>

#### B) Maturity analysis of lease liabilities

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Maturity analysis – contractual undiscounted cash flows</b>		
- Less than one year	314.17	170.25
- One to five years	353.09	303.30
- More than five years	27.52	75.44
<b>Total undiscounted lease liabilities at March 31</b>	<b>694.78</b>	<b>548.99</b>
<b>Lease liabilities included in the statement of financial position at March 31</b>	<b>611.41</b>	<b>460.14</b>
<b>Current lease liability</b>	<b>276.93</b>	<b>139.66</b>
<b>Non current lease liability</b>	<b>334.48</b>	<b>320.48</b>



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### C) Amounts recognised in profit or loss

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	57.29	49.01
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	3.61	1.43
Depreciation charged for the year	315.58	330.58
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.08	1.24
<b>Total</b>	<b>377.56</b>	<b>382.26</b>

### D) Amounts recognised in the statement of cash flows

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Total cash outflow for leases</b>	<b>353.96</b>	<b>362.63</b>

The Ministry of Corporate Affairs (MCA) has issued amendment in August 2020 relating to Ind AS 116. The said amendment as a practical expedient permits lessees not to account for COVID-19 related rent concessions as a lease modification.

The company has exercised the option of not accounting for Covid related rent concessions as lease modification and has accounted for the rent concession received from the lessors of ₹ 0.13 million (FY 20-21 ₹ 4.31 million) as income under the head "Other income".

### NOTE 12 : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expense	78.55	75.52
Capital advances	1.18	1.35
Other advances	30.69	17.17
<b>Total</b>	<b>110.42</b>	<b>94.04</b>

### NOTE 13 : PAYABLES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(I) Trade Payable</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.62	25.53
<b>Total (I)</b>	<b>9.62</b>	<b>25.53</b>
<b>(II) Other Payable</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Provision for expenses	801.93	324.16
(b) Accrued salaries & benefits	23.72	2.01
(c) Others	4.23	3.89
<b>Total (II)</b>	<b>829.88</b>	<b>330.06</b>
<b>Total (I)+(II)</b>	<b>839.50</b>	<b>355.59</b>

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	FY 2021-22	FY 2020-21
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-

### Trade Payable ageing schedule

(₹ in Million)

Particulars	Unbilled	Outstanding for the following periods from due date of payment as at 31-Mar-22				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	829.88	4.94	4.02	-	0.66	839.50
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

Particulars	Unbilled	Outstanding for the following periods from due date of payment as at 31-Mar-21				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	330.06	24.20	0.16	0.13	1.04	355.59
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

### NOTE 14 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Loans repayable on demand (from banks)</b>		
- Working capital demand loan	2,000.00	890.00
- Bank overdraft against fixed deposit	1,362.89	-
<b>Total</b>	<b>3,362.89</b>	<b>890.00</b>
Borrowings in India	3,362.89	890.00
Borrowings outside India	-	-
<b>Total</b>	<b>3,362.89</b>	<b>890.00</b>

14.1 (a) Working Capital Demand Loan (WCDL) & Bank overdraft are secured by way of fist pari-passu charge on all receivable to the tune of 2 times of the outstanding facility amount & against fixed deposits pledge with the banks. Refer note 33 for details of asset pledged.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

**(b) Tenor of repayment:**

- (i) For WCDL it varies from 7 days to 365 days of each tranche, the principal amount of each tranche is to be paid as bullet payment on maturity date.
- (ii) For bank overdraft upto validity of facility.

**(c) Interest Rate:**

Rate of interest is ranging from 4.00% to 7.65%

### NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Clients payables #	28,266.57	11,895.18
Exchange payables	11,556.28	9,470.61
Book overdraft	16.16	55.78
Deposits received from franchisee and others *	489.16	232.36
Payable to related parties (Refer note 35)	33.52	12.51
Financial lease obligation	611.41	460.14
Other payable	234.93	118.17
<b>Total</b>	<b>41,208.03</b>	<b>22,244.75</b>

# Include payable to directors & key managerial personnel of ₹ 0.00 million (As at March 31, 2020 ₹ 0.04 million) (Refer note 35)

\* Include deposit of related party of ₹ 3.07 million (As at March 31, 2020 ₹ 3.07 million) (Refer note 35)

### NOTE 16 : PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for leave encashment	57.76	43.86
<b>Total</b>	<b>57.76</b>	<b>43.86</b>

### NOTE 17 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Income received in advance	7.71	6.22
Statutory dues (net of input credit)	300.82	53.20
<b>Total</b>	<b>308.53</b>	<b>59.42</b>

### NOTE 18 : EQUITY SHARE CAPITAL

**a. The Authorised, Issued, Subscribed and Paid up Share Capital:**

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share Capital</b>		
At the beginning of the year	1,000.00	1,000.00
Add: Increase in authorised share capital	-	-
Closing at the end of year	1,000.00	1,000.00
<b>Issued, Subscribed and Paid-up Share Capital</b>		
303,936,230 Equity Shares of ₹ 2 each fully paid up ( 302,935,330 Equity Shares of ₹ 2 each fully paid up )	607.87	605.87

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
<b>Equity Shares</b>				
At the beginning of the year	302,935,330	605.87	319,609,462	639.22
Add: Shares issued during the year under ESOP scheme	1,000,900	2.00	326,262	0.65
Less: Shares extinguished on buyback #	-	-	(17,000,394)	(34.00)
<b>Closing at the end of year</b>	<b>303,936,230</b>	<b>607.87</b>	<b>302,935,330</b>	<b>605.87</b>

# During Previous year, the Company has concluded the buyback of 17,000,394 equity shares at an average price of ₹ 50.99 per equity share, (maximum buy back price approved was ₹ 54 per equity share) ("Buyback") as approved by the Board of Directors on November 20, 2020 and by shareholders through postal ballot on December 22, 2020. The equity shares bought back were extinguished on February 16, 2021. Total outflow of ₹ 866.81 million (excluding taxes and expenses) of which ₹ 832.81 million has been utilized from the securities premium account in line with the requirement under the Companies Act 2013. Further tax on Buyback and Buyback related expenses amounting to ₹ 189.60 million and ₹ 1.23 Million respectively have also been utilized from securities premium account. Additionally Capital Redemption Reserve of ₹ 34.00 million (equivalent to nominal value of the equity shares bought back) has been created out of securities premium account, in line with the requirement under the Companies Act 2013. Consequent to extinguishment of shares so bought back, the paid-up equity share capital has reduced by ₹ 34.00 Million (Refer note 19).

### 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 ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of Company, the holder 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 shareholders.

### d. 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	% of holding in the class	No. of Shares	% of holding in the class
<b>Equity share of ₹ 2 each fully paid up</b>				
FIH Mauritius Investments Limited	84,641,445	27.85%	84,641,445	27.94%
Nirmal Bhanwarlal Jain	46,964,282	15.45%	46,964,282	15.50%
HWIC Asia Fund Class A shares	28,362,530	9.33%	28,362,530	9.36%

e. During the period of five years immediately precedings the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back, except shares allotted through Composite Scheme of Arrangement.

f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, Refer Note 32 for details of shares reserved for issue under Employees Stock Option Plan of the Company.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### g. Shareholding of Promoters

Shares held by promoters at the end of the year 31-Mar-22				% Change during the year	Shares held by promoters at the end of the year 31-Mar-21				% Change during the year
S. No.	Promoter name	No. of Shares	% of total shares		S. No.	Promoter name	No. of Shares	% of total shares	
1	Nirmal Bhanwarlal Jain	46,964,282	15.45%	(0.33%)	1	Nirmal Bhanwarlal Jain	46,964,282	15.50%	5.50%
2	Madhu N Jain	12,075,000	3.97%	(0.33%)	2	Madhu N Jain	12,075,000	3.99%	5.50%
3	Venkataraman Rajamani	11,184,432	3.68%	(0.33%)	3	Venkataraman Rajamani	11,184,432	3.69%	5.50%
4	Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.29%	(0.33%)	4	Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.30%	5.50%
5	Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.96%	(0.33%)	5	Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.97%	5.50%
6	Aditi Athavankar	200,000	0.07%	(0.33%)	6	Aditi Athavankar	200,000	0.07%	5.50%
7	Orpheus Trading Pvt Ltd	3,019,500	0.99%	(0.33%)	7	Orpheus Trading Pvt Ltd	3,019,500	1.00%	5.50%
8	Ardent Impex Pvt Ltd	2,700,000	0.89%	(0.33%)	8	Ardent Impex Pvt Ltd	2,700,000	0.89%	5.50%
<b>Total</b>		<b>95,143,214</b>	<b>31.30%</b>		<b>Total</b>		<b>95,143,214</b>	<b>31.41%</b>	

### NOTE 19 : OTHER EQUITY

(₹ in Million)

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Share options outstanding account	Other items of Other Comprehensive Income	
<b>Balance as at March 31, 2021</b>	<b>670.91</b>	<b>34.00</b>	<b>1,199.16</b>	<b>2.27</b>	<b>5,023.54</b>	<b>46.53</b>	<b>(8.42)</b>	<b>6,967.99</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	-	3.34	-	(3.34)	-	-
Additions /(deletions) during the year	-	-	34.32	-	-	38.15	-	72.47
Total comprehensive income for the year	-	-	-	-	2,841.12	-	(2.49)	2,838.63
Share issue expenses	-	-	(83.30)	-	-	-	-	(83.30)
Appropriation towards dividend paid	-	-	-	-	(911.58)	-	-	(911.58)
<b>Balance as at March 31, 2022</b>	<b>670.91</b>	<b>34.00</b>	<b>1,150.18</b>	<b>5.61</b>	<b>6,953.08</b>	<b>81.34</b>	<b>(10.91)</b>	<b>8,884.21</b>
<b>Balance as at March 31, 2020</b>	<b>670.91</b>	<b>-</b>	<b>2,244.95</b>	<b>0.90</b>	<b>3,598.04</b>	<b>28.84</b>	<b>(14.87)</b>	<b>6,528.77</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Transfer from/to reserve	-	-	2.34	1.37	-	(3.71)	-	-
Additions /(deletions) during the year	-	-	9.51	-	-	21.40	-	30.91
Total comprehensive income for the year	-	-	-	-	1,728.44	-	6.45	1,734.89
Buyback of Equity shares (Refer note 18)	-	-	(832.81)	-	-	-	-	(832.81)
Buyback expenses including tax (Refer note 18)	-	-	(190.83)	-	-	-	-	(190.83)
Creation of Capital Redemption Reserve (Refer note 18)	-	34.00	(34.00)	-	-	-	-	-
Appropriation towards dividend paid	-	-	-	-	(302.94)	-	-	(302.94)
<b>Balance as at March 31, 2021</b>	<b>670.91</b>	<b>34.00</b>	<b>1,199.16</b>	<b>2.27</b>	<b>5,023.54</b>	<b>46.53</b>	<b>(8.42)</b>	<b>6,967.99</b>

#### Footnotes: Nature and purpose reserves

- Capital reserves** : Capital reserve was created due to slump sale transaction and as per the Composite Scheme of Arrangement.
- Securities premium** : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

- iii) **Retained earnings** : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.
- iv) **Share options outstanding account** : The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.
- v) **General Reserve**: This reserve can be distributed/utilised by the Company, in accordance with the Companies Act, 2013.
- vi) **Capital Redemption Reserve**: Nominal value of the shares cancelled through buyback is transferred to Capital Redemption Reserve.

### NOTE 20 : INTEREST INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Interest on deposits with banks*	716.59	413.82
Interest on loan (margin funding facilities)	264.92	78.03
Other interest income	-	0.29
<b>Total</b>	<b>981.51</b>	<b>492.14</b>

\* Interest received on fixed deposit with bank which are pledged with exchanges for margin purpose.

### NOTE 21 : FEES AND COMMISSION INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Brokerage & related income	6,744.13	4,990.98
Investment banking income	1,503.82	735.97
Commission & other advisory fees (incl. cross sell)	1,375.36	537.94
<b>Total</b>	<b>9,623.31</b>	<b>6,264.89</b>

### NOTE 22 : OTHER INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Gain/(Loss) on financial assets measured at fair value through Profit & Loss account		
- Realised	45.32	519.30
- Unrealised	165.42	(299.59)
Gain on termination on lease	4.77	4.34
Interest Income on		
- Inter corporate deposit	80.07	199.24
- Investment	15.51	77.36
Dividend income #	479.12	229.53
Gain on derecognition of property, plant and equipment	-	0.58
Infrastructure support income	91.48	108.25
Other income	18.69	4.75
<b>Total</b>	<b>900.38</b>	<b>843.76</b>

# During the year, Company has received dividend of ₹ 462.52 million (PY ₹ 195.35 million) from subsidiaries (Refer note 35)

### NOTE 23 : FINANCE COST MEASURED AT AMOTISED COST

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Interest on borrowings	69.29	67.60
Interest on lease	57.29	49.01
Other borrowing cost	216.84	74.45
<b>Total</b>	<b>343.42</b>	<b>191.06</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 24 : FEES AND COMMISSION EXPENSE

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Sub brokerage charges	1,336.42	927.09
Commission & other advisory fees (incl. cross sell)	581.94	125.69
Others	197.57	163.30
<b>Total</b>	<b>2,115.93</b>	<b>1,216.08</b>

### NOTE 25 : EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Salaries and wages	2,811.88	1,839.88
Contribution to provident and other funds	62.07	52.00
Share based payments (Refer note 32)	37.90	19.76
Staff welfare expenses	14.45	6.49
Gratuity	12.93	14.21
Leave encashment	24.58	22.57
<b>Total</b>	<b>2,963.81</b>	<b>1,954.91</b>

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### A Defined Benefit Plans:

##### (i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Defined Benefit Obligation at beginning of the year</b>	<b>153.98</b>	<b>148.17</b>
Interest cost	10.11	9.72
Current service cost	13.05	13.30
Liability transferred In/ acquisitions	1.80	1.85
(Liability transferred out/ divestments)	(4.64)	(2.74)
(Benefit paid directly by the Employer)	(0.01)	(0.23)
(Benefit paid from the fund)	(13.49)	(16.91)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.14)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(3.69)	(0.12)
Actuarial (gains)/losses on obligations - due to experience	6.72	0.94
<b>Defined Benefit Obligation at year end</b>	<b>163.69</b>	<b>153.98</b>

##### (ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Change in the fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	155.80	134.26
Interest income	10.24	8.81
Contributions by the employer	19.00	20.20
Expected return on plan assets (excluding interest)	(0.44)	9.44
(Benefit paid from the fund)	(13.49)	(16.91)
<b>Fair value of Plan Assets at the end of the year</b>	<b>171.11</b>	<b>155.80</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### (iii) Amount Recognized in the Balance Sheet (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>(Present Value of Benefit Obligation at the end of the year)</b>	<b>(163.69)</b>	<b>(153.98)</b>
Fair value of Plan Assets at the end of the year	171.11	155.80
Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))	7.41	1.82

### (iv) Expenses recognised during the year (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>In Income statement</b>		
Current service cost	13.05	13.30
Net interest cost	(0.12)	0.91
<b>Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"</b>	<b>12.93</b>	<b>14.21</b>
<b>In other comprehensive income</b>		
Actuarial (gains)/Losses on obligation for the period	2.89	0.82
Return on plan assets, excluding interest income	0.44	(9.44)
<b>Net (income)/expense for the year recognized in OCI</b>	<b>3.33</b>	<b>(8.62)</b>

### (v) Balance sheet reconciliation (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Opening net liability</b>	<b>(1.82)</b>	<b>13.91</b>
Expenses Recognized in Statement of Profit or Loss	12.93	14.21
Expenses Recognized in OCI	3.33	(8.62)
Net Liability/(Asset) Transfer In	1.80	1.85
Net (Liability)/Asset Transfer Out	(4.64)	(2.74)
(Benefit Paid Directly by the Employer)	(0.01)	(0.23)
(Employer's Contribution)	(19.00)	(20.20)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>(7.41)</b>	<b>(1.82)</b>

### (vi) Investment Details: (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Category of assets</b>		
Insurance fund	171.11	155.80
<b>Total</b>	<b>171.11</b>	<b>155.80</b>

### (vii) Actuarial assumptions

Particulars	FY 2021-22	FY 2020-21
Expected return on plan assets	6.84%	6.57%
Rate of discounting	6.84%	6.57%
Rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31% p.a. & thereafter 6% p.a.	For service 4 years and below 31% p.a. & thereafter 6% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

### (viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Projected Benefit Obligation on Current Assumptions	163.69	153.98
Delta Effect of +1% Change in Rate of Discounting	(12.52)	(11.55)
Delta Effect of -1% Change in Rate of Discounting	14.41	13.36
Delta Effect of +1% Change in Rate of Salary Increase	11.23	10.83
Delta Effect of -1% Change in Rate of Salary Increase	(10.22)	(9.93)
Delta Effect of +1% Change in Rate of Employee Turnover	2.91	2.19
Delta Effect of -1% Change in Rate of Employee Turnover	3.27	(2.47)
Weighted Average Duration of the Projected Benefit Obligation	10.00	10.00

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :-** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk :-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

**Longevity risk :-** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :-** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### (ix) Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
1st Following Year	12.96	19.81
2nd Following Year	12.43	10.59
3rd Following Year	12.24	10.96
4th Following Year	12.38	10.49
5th Following Year	13.44	10.60
Sum of Years 6 To 10	69.93	58.99
Sum of Years 11 and above	192.63	175.85

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### B. Defined Contribution Plans:

The company have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Contribution to provident fund	35.95	27.63
Contribution to ESIC	1.99	1.92
Contribution to labour welfare fund	0.08	0.08
Contribution to EPS	21.16	20.31
Contribution to NPS	2.89	2.06
<b>Total</b>	<b>62.07</b>	<b>52.00</b>

### NOTE 26 : DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Depreciation on property, plant and equipment	77.27	82.14
Depreciation on right of use asset	315.58	330.58
Amortization of intangible assets	250.24	30.20
<b>Total</b>	<b>643.09</b>	<b>442.92</b>

### NOTE 27 : OTHER EXPENSES

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Advertisement expense	345.31	237.81
Communication expense	66.61	86.11
Corporate social responsibility expenses (Refer note 31)	27.78	39.57
Custodian charges	60.77	43.56
Directors sitting fees	1.77	1.45
Directors commission	4.00	2.72
Exchange and Statutory Charges	70.88	8.17
Expected credit loss	30.01	37.60
Franking charges & Bank charges	8.09	6.93
Infrastructure Support Charges	9.92	10.81
Legal and professional charges	300.27	207.43
Loss on derecognition of property, plant and equipment	0.58	-
Capital Loss on redemption of preference shares*	-	282.88
Marketing and commission expenses	251.26	151.13
Office expenses	82.59	72.67
Printing and stationery & Postage and courier	19.13	12.97
Rent, electricity, rates & taxes, insurance	46.89	34.54
Repairs & Maintenance		
- Computer	0.45	0.82
- Others	6.15	5.04
Remuneration to Auditors :		
- As auditors - Statutory Audit	3.85	3.85
- Certification work and other matters	0.13	0.42
- Out of pocket expenses	0.07	0.58
Technology cost	457.80	297.75
Travelling & conveyance and Meeting, Seminar & subscription	48.60	25.57
Miscellaneous expenses	8.34	2.14
<b>Total</b>	<b>1,851.25</b>	<b>1,572.52</b>

\*Loss on redemption of preference shares of IIFL Management Services Ltd (a wholly owned subsidiary), being the difference between the cost allocated at the time of allotment of the preference shares and the redemption at par.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 28 : INCOME TAX

Amount Recognised in profit or loss

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Current tax expenses</b>		
Current year	761.31	511.86
Changes in estimates related to prior years	(13.70)	6.54
<b>Deferred tax expenses</b>		
Origination and reversal of temporary differences	(1.03)	(23.54)
Recognition of previously unreconciled tax losses	-	-
<b>Total</b>	<b>746.58</b>	<b>494.86</b>

Reconciliation of effective tax rates:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Profit before tax	3,587.70	2,223.30
Tax using domestic tax rates	25.168%	25.168%
Tax amount	902.95	559.56
<b>Tax effect of :</b>		
Non-deductible expenses	20.44	9.98
Income Tax Interest	(1.56)	-
Tax on Eliminated Income		
Dividend	(120.59)	(57.73)
Others	0.58	0.25
Income taxable at different rate	(37.00)	21.79
Differential Tax Treatment*	(4.77)	(54.33)
Adjustment in respect of current income tax of prior years	(13.70)	6.54
Recognition of previously unrecognised deductible temporary differences	0.23	8.80
<b>Total Income Tax Expense</b>	<b>746.58</b>	<b>494.86</b>

\*During Previous year, IIFL Management Services Ltd, a wholly own subsidiary, has redeemed its Preference Shares of ₹ 0.90 million at par as required by the Scheme of Demerger approved by National Company Law Tribunal (NCLT) in July 2017. These shares were allotted to IIFL Holding Ltd (now known as IIFL Finance Ltd) by IIFL Management Services Ltd., consequent to the said demerger scheme and transferred by IIFL Holding Ltd to IIFL Securities Ltd pursuant to the Composite Scheme of Arrangement approved by NCLT in the year 2019. The company has accounted for long term capital loss of ₹ 282.88 million which is included in "Other expense" during the year ended March 31, 2021 and has worked out the current tax liability accordingly.

### NOTE 29 : EARNINGS PER EQUITY SHARE

(₹ in Million)

Particulars		FY 2021-22	FY 2020-21
Face value of equity shares in ₹ fully paid up		2.00	2.00
<b>BASIC</b>			
Profit after tax as per statement of profit and loss (₹ in Million)	<b>A</b>	2,841.12	1,728.44
Weighted average number of equity shares outstanding	<b>B</b>	303,285,115	316,337,518
<b>Basic EPS In ₹</b>	<b>A/B</b>	<b>9.37</b>	<b>5.46</b>
<b>DILUTED</b>			
Weighted average number of equity shares for computation of basic EPS		303,285,115	316,337,518
Add: Potential equity shares on account conversion of Employees Stock Options		4,576,760	2,622,618
Weighted average number of equity shares for computation of diluted EPS	<b>C</b>	307,861,875	318,960,136
<b>Diluted EPS In ₹</b>	<b>A/C</b>	<b>9.23</b>	<b>5.42</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 30 : CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE

**Capital and other commitment**

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Capital commitment	70.45	40.03
(ii) Other commitment	147.76	44.79

**Contingent Liabilities**

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In respect of Income tax demands (see note 1)	75.76	22.41
(ii) In respect of Service tax demands (see note 2)	436.96	397.22
(iii) Bank guarantees	7,466.60	7,466.60
(iv) In respect of Other Legal case	250.17	63.26
<b>Total</b>	<b>8,229.49</b>	<b>7,949.49</b>

**Notes :**

- Amount paid under protest with respect to income tax demand ₹ 29.34 million (As at March 31, 2021 ₹ 22.41 million)
- Amount paid under protest with respect to service tax demand ₹ 11.69 million (As at March 31, 2021 ₹ 11.69 million)
- The Company is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.
- The above Contingent Liability does not include Income Tax liability of ₹ 100.20 million arising due to Error in processing of Return by the Income tax Department.

### NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

During the period ended March 31, 2022 the Company has spent ₹ 27.78 million (Previous year ₹ 39.57 million) out of the total amount of ₹ 37.07 million (Previous year ₹ 39.57 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation.

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount required to be spent by the company during the year	37.07	39.57
Amount of expenditure incurred	27.78	39.57
Shortfall at the end of the year	9.29	-
Total of previous years shortfall	-	-
Reason for shortfall	For ongoing projects	No Shortfall
Nature of CSR activities	Development of Ophthalmic Ward, Vaccine delivery using Drone, Seva Kutir – Learning centre, Solar installation at Govt. School, Mission Conquer Covid – ECG Machine, Cycle Distribution for students (Girls), Awareness Campaign on Importance of Education for Female – College of Home Science, Development at Govt. Hospital, Developing Bazaar Hub – Gulaabi Gaon, Govt. School – Science Laboratory, Sakhiyon ki Baadi	Shelter Home, Marubhoomi Education Society, International Foundation for Research and Education, Fighting Covid-19, Support to Elderly, Livelihood Generation, Sakhiyon ki Baadi.
Details of related party transactions	Contributed to India Infoline Foundation	Contributed to India Infoline Foundation

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 32 : SHARE BASED PAYMENTS

During the year, the Company has granted ESOPs under IIFL Employees Stock Option Scheme - 2018 (ESOP 2018).

a) The details of Employee Stock Option Schemes are as under:

Particulars	ESOP 2018	ESOP 2019
Method of Accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	
Exercise Period	Seven years from the date of grant	
Grant Date	October 30, 2019, January 07, 2021 and October 08, 2021	August 10, 2012, October 29, 2012, November 05, 2013, August 05, 2014, March 02, 2015, March 08, 2016 and April 29, 2017
Grant Price (₹ per share)	₹ 30.85, ₹ 49.00 and ₹ 99.40	₹ 25.79, ₹ 31.05, ₹ 26.47, ₹ 61.40, ₹ 82.02, ₹ 82.73 and ₹ 218.71

b) (i) Movement of options during the year ended March 31, 2022 of ESOP 2019 (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2021</b>	<b>445,641</b>	<b>61.40 - 218.71</b>	<b>87.62</b>	<b>1.89</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(66,145)	61.40 - 218.71	94.95	-
Exercised during the year	(106,080)	82.02	82.02	-
<b>Outstanding as on March 31, 2022</b>	<b>273,416</b>	<b>82.02 - 218.71</b>	<b>88.02</b>	<b>0.99</b>
<b>Exercisable as on March 31, 2022</b>	<b>273,416</b>	<b>82.02 - 218.71</b>	<b>88.02</b>	<b>0.99</b>

b) (ii) Movement of options during the year ended March 31, 2022 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2021</b>	<b>8,937,938</b>	<b>30.85 - 49.00</b>	<b>32.89</b>	<b>5.72</b>
Granted during the year	6,500,000	99.40	99.40	-
Forfeited during the year	(1,368,256)	30.85 - 99.40	53.59	-
Expired during the year	(56,924)	30.85	30.85	-
Exercised during the year	(894,820)	30.85 - 49.00	30.87	-
<b>Outstanding as on March 31, 2022</b>	<b>13,117,938</b>	<b>30.85 - 99.40</b>	<b>63.83</b>	<b>5.57</b>
<b>Exercisable as on March 31, 2022</b>	<b>1,331,494</b>	<b>30.85 - 49.00</b>	<b>33.58</b>	<b>4.76</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### c) (i) Movement of options during the year ended March 31, 2021 of ESOP 2019 (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2020</b>	<b>484,041</b>	<b>61.40 - 218.71</b>	<b>87.17</b>	<b>2.90</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(36,400)	82.02	82.02	-
Exercised during the year	(2,000)	82.02	82.02	-
<b>Outstanding as on March 31, 2021</b>	<b>445,641</b>	<b>61.40 - 218.71</b>	<b>87.62</b>	<b>1.89</b>
<b>Exercisable as on March 31, 2021</b>	<b>436,841</b>	<b>61.40 - 218.71</b>	<b>84.98</b>	<b>1.87</b>

### c) (ii) Movement of options during the year ended March 31, 2021 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2020</b>	<b>8,912,200</b>	<b>30.85</b>	<b>30.85</b>	<b>6.58</b>
Granted during the year	1,005,000	49.00	49.00	-
Forfeited during the year	(643,750)	30.85	30.85	-
Expired during the year	(11,250)	30.85	30.85	-
Exercised during the year	(324,262)	30.85	30.85	-
<b>Outstanding as on March 31, 2021</b>	<b>8,937,938</b>	<b>30.85 - 49.00</b>	<b>32.89</b>	<b>5.72</b>
<b>Exercisable as on March 31, 2021</b>	<b>510,550</b>	<b>30.85</b>	<b>30.85</b>	<b>5.58</b>

#### Fair Value Methodology:

The fair value of the shares are measured using Black scholes formula. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2018	
	2021-22	2020-21
Stock price (₹)	99.98	45.71
Volatility	42.88%	41.86%
Risk-free Rate	6.35%	5.91%
Exercise price (₹)	99.40	49.00
Time to Maturity (Years)	6	6
Dividend yield	2.87%	3.93%
Weight Average Value (₹)	36.40	11.68

**Stock Price:** The average of weekly high & low of volume weighted average price (VWAP) of shares during the two week preceding the date of grant.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

**Volatility:** The daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

**Exercise Price:** Price of each specific grant has been considered.

**Time to Maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

### NOTE 33 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Other financial assets	8,705.52	5,947.60
Fixed deposit	2,594.30	-
<b>Total assets pledged as security</b>	<b>11,299.82</b>	<b>5,947.60</b>

### NOTE 34 : FINANCIAL RISK MANAGEMENT

#### Financial risk management objectives and policies

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 has adopted the 'three lines-of-defence' (3 LOD) model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function. All three lines play a distinct role within Company wider governance framework.

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.

#### 34 A.1. CREDIT RISK

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Million)

Particulars	As at March 31, 2022			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	145.47	89.13	0.98	235.58
Less : Impairment loss allowance	-	(7.81)	(0.98)	(8.79)
<b>Carrying amount</b>	<b>145.47</b>	<b>81.32</b>	<b>-</b>	<b>226.79</b>
Other financial assets	9,589.31	26.79	488.51	10,104.61
Less : Impairment loss allowance	-	(8.63)	(488.51)	(497.14)
<b>Carrying amount</b>	<b>9,589.31</b>	<b>18.16</b>	<b>-</b>	<b>9,607.47</b>

(₹ in Million)

Particulars	As at March 31, 2021			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	269.96	22.42	3.92	296.30
Less : Impairment loss allowance	-	(2.76)	(3.92)	(6.68)
<b>Carrying amount</b>	<b>269.96</b>	<b>19.66</b>	<b>-</b>	<b>289.62</b>
Other financial assets	9,713.57	25.74	468.14	10,207.45
Less : Impairment loss allowance	-	(8.59)	(468.14)	(476.73)
<b>Carrying amount</b>	<b>9,713.57</b>	<b>17.15</b>	<b>-</b>	<b>9,730.72</b>

### Movement of ECL (Trade receivable and other financial assets)

(₹ in Million)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
<b>March 31, 2020</b>	<b>13.48</b>	<b>439.10</b>	<b>452.58</b>
Increase/(decrease) net	(2.13)	32.96	30.83
<b>March 31, 2021</b>	<b>11.35</b>	<b>472.06</b>	<b>483.41</b>
Increase/(decrease) net	5.09	17.44	22.53
<b>March 31, 2022</b>	<b>16.44</b>	<b>489.50</b>	<b>505.94</b>

### 34 A.2. COLLATERAL HELD

The Company holds collateral of securities and other credit enhancements against its credit exposures.



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### 34 A.3. MEASUREMENT OF EXPECTED CREDIT LOSS

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### 34 B. LIQUIDITY RISK

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

As at March 31, 2022

(₹ in Million)

Particulars	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	839.50	839.50	-	-	-
Bank overdraft	1,362.89	1,362.89	-	-	-
Working capital demand loan	2,000.00	2,000.00	-	-	-
Other financial liabilities	41,291.40	40,552.94	710.94	27.52	-
<b>Total liabilities</b>	<b>45,493.79</b>	<b>44,755.33</b>	<b>710.94</b>	<b>27.52</b>	<b>-</b>

As at March 31, 2021

(₹ in Million)

Particulars	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	355.59	355.59	-	-	-
Working capital demand loan	890.00	890.00	-	-	-
Other financial liabilities	22,333.60	21,725.74	532.42	75.44	-
<b>Total liabilities</b>	<b>23,579.19</b>	<b>22,971.33</b>	<b>532.42</b>	<b>75.44</b>	<b>-</b>

### 34 C. MARKET RISK

Market risk is the risk of any loss in future earnings, in realisable fair values or in futures cash flows that may result from a change in the price of a financial instrument.

The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### 34 C.1. INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment.

Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate.

The following table shows sensitivity analysis for impact on interest cost.

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Bank overdraft	1,362.89	-
Working capital demand loan	2,000.00	890.00
<b>Total</b>	<b>3,362.89</b>	<b>890.00</b>
Weighted average interest rate	5.21%	8.40%
Annualised interest cost	175.28	74.76

### Sensitivity analysis for impact on interest cost

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Increase in 1% change in ROI	33.63	8.90
Decrease in 1% change in ROI	(33.63)	(8.90)

### 34 C.2. FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED-RATE INSTRUMENTS

The Company's fixed-rate financial liabilities are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss, since neither the carrying amount nor the future cash flows will fluctuate.

### 34 C.3. EXPOSURE TO CURRENCY RISKS

The Company is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign asset and liability

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency in million	₹ in million	Foreign currency in million	₹ in million
<b>Foreign Currency Assets</b>				
USD	0.88	66.63	0.48	35.38
GBP	0.01	1.34	0.03	3.49
EURO	0.01	0.59	0.02	1.72
<b>Foreign Currency Liabilities</b>				
USD	0.39	29.60	0.14	10.39
<b>Net Gap</b>				
USD	0.49	37.03	0.34	24.99
GBP	0.01	1.34	0.03	3.49
EURO	0.01	0.59	0.02	1.72

#### Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

The effect of upward movement of 5% in the exchange rate reduce the profit/reserve by ₹ 1.95 million (₹ 1.51 million for previous year) and downward movement of 5% will increase profit/reserve by ₹ 1.95 million (₹ 1.51 million for previous year) for FY 2021-22.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### 34 C.4. EXPOSURE TO PRICE RISK

The Company exposure to price risk arising from investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has majorly invested in Debt Fund and Alternate Investment Funds under various scheme and its exposure.

(₹ in Million)

Particulars	Debt Securities	Equity Shares (Other than Subsidiary)	Mutual Funds	Alternate Investment Funds	Preference Shares (Other than Subsidiary)	Total
<b>Market Value as on March 31, 2022</b>	<b>545.88</b>	<b>184.08</b>	-	<b>350.99</b>	-	<b>1,080.95</b>
Market Value as on March 31, 2021	42.80	70.60	-	303.12	-	416.52

#### Sensitivity

The effect of upward movement of 5% in the price affects the projected net income by ₹ 54.05 million (₹ 20.83 million for previous year) and for forward downward movement of 5% the projected net loss will be ₹ 54.05 million (₹ 20.83 million for previous year) for FY 2021-22.

### 34 D. CAPITAL MANAGEMENT

The company's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

The company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows :

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Total debt	3,362.89	890.00
Cash & cash equivalent (excluding client bank balance)	(271.85)	(297.92)
<b>Net debt</b>	<b>3,091.04</b>	<b>592.08</b>
Total equity	9,492.08	7,573.86
<b>Net debt to equity</b>	<b>0.33</b>	<b>0.08</b>

### 34 E. 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.
- 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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Subjective estimate - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses significant unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. 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.

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.

### 34 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>						
Cash and cash equivalents	-	10,731.86	10,731.86	-	2,562.53	2,562.53
Bank Balance other than (a) above	-	26,182.50	26,182.50	-	13,968.00	13,968.00
Receivables						
(I) Trade receivables	-	226.79	226.79	-	289.62	289.62
(II) Other receivables	-	103.68	103.68	-	76.73	76.73
Loans	-	4,884.24	4,884.24	-	1,478.35	1,478.35
Investments						
- Equity Shares	184.08	493.22	677.30	70.60	495.43	566.03
- Preference Shares	-	-	-	-	38.21	38.21
- Mutual Fund	-	-	-	-	-	-
- Debt Instruments	545.88	-	545.88	42.80	-	42.80
- Alternate Investment Fund	350.99	-	350.99	303.12	-	303.12
Other financial assets	-	9,607.47	9,607.47	-	9,730.72	9,730.72
<b>Total</b>	<b>1,080.95</b>	<b>52,229.76</b>	<b>53,310.71</b>	<b>416.52</b>	<b>28,639.59</b>	<b>29,056.11</b>
<b>Financial Liabilities</b>						
Trade payables	-	9.62	9.62	-	25.53	25.53
Other payables	-	829.88	829.88	-	330.06	330.06
Borrowings (Other than debt securities)	-	3,362.89	3,362.89	-	890.00	890.00
Other financial liabilities	-	41,208.03	41,208.03	-	22,244.75	22,244.75
<b>Total</b>	<b>-</b>	<b>45,410.42</b>	<b>45,410.42</b>	<b>-</b>	<b>23,490.34</b>	<b>23,490.34</b>

### 34 E. 2. FAIR VALUE HIERARCHY - FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Equity instruments	184.08	-	-	184.08
Debt Instruments	-	545.88	-	545.88
Alternate Investment Funds	-	-	350.99	350.99
<b>Total Assets</b>	<b>184.08</b>	<b>545.88</b>	<b>350.99</b>	<b>1,080.95</b>

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Equity instruments	37.12	-	33.48	70.60
Debt Instruments	-	-	42.80	42.80
Alternate Investment Funds	-	-	303.12	303.12
<b>Total Assets</b>	<b>37.12</b>	<b>-</b>	<b>379.40</b>	<b>416.52</b>

### 34 E. 3. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

#### Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
<b>Assets</b>						
Cash and cash equivalents	10,731.86	10,731.86	-	2,562.53	2,562.53	-
Bank Balance other than above	26,182.50	26,182.50	-	13,968.00	13,968.00	-
Receivables						
(I) Trade receivables	226.79	226.79	-	289.62	289.62	-
(II) Other receivables	103.68	103.68	-	76.73	76.73	-
Loans	4,884.24	4,884.24	-	1,478.35	1,478.35	-
Investment in Associates	-	-	-	38.21	38.21	-
Security deposit with landlord	209.47	196.51	Level 3	205.99	192.26	Level 3
Security deposit others	16.16	16.16	-	17.00	17.00	-
Other financial asset	9,381.83	9,381.83	-	9,507.73	9,507.73	-
<b>Total Assets</b>	<b>51,736.53</b>	<b>51,723.57</b>		<b>28,144.16</b>	<b>28,130.43</b>	

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
<b>Liabilities</b>						
Trade payables	9.62	9.62	-	25.53	25.53	-
Other payables	829.88	829.88	-	330.06	330.06	-
Borrowings (Other than debt securities)	3,362.89	3,362.89	-	890.00	890.00	-
Security deposit from tenants	3.07	3.07	Level 3	3.07	2.98	Level 3
Security deposit others	486.09	486.09	-	229.29	229.29	-
Other financial liabilities	40,718.87	40,718.87	-	22,012.38	22,012.38	-
<b>Total Liabilities</b>	<b>45,410.42</b>	<b>45,410.42</b>		<b>23,490.33</b>	<b>23,490.24</b>	

### 34 E. 4. MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE :

(₹ in Million)

Particulars	Equity Shares*	Preference Shares	Alternate Investment fund	Debts Instruments	Total
<b>Balances as at April 1, 2021</b>	<b>33.48</b>	<b>-</b>	<b>303.12</b>	<b>42.80</b>	<b>379.40</b>
Purchase	-	-	150.03	-	150.03
Sale/Redemption of financial instrument	(33.48)	-	(73.98)	(45.07)	(152.53)
Reclassified to investment held at cost	-	-	-	-	-
Total gain/(losses) recognised in profit and loss	-	-	(28.18)	2.27	(25.91)
<b>Balances as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>350.99</b>	<b>-</b>	<b>350.99</b>

(₹ in Million)

Particulars	Equity Shares*	Preference Shares	Alternate Investment fund	Debts Instruments	Total
<b>Balances as at April 1, 2020</b>	<b>0.00</b>	<b>29.02</b>	<b>796.21</b>	<b>711.22</b>	<b>1,536.45</b>
Purchase	2,020.00	-	1.28	4,846.80	6,868.08
Sale/Redemption of financial instrument	(1,986.52)	-	(644.00)	(5,580.41)	(8,210.93)
Reclassified to investment held at cost	-	(29.02)	-	-	(29.02)
Total gain/(losses) recognised in profit and loss	-	-	149.63	65.19	214.82
<b>Balances as at March 31, 2021</b>	<b>33.48</b>	<b>-</b>	<b>303.12</b>	<b>42.80</b>	<b>379.40</b>

\* Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.

### 34 E. 5. MEASUREMENT OF FAIR VALUE

The fair values of Investments in Equity share and Bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase / (decrease) as below
<b>Financial Assets:</b>				
Investment in Alternate Investment Funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
Investment in Debt Instrument	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
Investment in Preference shares/ Equity share	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
<b>Financial Liabilities:</b>				
Deposit	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Discount Rate	3.30% - 5.50% (Previous year 3.00% - 5.40%) based on SBI FD rate for respective period of deposit	Not Applicable

### NOTE 35 : RELATED PARTY TRANSACTION

(A) As Per IND AS 24, the disclosures of transaction with the related parties are given below :

**List of related parties where control exists and also related parties with whom transactions have taken place and relationships :**

Nature of relationship	Name of party
<b>Directors &amp; their relatives</b>	Mr. Kranti Sinha - Independent Director till July 26, 2020
	Mr. R. Venkataraman- Chairman & Managing Director
	Mr. Mohan Radhakrishnan - Whole Time Director till January 2, 2021
	Mr. Narendra Jain - Whole Time Director
	Mr. Anand Bathiya - Independent Director w.e.f. September 22, 2020
	Mr. Viswanathan Krishnan - Independent Director w.e.f. January 21, 2021
	Ms. Rekha Warriar - Independent Director
	Mrs. Aditi Athavankar (wife of Mr. R. Venkataraman)
	Mr. Shamik Das Sharma - Independent Director w.e.f. January 14, 2020
	<b>Key Management Personnel</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

<b>Nature of relationship</b>	<b>Name of party</b>
<b>Subsidiaries Company</b>	IIFL Commodities Limited
	India Infoline Foundation (a section 8 Company)
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)
	IIFL Facilities Services Limited
	IIFL Capital Inc
	IIFL Securities Services IFSC Limited
	IIFL Wealth (UK) Limited
	Meenakshi Towers LLP
<b>Step Down Subsidiaries</b>	Shreyans Foundation LLP
<b>Associate Company</b>	Giskard Datatech Private Limited (Associate from November 06, 2020 till December 30, 2021)*
<b>Other Related Parties</b>	IIFL Finance Limited
	IIFL Sales Limited
	5paisa Capital Limited
	IIFL Home Finance Limited
	IIFL Wealth Management Limited
	Clara Developers Private Limited
	IIFL Asset Management Limited
	IIFL Trustee Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited (Amalgamated with IIFL Capital Pte. Limited w.e.f. October 27, 2021)
	IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)
	IIFL Private Wealth Hong Kong Limited (wound up on March 26, 2021)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)
	IIFL (Asia) Pte. Limited (Amalgamated with IIFL Capital Pte. Limited with effect from October 27, 2021)
	IIFL Capital (Canada) Limited
	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
	IIFL Wealth Securities IFSC Limited
	IIFL Wealth Altior Limited (Formerly knowns as IIFL Altior Advisors Limited)
	IIFL Wealth Capital Markets Limited (Formerly L&T Capital Markets Limited) (Wholly owned subsidiary of IIFL Wealth Finance Limited)
	IIFL Wealth Portfolio Managers Limited (Formerly IIFL Portfolio Managers Limited)
	IIFLW CSR Foundation (Incorporated w.e.f. January 20, 2020)
	Orpheus Trading Private Limited
	5paisa P2P Limited



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of relationship	Name of party
<b>Other Related Parties</b>	5paise Insurance Brokers Limited
	5Paise Trading Limited
	Ardent Impex Private Limited
	FIH Mauritius Investments Limited
	Mr. Nirmal Jain - Promoter
	Mr. R. Venkataraman - Promoter
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Kalki Family Private Trust
	Nirmal Madhu Family Private Trust
	India Infoline Employee Trust

\* During the year the Company has sold entire stake of 21.47 % of compulsory convertible preference shares (CCPS) of Giskard Datatech Private Limited. Accordingly Giskard Datatech Private Limited has Ceased to be Associate of the Company.

### (B) Significant Transactions with Related Parties

Nature of transaction	₹ in Million	
	FY 2021-22	FY 2020-21
<b>Investment in Equity &amp; Preference shares:-</b>		
<b>a) Associates</b>		
Giskard Datatech Private Limited	-	9.19
<b>Purchase of Investment:-</b>		
<b>a) Other Related Parties</b>		
IIFL Finance Limited	500.00	751.80
IIFL Home Finance Limited	82.93	-
<b>Sale of Investment:-</b>		
<b>a) Subsidiaries</b>		
Livlong Protection & Wellness Solutions Limited	2.67	-
<b>b) Other Related Parties</b>		
IIFL Finance Limited	40.90	-
<b>Redemption of Preference shares:-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited	-	0.90
<b>Brokerage Income/Delayed Payin Charges, etc. :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	0.10	0.00
IIFL Management Services Limited	1.95	0.48
<b>b) Other Related Parties</b>		
IIFL Finance Limited	0.88	0.19
IIFL Wealth Prime Limited	-	1.24
IIFL Home Finance Limited	-	0.00
Nirmal Jain	-	0.19
Ardent Impex Private Limited	-	0.01
<b>c) Directors &amp; their relatives , Key Managerial Personnel</b>		
Arindam Chanda	-	0.00
Mrs. Aditi Athavankar	0.01	0.00
Mohan Radhakrishnan	-	0.11
R. Venkataraman	0.38	0.45
Narendra Jain	0.00	0.00

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transaction	FY 2021-22	FY 2020-21
	(₹ in Million)	
<b>Interest Income - Inter Corporate Deposit/Others :-</b>		
<b>a) Subsidiaries</b>		
Livlong Insurance Brokers Limited	-	0.14
IIFL Commodities Limited	-	0.01
IIFL Management Services Limited	77.25	30.23
IIFL Facilities Services Limited	2.17	164.40
<b>b) Other Related Parties</b>		
IIFL Finance Limited	0.65	4.45
<b>Deposit - Given &amp; (Received Back) :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	(5.83)	13.73
<b>Commission /Advisory Fees /Research /Referral Income:-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited	12.00	-
<b>b) Other Related Parties</b>		
IIFL Finance Limited	229.85	0.10
IIFL Asset Management Limited	73.91	47.00
IIFL Home Finance Limited	238.92	4.08
5Paisa Capital Limited	47.72	-
<b>Remuneration:-</b>		
Directors	49.91	53.29
Key Managerial Personnel	-	7.61
<b>Director's Sitting Fees:-</b>		
Kranti Sinha	-	0.14
Anand Bhatiya	0.51	0.29
Rekha Warriar	0.41	0.44
Viswanathan Krishnan	0.48	0.09
Shamik Das Sharma	0.35	0.47
<b>Rent Income :-</b>		
<b>a) Other Related Parties</b>		
5Paisa Capital Limited	6.14	6.14
<b>Dividend Paid:-</b>		
a) Directors or their relatives	61.40	20.45
b) Other Related Parties	158.28	52.76
<b>Dividend Income:-</b>		
<b>a) Subsidiaries</b>		
Livlong Insurance Brokers Limited	185.00	185.00
IIFL Commodities Limited	7.52	10.35
IIFL Facilities Services Limited	270.00	-
<b>Interest Expenses on Inter Corporate Deposit:-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	0.81	0.05
IIFL Management Services Limited	-	0.39
<b>b) Other Related Parties</b>		
IIFL Finance Limited	47.55	1.30
<b>Corporate Social Responsibility Expenses:-</b>		
<b>a) Subsidiary</b>		
India Infoline Foundation	25.09	39.57

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transaction	₹ in Million	
	FY 2021-22	FY 2020-21
<b>Rent Expenses</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	237.23	261.70
<b>b) Other Related Parties</b>		
IIFL Wealth Management limited	46.03	46.03
<b>c) Director or their relatives</b>		
Mrs. Aditi Athavankar	2.40	2.40
<b>Marketing /Commission &amp; Brokerage / Technology expenses :-</b>		
<b>a) Subsidiaries</b>		
IIFL Capital Inc	114.43	54.68
IIFL Wealth (UK) Limited	-	11.88
<b>b) Other Related Parties</b>		
IIFL Wealth Management Limited	28.11	-
Giskard Datatech Private Limited	2.01	1.45
<b>c) Associates</b>		
Giskard Datatech Private Limited	-	1.09
<b>Inter Corporate Deposit Taken :-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited	-	50.00
IIFL Facilities Services Limited	1,020.00	190.00
<b>b) Other Related Parties</b>		
IIFL Finance Limited	17,390.00	4,040.00
IIFL Home Finance Limited	-	327.50
<b>Inter Corporate Deposit Taken &amp; Repaid :-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited	-	50.00
IIFL Facilities Services Limited	1,020.00	190.00
<b>b) Other Related Parties</b>		
IIFL Finance Limited	17,390.00	4,040.00
IIFL Home Finance Limited	-	327.50
<b>Inter Corporate Deposit Given :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	1,498.50	8,405.30
IIFL Management Services Limited	4,316.80	845.00
IIFL Commodities Limited	-	8.40
Livlong Insurance Brokers Limited	0.50	55.00
India Infoline Foundation	-	20.00
<b>b) Other Related Parties</b>		
IIFL Finance Limited	2,000.00	22,080.00
IIFL Home Finance Limited	-	3,570.00

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transaction	FY 2021-22	FY 2020-21
(₹ in Million)		
<b>Inter Corporate Deposit Given &amp; Received Back :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	1,498.50	8,405.30
IIFL Management Services Limited	4,670.80	331.00
IIFL Commodities Limited	-	8.40
Livlong Insurance Brokers Limited	0.50	55.00
India Infoline Foundation	-	20.00
<b>b) Other Related Parties</b>		
IIFL Finance Limited	2,000.00	22,080.00
IIFL Home Finance Limited	-	3,570.00
<b>Allocation / Reimbursement of expenses Paid :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	26.71	26.88
IIFL Management Services Limited	0.92	1.84
<b>b) Other Related Parties</b>		
IIFL Home Finance Limited	3.99	5.29
IIFL Finance Limited	27.47	28.25
5paise Capital Limited	-	0.61
<b>Allocation / Reimbursement of expenses Received :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	0.09	0.41
Livlong Insurance Brokers Limited	27.50	27.48
Livlong Protection & Wellness Solutions Limited	37.22	-
IIFL Management Services Limited	0.04	0.55
<b>b) Other Related Parties</b>		
IIFL Wealth Management Limited	-	0.03
IIFL Finance Limited	92.41	79.82
IIFL Home Finance Limited	44.64	45.13
5paise Capital Limited	56.94	69.38
<b>Others Paid :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	2.01	0.08
Livlong Protection & Wellness Solutions Limited	1.85	-
IIFL Commodities Limited	0.15	-
IIFL Management Services Limited	0.04	0.27
Livlong Insurance Brokers Limited	0.16	0.15
<b>b) Other Related Parties</b>		
IIFL Finance Limited	7.27	6.15
5paise Capital Limited	2.53	2.74
IIFL Home Finance Limited	2.82	1.81
IIFL Wealth Management Limited	0.05	0.30
IIFL Wealth Prime Limited	-	0.07

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transaction	₹ in Million	
	FY 2021-22	FY 2020-21
<b>Others Received :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	0.38	4.37
IIFL Commodities Limited	0.42	0.87
IIFL Management Services Limited	0.13	-
Livlong Protection & Wellness Solutions Limited	0.66	-
Livlong Insurance Brokers Limited	1.10	0.98
IIFL Securities Services IFSC Limited	0.68	0.63
<b>b) Other Related Parties</b>		
IIFL Finance Limited	19.68	10.06
IIFL Sales Limited	0.03	-
5paise Capital Limited	2.37	2.70
IIFL Home Finance Limited	3.18	2.11
IIFL Wealth Management Limited	-	0.03

**Note:-**

- Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.
- As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors and key managerial personnel is not included above.

**(C) Closing Balance**

Nature of transaction	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
<b>Sundry Payable :-</b>		
<b>a) Subsidiaries</b>		
IIFL Capital Inc	29.37	10.39
IIFL Management Services Limited	-	0.17
IIFL Commodities Limited	0.00	-
Livlong Insurance Brokers Limited	-	0.00
<b>b) Other Related Parties</b>		
5Paise Capital limited	-	1.82
IIFL Wealth Prime Limited	-	0.07
IIFL Wealth Management Limited	4.14	0.06
<b>c) Director &amp; their relatives, Key Managerial Persons</b>		
R. Venkataraman	-	0.10
Narendra Jain	-	0.01
Mrs. Aditi Athavankar	0.00	0.00
<b>Security Deposit Taken</b>		
<b>a) Other Related Parties</b>		
5paise Capital Limited	3.07	3.07

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transaction	(₹ in Million)	
	As at March 31, 2022	As at March 31, 2021
<b>Sundry Receivable :-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	0.03	0.15
IIFL Management Services Limited	2.81	-
Livlong Protection & Wellness Solutions Limited	26.16	-
IIFL Securities Services IFSC Limited	2.49	1.81
Livlong Insurance Brokers Limited	0.09	-
<b>b) Other Related Parties</b>		
IIFL Home Finance Limited	0.01	1.78
IIFL Finance Limited	12.60	2.74
IIFL Asset Management Limited	22.96	15.25
IIFL Sales Limited	0.04	-
5paisa Capital Limited	3.71	-
India Infoline Foundation	9.33	-
<b>c) Director</b>		
R. Venkataraman	0.02	-
<b>Inter Corporate Deposit Given:-</b>		
<b>a) Subsidiaries</b>		
IIFL Management Services Limited	160.00	514.00
<b>Security Deposit Given:-</b>		
<b>a) Subsidiaries</b>		
IIFL Facilities Services Limited	113.40	119.24
<b>b) Director &amp; their relatives</b>		
Mrs. Aditi Athavankar	50.00	50.00
<b>Interest accrued but not due:-</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	19.67	1.91
IIFL Home Finance Limited	3.31	-
<b>Investment in market linked debenture:-</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	443.00	40.90
IIFL Home Finance Limited	80.00	-
<b>Investment in equity shares of subsidiaries:-</b>		
IIFL Facilities Services Limited	321.40	321.40
IIFL Commodities Limited	20.00	20.00
Livlong Insurance Brokers Limited	43.41	43.41
IIFL Management Services Limited	10.00	10.00
IIFL Wealth (UK) Limited	11.20	11.20
IIFL Capital Inc	40.29	40.29
Livlong Protection & Wellness Solutions Limited	41.93	44.13
IIFL Securities Services IFSC Limited	5.00	5.00
<b>Investment in compulsory convertible preference shares &amp; equity shares of associates:-</b>		
Giskard Datatech Private Limited	-	38.21

Giskard Datatech Private Limited Associate from November 06, 2020 till December 30, 2021.

Amount is less than ₹ 0.01 Million, hence shown ₹ 0.00 Million, wherever applicable.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 36 : DISCLOSURE AS PER IND AS -108 "SEGMENT REPORTING"

The Company's business is to provide capital market services in primary & secondary market. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

### NOTE 37 : THE TABLE BELOW SHOWS AS ANALYSIS OF ASSETS AND LIABILITIES ANALYSED ACCORDING TO WHEN THEY ARE EXPECTED TO BE RECOVERED OR SETTLED.

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	10,731.86	-	10,731.86	2,562.53	-	2,562.53
(b) Bank Balance other than above	24,978.11	1,204.39	26,182.50	13,867.07	100.93	13,968.00
(c) Receivables						
(I) Trade receivables	226.79	-	226.79	289.62	-	289.62
(II) Other receivables	103.68	-	103.68	76.73	-	76.73
(d) Loans	4,724.24	160.00	4,884.24	964.35	514.00	1,478.35
(e) Investments	715.81	858.37	1,574.18	314.96	635.20	950.16
(f) Other financial assets	9,391.00	216.47	9,607.47	9,466.53	264.19	9,730.72
<b>Sub-total</b>	<b>50,871.49</b>	<b>2,439.23</b>	<b>53,310.72</b>	<b>27,541.79</b>	<b>1,514.32</b>	<b>29,056.11</b>
<b>(2) Non-Financial Assets</b>						
(a) Current tax assets (net)	-	178.50	178.50	-	169.05	169.05
(b) Deferred tax assets (net)	-	174.27	174.27	-	172.40	172.40
(c) Property, Plant and Equipment	-	129.66	129.66	-	113.42	113.42
(d) Capital work-in-progress	-	10.99	10.99	-	19.09	19.09
(e) Other intangible assets	-	928.64	928.64	-	1,151.39	1,151.39
(f) Right-of-use assets	-	547.76	547.76	-	410.62	410.62
(g) Other non-financial assets	101.15	9.27	110.42	87.69	6.35	94.04
<b>Sub-total</b>	<b>101.15</b>	<b>1,979.09</b>	<b>2,080.24</b>	<b>87.69</b>	<b>2,042.32</b>	<b>2,130.01</b>
<b>Total Assets</b>	<b>50,972.64</b>	<b>4,418.32</b>	<b>55,390.96</b>	<b>27,629.48</b>	<b>3,556.64</b>	<b>31,186.12</b>
<b>LIABILITIES</b>						
<b>(1) Financial Liabilities</b>						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.62	-	9.62	25.53	-	25.53
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	829.88	-	829.88	330.06	-	330.06
(b) Borrowings (Other than debt securities)	3,362.89	-	3,362.89	890.00	-	890.00
(c) Other financial liabilities	40,515.71	692.32	41,208.03	21,695.15	549.60	22,244.75
<b>Sub-total</b>	<b>44,718.10</b>	<b>692.32</b>	<b>45,410.42</b>	<b>22,940.74</b>	<b>549.60</b>	<b>23,490.34</b>

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>(2) Non-Financial Liabilities</b>						
(a) Current tax liabilities (net)	122.17	-	122.17	18.64	-	18.64
(a) Provisions	12.41	45.35	57.76	8.77	35.09	43.86
(b) Other non-financial liabilities	308.53	-	308.53	59.42	-	59.42
<b>Sub-total</b>	<b>443.11</b>	<b>45.35</b>	<b>488.46</b>	<b>86.83</b>	<b>35.09</b>	<b>121.92</b>
<b>(3) Equity</b>						
(a) Equity share capital	-	607.87	607.87	-	605.87	605.87
(b) Other equity	-	8,884.21	8,884.21	-	6,967.99	6,967.99
<b>Sub-total</b>	<b>-</b>	<b>9,492.08</b>	<b>9,492.08</b>	<b>-</b>	<b>7,573.86</b>	<b>7,573.86</b>
<b>Total Liabilities and Equity</b>	<b>45,161.21</b>	<b>10,229.75</b>	<b>55,390.96</b>	<b>23,027.57</b>	<b>8,158.55</b>	<b>31,186.12</b>

### NOTE 38 : ACQUISITION OF KARVY DEMAT ACCOUNTS

The company has paid an amount of ₹ 112.91 crores during the year 2020-21 towards transfers of demat accounts held by various clients of Karvy Stock Broking Ltd while submitting the bid in response to NSDL, CDSL, NSE, BSE and MSEIL Circulars inviting bids (RFuQ) inter-alia stating that Demat Accounts as well as Trading Accounts held by KSBL shall be transferred to another depository participant/trading member, consequent to NSE declaring KSBL as defaulter and expulsion of KSBL from the membership of NSE and termination of participanship of KSBL as Depository Participant by CDSL and NSDL. The said amount was capitalised in the books.

The company became successful bidder as Depository Participant for transfer of Demat Accounts of clients of KSBL consequent to the said bidding process. KSBL has filed writ petition against NSDL, CDSL, NSE, BSE and MSEIL and also against the Company as one of the respondents, claiming that the Sale and/or auction of the Demat and Trading Accounts is ultra vires as due process was not followed in the bidding process etc. and that the the process of transfer of demat and trading accounts to another Depository Participant/trading member respectively and further steps being taken by the successful bidders be restrained.

The Hon'ble Bombay High Court vide its interim Order dt 18th March 2021 has rejected to restrain the process of transfer of demat and trading accounts. The Hon'ble High Court has also appointed Valuers for valuation of the demat accounts and trading accounts of the clients of KSDL; ordered that the amount paid by bidders shall be held by NSDL/CDSL/NSE/BSE/MSEIL as deposit; allowed transfer of the demat/trading accounts of the investors/beneficial owners to the Depository Participant/ Trading Member who are the successful bidders. The Matter is pending before Hon'ble High court.

### NOTE 39 : RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.



## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 40 : LABOUR CODE

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on March 30, 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.

### NOTE 41 : DISCLOSURE OF FINANCIAL RATIOS

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

### NOTE 42 : OTHER DISCLOSURE UNDER SCHEDULE - III

- 1) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 4) There were no amounts which were required to be transferred to the Investor Education and Protection by the Company.
- 5) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- 6) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- 7) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 8) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) The quarterly returns / statements of current assets filed by the Company, with banks from whom borrowings have been availed on the basis of security of current assets, are in agreement with the books of account.
- 10) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- 11) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 12) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

## Notes forming part of Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 43 : RESPONSE TO COVID -19 CHALLENGES

While COVID-related challenges persisted in FY 2021-22, they were for relatively smaller periods as compared to FY 2020-21 and didn't necessitate complete lockdown. Nonetheless, leveraging the learnings from FY 2020-21, and backed by its seamless and robust technology and well established processes, the Company ensured that all operations and servicing of clients were smoothly carried out without any interruptions. Based on the facts and circumstances, the Company has been operating in the normal course and there have been no adverse impacts on the assets, liquidity, revenue, profitability and operational parameters during the year.

#### For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W

#### G.Sankar

Partner  
Membership No.: 046050

Place : Mumbai

Dated : April 26, 2022

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

#### R. Venkataraman

Chairman and Managing Director  
(DIN: 00011919)

#### Ronak Gandhi

Chief Financial Officer

#### Narendra Jain

Whole Time Director  
(DIN: 01984467)

#### Meghal Shah

Company Secretary

# Independent Auditor's Report

## To the Members of IIFL Securities Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of IIFL Securities Limited (hereinafter referred to as the 'Holding Company') and its subsidiary LLPs, and subsidiary Companies (Holding Company and its subsidiary LLPs and subsidiary companies together referred to as "the Group"), its associate, which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Cash Flows statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, of consolidated profit, of consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters for the Group and its associate. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Key Audit Matter

Information technology (IT) systems used in financial reporting process.

The Holding company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.

We therefore identified IT systems and controls over financial reporting as a key audit matter for the Holding Company.

#### Response to Key Audit Matter

We obtained an understanding of the Holding Company's IT control environment relevant to the audit.

We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting.

We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

In addition to above, we have also relied on the work of the internal auditors and system auditors.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the standalone and consolidated financial statements and our auditor's report thereon.

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies and Management of the LLPs included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies and Management of the LLPs included in the Group and its associate are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and Management of the LLPs included in the Group and its associate are responsible for overseeing the financial reporting process of the Group and its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India and its associate, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of two subsidiary LLPs and two wholly owned subsidiary companies outside India, whose financial statements reflect total assets of ₹ 254.16 Millions as at March 31, 2022, total revenues of ₹ 133.66 Millions and net cash inflows amounting to ₹ 8.89 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of those subsidiary LLPs, and subsidiary companies, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary LLPs and

subsidiary companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The statements also include financial statements of an associate up to the date of sale (i.e. 30th December 2021), as considered in the consolidated financial statements, which have been reviewed by the auditor of the associate.

Our opinion on the Consolidated Financial statements is not modified in respect of the above matters with respect to or reliance on the work done and reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Companies incorporated in India and included in the Group and

its associate and the operating effectiveness of such controls, refer to our separate report in Annexure.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company and its subsidiary companies incorporated in India to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 38 to the consolidated financial statements;

ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses Refer Note 49(iii) to the consolidated financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies incorporated in India and its associate Refer Note 49(iv) to the consolidated financial statements;

- iv. (a) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on

behalf of the Ultimate Beneficiaries Refer Note 49(i) to the consolidated financial statements.;

- (b) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company, its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries shall 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries Refer Note 49(ii) to the consolidated financial statements.;

- (c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company, its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Companies Act, 2013.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies ( Auditor's Report Order, 2020 ( the "Order"/ "CARO" ) issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and six subsidiaries which are companies incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

**(G.SANKAR)**  
(M.No.46050)

Place: Mumbai  
Date: April 26, 2022

UDIN: 22046050AHUKQO5645

## Annexure B

### to the Independent Auditor's Report

**Annexure referred to in our report of even date to the members of IIFL Securities Limited on the consolidated accounts for the year ended 31st March 2022**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of IIFL Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India (hereinafter collectively referred to as "the Group") as of March 31, 2022, which are companies incorporated in India, as of that date

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the

risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company, its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

**(G.SANKAR)**  
(M.No.46050)

Place: Mumbai  
Date: April 26, 2022

UDIN: 22046050AHUKQO5645

# Consolidated Balance Sheet

as at March 31, 2022

Particulars	Note No.	(₹ in Million)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	10,948.28	2,780.61
(b) Bank Balance other than (a) above	4	26,453.23	13,994.78
(c) Receivables			
(i) Trade receivables	5	282.41	342.72
(ii) Other receivables	5	177.61	108.83
(d) Loans	6	4,733.31	980.41
(e) Investments	7	2,275.48	737.45
(f) Other financial assets	8	9,897.35	9,872.50
<b>Sub-total</b>		<b>54,767.67</b>	<b>28,817.30</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)		380.49	432.75
(b) Deferred tax assets (net)	9	236.49	213.61
(c) Investment property	10	765.79	939.17
(d) Property, Plant and Equipment	11	2,853.09	2,572.85
(e) Capital work-in-progress	11	25.49	465.51
(f) Inventories	12	-	23.25
(g) Other intangible assets	13	928.83	1,151.89
(h) Assets held for sale	14	-	305.75
(i) Right of use asset	15	273.77	217.45
(j) Other non-financial assets	16	178.87	301.72
<b>Sub-total</b>		<b>5,642.82</b>	<b>6,623.95</b>
<b>Total Assets</b>		<b>60,410.49</b>	<b>35,441.25</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	16.55	43.23
(ii) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	928.08	371.09
(b) Borrowings (other than debt securities)	18	6,070.41	2,915.88
(c) Other financial liabilities	19	40,964.45	22,142.27
<b>Sub-total</b>		<b>47,979.49</b>	<b>25,472.47</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)		140.49	27.71
(b) Provisions	20	63.70	47.32
(c) Other non-financial liabilities	21	408.89	218.00
<b>Sub-total</b>		<b>613.08</b>	<b>293.03</b>
<b>(3) Equity</b>			
(a) Equity share capital	22	607.87	605.87
(b) Other equity	23	11,211.89	9,071.51
(c) Non controlling interest	24	(1.84)	(1.63)
<b>Sub-total</b>		<b>11,817.92</b>	<b>9,675.75</b>
<b>Total Liabilities and Equity</b>		<b>60,410.49</b>	<b>35,441.25</b>

See accompanying notes forming part of the consolidated financial statements

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As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

**For and on behalf of Board of Directors**
**G.Sankar**

Partner

Membership No.: 046050

**R. Venkataraman**

Chairman and Managing Director

(DIN: 00011919)

**Narendra Jain**

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 26, 2022

**Ronak Gandhi**

Chief Financial Officer

**Meghal Shah**

Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Million)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>1. Revenue from operations</b>			
(a) Interest income	25	1,794.13	747.77
(b) Rental income		159.85	211.37
(c) Fees and commission income	26	10,369.29	6,949.37
<b>Total revenue from operations (a+b+c)</b>		<b>12,323.27</b>	<b>7,908.51</b>
<b>2. Other income</b>	27	840.84	767.69
<b>3. Total income (1+2)</b>		<b>13,164.11</b>	<b>8,676.20</b>
<b>4. Expenses</b>			
(a) Finance costs	28	1,015.33	496.25
(b) Fees and commission expense	29	2,103.57	1,177.01
(c) Employee benefits expenses	30	3,240.56	2,113.09
(d) Depreciation, amortization and impairment	31	634.56	458.76
(e) Other expenses	32	2,150.51	1,585.38
<b>Total expenses (a+b+c+d+e)</b>		<b>9,144.53</b>	<b>5,830.49</b>
<b>5. Profit before share of profit/(loss) of associates and joint ventures (3 - 4)</b>		<b>4,019.58</b>	<b>2,845.71</b>
6. Share of profit/(loss) of associates and joint ventures		1.45	1.63
<b>7. Profit before exceptional items and tax (5 + 6)</b>		<b>4,021.03</b>	<b>2,847.34</b>
8. Exceptional items		-	-
<b>9. Profit before tax (7 + 8)</b>		<b>4,021.03</b>	<b>2,847.34</b>
<b>10. Tax expense:</b>			
(a) Current Tax	33	998.28	648.70
(b) Deferred Tax	33	(22.94)	(12.46)
(c) Short/excess	33	(12.62)	8.05
<b>Total tax expenses (a+b+c)</b>		<b>962.72</b>	<b>644.29</b>
<b>11. Profit for the period (9 - 10)</b>		<b>3,058.31</b>	<b>2,203.05</b>
Attributable to:			
Owners of the Company		3,060.57	2,203.35
Non controlling interest		(2.26)	(0.30)
<b>12. Other Comprehensive Income</b>			
<b>(A)</b>			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(2.14)	9.77
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.54	(2.46)
<b>Subtotal (A)</b>		<b>(1.60)</b>	<b>7.31</b>
<b>(B)</b>			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(1.60)</b>	<b>7.31</b>
<b>13. Total Comprehensive Income for the period (11 + 12)</b>		<b>3,056.71</b>	<b>2,210.36</b>
Attributable to:			
Owners of the Company		3,058.97	2,210.66
Non controlling interest	24	(2.26)	(0.30)
<b>Earnings per equity share</b>			
Basic (in ₹)	34	10.09	6.97
Diluted (in ₹)	34	9.94	6.91

See accompanying notes forming part of the consolidated financial statements

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As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

**For and on behalf of Board of Directors****G.Sankar**

Partner

Membership No.: 046050

**R. Venkataraman**

Chairman and Managing Director

(DIN: 00011919)

**Narendra Jain**

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 26, 2022

**Ronak Gandhi**

Chief Financial Officer

**Meghal Shah**

Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

## A. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
<b>At the beginning of the year</b>	302,935,330	605.87	319,609,462	639.22
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add:- Shares issued pursuant to composite scheme of arrangement	-	-	-	-
Add: Shares issued during the year under ESOP Scheme	1,000,900	2.00	326,262	0.65
Less: Buyback of Shares (Refer note 22)	-	-	(17,000,394)	(34.00)
<b>Closing at the end of year</b>	<b>303,936,230</b>	<b>607.87</b>	<b>302,935,330</b>	<b>605.87</b>

## B. Other equity

Particulars	Reserves and Surplus					Share options outstanding account	Other items of other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total	
	General reserve	Capital redemption reserve	Debt redemption reserve	Capital reserve	Securities premium					Retained earnings
<b>Balance as at April 01, 2021</b>	<b>461.48</b>	<b>34.00</b>	-	<b>660.72</b>	<b>1,199.17</b>	<b>6,667.30</b>	<b>46.52</b>	<b>(11.15)</b>	<b>13.47</b>	<b>9,071.51</b>
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	3,060.57	-	(1.60)	-	3,058.97
Appropriation towards dividend paid	-	-	-	-	-	(911.58)	-	-	-	(911.58)
Transfer to/from reserves	3.34	-	-	-	-	-	(3.34)	-	-	-
Share issue expenses	-	-	-	-	(83.30)	-	-	-	-	(83.30)
Other additions	-	-	-	-	34.32	0.16	38.15	-	3.66	76.29
<b>Balance as at March 31, 2022</b>	<b>464.82</b>	<b>34.00</b>	-	<b>660.72</b>	<b>1,150.19</b>	<b>8,816.45</b>	<b>81.33</b>	<b>(12.75)</b>	<b>17.13</b>	<b>11,211.89</b>

(₹ in Million)

# Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2022

Particulars	Reserves and Surplus					Share options outstanding account	Other items of other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
	General reserve	Capital redemption reserve	Debt redemption reserve	Capital reserve	Securities premium				
<b>Balance as at April 1, 2020</b>	<b>414.81</b>	<b>-</b>	<b>45.29</b>	<b>660.72</b>	<b>2,244.96</b>	<b>28.84</b>	<b>(18.46)</b>	<b>15.62</b>	<b>8,158.67</b>
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,203.35	-	7.31	-	2,210.66
Appropriation towards dividend paid	-	-	-	-	(302.94)	-	-	-	(302.94)
Transfer to/from reserves	46.67	-	(45.29)	-	2.34	(3.72)	-	-	-
Buyback of Equity shares (Refer note 22)	-	-	-	-	(832.81)	-	-	-	(832.81)
Buyback expenses including tax (Refer note 22)	-	-	-	-	(190.83)	-	-	-	(190.83)
Creation of Capital Redemption Reserve (Refer note 22)	-	34.00	-	-	(34.00)	-	-	-	-
Other additions	-	-	-	-	9.51	21.40	-	(2.15)	28.76
<b>Balance as at March 31, 2021</b>	<b>461.48</b>	<b>34.00</b>	<b>-</b>	<b>660.72</b>	<b>1,199.17</b>	<b>46.52</b>	<b>(11.15)</b>	<b>13.47</b>	<b>9,071.51</b>

See accompanying notes forming part of the consolidated financial statements (1 - 50)

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

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

**G. Sankar**

Partner

Membership No.: 046050

Place : Mumbai

Dated : April 26, 2022

**R. Venkataraman**

Chairman and Managing Director

(DIN: 00011919)

**Ronak Gandhi**

Chief Financial Officer

**Narendra Jain**

Whole Time Director

(DIN: 01984467)

**Meghal Shah**

Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2022

Particulars	(₹ in Million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Net profit before taxation	4,021.03	2,847.34
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	634.56	458.76
Interest expenses	1,015.33	496.25
Foreign exchange fluctuation	3.66	(2.15)
Gain and loss on termination of finance lease	(5.73)	(5.50)
Employee share based payment	38.15	21.40
Provision for gratuity	(7.00)	(2.42)
Provision for leave encashment	63.70	47.32
Provision for expenses	893.85	362.11
Dividend income	(16.75)	(34.18)
Share of (profit)/loss of associates and joint ventures	(1.45)	(1.63)
Interest income	(162.59)	(169.60)
Net (gain)/loss on financial instrument	(433.21)	(284.61)
Net (gain) on sale of fixed assets	(107.62)	(65.70)
<b>Operating profit before working capital changes</b>	<b>5,935.93</b>	<b>3,667.39</b>
(Increase)/decrease in other bank balances	(12,214.50)	(7,164.65)
(Increase)/decrease in loans	(3,752.90)	(737.12)
(Increase)/decrease in trade and other receivables	(8.47)	(66.13)
(Increase)/decrease in other financial assets	(19.99)	(5,403.98)
(Increase)/decrease in inventories	23.25	109.48
(Increase)/decrease in other non-financial assets	261.80	210.15
Increase/(decrease) in trade and other payable	(363.54)	(321.51)
Increase/(decrease) in other financial liabilities	18,763.96	11,959.94
Increase/(decrease) in provisions	(47.32)	(35.77)
Increase/(decrease) in non-financial liabilities	190.88	(117.23)
<b>Cash generated from operations</b>	<b>8,769.10</b>	<b>2,100.57</b>
Current tax expense	(820.01)	(582.14)
<b>Net cash generated from operating activities (A)</b>	<b>7,949.09</b>	<b>1,518.43</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(178.26)	(1,525.17)
Sale of fixed assets	452.68	897.41
(Investment)/redemption of fixed deposit	(243.95)	41.28
Interest income	114.23	132.66
Dividend income	16.75	34.18
(Purchase)/Sale of Current Investment (net)	(778.19)	83.37
Purchase of Investment	(3,211.46)	(7,725.80)
Sale of Investment	2,970.36	9,537.40
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(857.84)</b>	<b>1,475.33</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(911.58)	(302.94)
Proceeds from Borrowings	3,487.89	6,675.85
Repayment of Borrowings	(1,142.09)	(5,054.21)
Increase/(decrease) in short term borrowings	800.00	(3,293.60)
Proceed from issuance of share capital	36.32	10.17
Share issue expenses	(83.30)	-
Buyback of Equity Shares (including tax and other expenses)	-	(1,057.65)
Repayment of lease liabilities	(129.21)	(113.93)
Interest expenses	(981.61)	(477.15)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>1,076.42</b>	<b>(3,613.46)</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>8,167.67</b>	<b>(619.70)</b>
Cash and cash equivalents at the beginning of the year	2,780.61	3,400.31
<b>Cash and cash equivalents at the end of the year</b>	<b>10,948.28</b>	<b>2,780.61</b>

See accompanying notes forming part of the consolidated financial statements (1 - 50)

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

**G.Sankar**

Partner

Membership No.: 046050

Place : Mumbai

Dated : April 26, 2022

**For and on behalf of Board of Directors**
**R. Venkataraman**

Chairman and Managing Director

(DIN: 00011919)

**Ronak Gandhi**

Chief Financial Officer

**Narendra Jain**

Whole Time Director

(DIN: 01984467)

**Meghal Shah**

Company Secretary

# Notes forming part of Consolidated Financial Statements

## for the year ended March 31, 2022

### Note 1. Corporate Information:

The financial statements comprise financial statements of IIFL Securities Limited ("the Holding Company") and its subsidiaries (collectively, the group) for the year ended March 31, 2022.

IIFL Securities Limited ("the Company") was incorporated on March 21, 1996. The Company is in financial services spaces offering capital market services such as equity, currency and commodity broking, depository participant services, merchant banking and distribution of financial products besides holding investments in subsidiaries. The group business also consist of financial services, facilities and ancillary services including real estate broking/ advisory services and insurance broking services which are carried out by separate subsidiaries of the Company.

Information on other related party relationships of the group is provided in note 44.

### Note: 1.1 Purpose and Basis of Accounting and Preparation of Financial Statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below, the relevant provisions of The Companies Act, 2013 ("Act")

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

### a) Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets, retirement benefit obligations and lease arrangements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### b) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (refer accounting policy on financial instruments).

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year ended March 31, 2022, the Statement of Cash Flows for the year ended March 31, 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements'). All the accounting policies adopted by the Group have been consistently applied in all the financial years presented in these financial statements.

### c) Basis of Preparation of financial statements:

These Financial Statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the

Ministry of Corporate Affairs (MCA). 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 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. The Financial Statements are presented in million, except when otherwise indicated. Amount which is less than ₹ 0.01 million is shown as ₹ 0.00 million.

The Consolidated financial statements for the year ended March 31, 2022 are being authorized for issue in accordance with a resolution of the directors on April 26, 2022.

### d) List of Subsidiaries Consolidated

The individual Balance Sheet as at March 31, 2022, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2022 of following subsidiaries are included in consolidation:

Name of the entity	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at March 31, 2022	As at March 31, 2021
IIFL Commodities Limited	India	100%	100%
IIFL Management Services Limited	India	100%	100%
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	India	100%	100%
IIFL Facilities Services Limited	India	100%	100%
IIFL Securities Services IFSC Limited	India	100%	100%
Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited)#	India	95%	100%
IIFL Capital Inc.	United States of America	100%	100%
IIFL Wealth (UK) Limited	United Kingdom	100%	100%
Shreyans Foundation LLP*	India	99%	99%
Meenakshi Towers LLP*	India	100%	100%

\* IIFL Facilities Services Limited, a wholly owned subsidiary of company, has acquired 99% stake on April 1, 2019 in Shreyans Foundations LLP which is holding 50% stake in Meenakshi Tower LLP, a joint venture between another wholly owned subsidiary of the company, IIFL Management Services Limited and Shreyans Foundations LLP. Pursuant to this, Meenakshi Tower LLP has become subsidiary of the company.

# The Company has sold 5% stake in Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited, Formerly known as IIFL Asset Reconstruction Limited) on December 1, 2021.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

## Note 2. Significant Accounting Policies

### a) Basis of consolidation

#### i) Subsidiaries

Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and subsidiaries as disclosed in Note 45. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

#### ii) Associates and joint ventures

An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group's investments in its associate and joint venture are accounted for under the equity method. Under the equity method the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues

recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognize the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### b) Business Combinations:

Business combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under other equity.

### c) **Goodwill:**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### d) **Property, Plant & Equipment (PPE)**

#### **Measurement at recognition:**

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

The group identifies and determines cost of each part of an item of PPE 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 PPE 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 directly attributable to new manufacturing facility during its construction period are capitalized 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.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property as its carrying amount on the date of reclassification.

On transition to Ind AS, the Group has elected to continue with the carrying value for all of its PPE recognized as at April 1, 2017 measured as per the previous GAAP and use that varying value as the deemed cost of the PPE.

#### **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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. 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.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

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

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

## Estimates of useful lives of property, plant and equipment

Class of assets	Useful life in years
Buildings	20
Computers	3
Electrical equipment	5
Office equipment	5
Furniture and fixtures	5
Vehicles	5

*\*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013*

Depreciation / Amortization is charged on pro-rata on monthly basis on assets, from / upto the month of capitalization / sale, disposal / earmarked for disposal.

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

## Capital work in progress and Capital advances:

Cost of assets not yet 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.

## e) Intangible assets:

### Measurement at Recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as

at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. 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.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

On transition to Ind AS, the Group has elected to continue with the carrying value for all its intangible assets as recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

### 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
Commercial Rights	5
Other Intangible assets	Remaining useful life of base asset
Software	3

### 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 de-recognition 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.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

## f) Investment Property

### Measurement at Recognition:

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group. Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has experience in the category of the investment property being valued.

On transition to Ind AS, the Group has elected to continue with the carrying value for all investment property as recognised in its IGAAP financials as deemed cost at the transition date of April 01, 2017.

### Depreciation:

Depreciation on each item of Investment property 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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

### Derecognition:

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## g) Impairment of Non-Financial Assets:

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

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

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

## h) Assets held for sale:

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets held for sale and disposal groups are measured at the lower of their carrying amount or the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Property, Plant and Equipment and Intangible Assets once classified as held for sale are not depreciated or amortised.

## i) Financial Instruments:

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

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

### Financial assets

#### Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The Group 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 asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

#### Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- i) The Group business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group 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:

- a) The Group business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

### ii. Financial assets measured at FVTOCI:

Financial instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to profit or loss.

### iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the statement of profit and loss when the Group's right to receive dividends is established. As at reporting date, there are no equity instruments measured at FVOCI.

### iv. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries associate and joint venture, 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. Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit & Loss. The Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

### Reclassifications:

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual

## Notes forming part of Consolidated Financial Statements

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cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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 Group applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

### Financial Liabilities and equity:

#### Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

### Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### j) Fair Value:

The group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1

## Notes forming part of Consolidated Financial Statements

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inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs for assets or liabilities that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### k) Foreign Currency Translation:

These financial statements are presented in Indian Rupees, which is the Group's functional currency.

#### i. Functional and presentation currencies:

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in INR which is the functional and presentation currency for Group.

#### ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

### iii) Group's foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date, and
- income and expenses are translated at average exchange rates.

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

### l) 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:

- i) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.
- ii) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
- iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
- iv) where there is uncertainty over income tax treatments, the Group determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

#### Deferred tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financial reporting purposes as at the reporting date. 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 in the countries where the group operates and generates taxable income.

## Notes forming part of Consolidated Financial Statements

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Deferred tax liabilities are recognised for all taxable temporary differences except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transition, affects neither the accounting profit or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

### **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 Group 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 Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

### **m) Provisions and Contingencies:**

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc.



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and the same are duly clarified/ addressed from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

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.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

### n) Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

### o) Cash and bank balances :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### p) Revenue Recognition

#### Revenue from contracts with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customers. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The group assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The group has generally concluded that it is acting as a principal in all of its revenue arrangements.

The group recognised revenue from various activities as follows:

#### i. Interest Income

Interest income is recognised using effective interest rate by considering all the contractual term of the financial instruments in estimating the cash flow.

## Notes forming part of Consolidated Financial Statements

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### ii. Fees & Commission

Fees and commission income is recognised based on five step model set out in Ind AS 115.

- a. Brokerage income earned on secondary market operations is accounted on trade date basis.
- b. Income related with advisory activities, Investment banking, Financial Product Distribution Income in respect of other heads is accounted on accrual basis.

### iii. Rental Income

Lease income is recognised in the statement of profit and loss net of indirect taxes, if any. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or
- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

### iv. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

### q) Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on

the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

### r) 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. If the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group 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 Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Groups contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year

## Notes forming part of Consolidated Financial Statements

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to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Group operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The Group 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 Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is 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 scheme: The Group, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

#### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations 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. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they

accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

### s) Lease accounting :

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

#### As a Lessee

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or 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. 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 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, group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

# Notes forming part of Consolidated Financial Statements

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

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

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

Lease liability and the right of use asset have been separately presented in the balance sheet.

## Short-term leases and leases of low-value assets

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

### As a lessor

Leases for which the Group is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

### t) Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods

or service received is accounted and when there is no uncertainty in availing/utilising the credits.

### u) Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### v) Segment Reporting :

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

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

### w) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

## 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:

### a. Income taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### b. Determination of the estimated useful lives of assets (tangible assets, intangible assets and investment property)

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 useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

### c. Defined Benefit Obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long

term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 32.

### d. 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.

### e. Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Group own experience & forward looking estimation.

### f. Provision for litigation

In estimating the final outcome of litigation, the Group applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Group requires an accrual or disclosure in the financial statements.

### g. Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. Further details are disclosed in note 45.

### h. Determining whether an arrangement containing a lease

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

### i. 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.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.30	0.40
Cheques in hand	43.45	49.85
<b>Balances with banks :</b>		
- In current accounts	461.07	515.54
- In client accounts	10,416.56	2,214.82
- In deposit account with original maturity less than 3 months	26.90	-
<b>Total</b>	<b>10,948.28</b>	<b>2,780.61</b>

### NOTE 4 : BANK BALANCE OTHER THAN ABOVE

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Earmarked Balance with bank		
- Unclaimed Dividend	1.70	47.50
(II) Fixed Deposit with banks		
- Lien Marked*	26,389.34	13,932.16
- Other deposit	62.19	15.12
<b>Total</b>	<b>26,453.23</b>	<b>13,994.78</b>

\* Group has pledged fixed deposits with the banks for bank guarantee, overdraft facilities, with the stock exchange for margin/arbitration purpose.

### NOTE 5 : RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(I) Trade receivables</b>		
- Receivables considered good - unsecured	190.68	308.65
- Receivables which have significant increase in credit risk	106.00	44.20
- Receivables - credit impaired	108.23	109.44
<b>Total (I) Gross</b>	<b>404.91</b>	<b>462.29</b>
- Less: Allowance for credit loss	(122.50)	(119.57)
<b>Total (I) Net</b>	<b>282.41</b>	<b>342.72</b>
<b>(II) Other receivables</b>		
- Unbilled considered good - unsecured	177.61	108.83
<b>Total (II)- Gross</b>	<b>177.61</b>	<b>108.83</b>
- Less: Allowance for credit loss	-	-
<b>Total (II) Net</b>	<b>177.61</b>	<b>108.83</b>
<b>Total (I+II)</b>	<b>460.02</b>	<b>451.55</b>

(a) No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as on March 31, 2022 and March 31, 2021.

(b) No trade receivables and other receivables are interest bearing.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(c) Ageing schedule for Trade receivables is as under:

(₹ in Million)

Particulars	As at March 31, 2022						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	177.61	190.68	-	-	-	-	368.29
(ii) Undisputed Trade Receivables - considered doubtful	-	87.07	6.92	-	12.01	-	106.00
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	2.96	1.45	5.80	98.02	108.23
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

(₹ in Million)

Particulars	As at March 31, 2021						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	108.83	308.65	-	-	-	-	417.48
(ii) Undisputed Trade Receivables - considered doubtful	-	19.77	4.12	12.01	8.30	-	44.20
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	1.67	4.50	14.61	88.66	109.44
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

### NOTE 6 : LOANS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At Amortised cost</b>		
<b>Loans repayable on demand</b>		
- Margin trading facility balances *	4,724.24	964.36
<b>Leasing (please refer disclosure below)</b>		
- Asset given under finance lease	9.07	16.05
<b>Total - Gross</b>	<b>4,733.31</b>	<b>980.41</b>
- Less: Impairment loss allowance	-	-
<b>Total - Net</b>	<b>4,733.31</b>	<b>980.41</b>

\* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds.

(I) Disclosure for assets given under finance lease:-

(₹ in Million)

a) Minimum lease payment receivable for asset given on finance lease	As at March 31, 2022	As at March 31, 2021
- Not later than one year	7.10	6.98
- Later than one year and not later than five years	1.97	9.07
- Later than five year	-	-
<b>Total</b>	<b>9.07</b>	<b>16.05</b>
<b>b) Unearned finance income</b>	<b>0.10</b>	<b>0.32</b>

c) The Group have given approx 30,000 sq. ft. of its commercial space on operating lease with a lock in period of 6 years along with FITOUT consist of furniture, fitting, electric work and other beautification work on finance lease and the same will be transferred to the lessee on completion of lock in period at the nominal amount of ₹ 1.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### (II) Details of loans that are repayable on demand or without specifying any terms or period of repayment:-

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	-	-	-	-	-	-

### NOTE 7 : INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at amount determined using equity method of accounting (I)</b>	-	<b>39.85</b>
<b>Investment in equity/preference share of associates</b>	-	39.85
- Compulsory convertible preference share of Giskard Datatech Private Limited*	-	39.85
- Equity Shares of Giskard Datatech Private Limited*	-	0.00
<b>At fair value through profit and loss (i) + (ii) + (iii) + (iv) + (v) = (II)</b>	<b>2,275.48</b>	<b>697.60</b>
<b>Mutual Funds (i)</b>	<b>289.16</b>	<b>91.11</b>
- ICICI Prudential Liquid Fund - Direct Plan - Growth	194.93	91.11
- ICICI Prudential Overnight Fund Direct Plan Growth	94.23	-
<b>Alternate Investment Funds (ii)</b>	<b>362.28</b>	<b>311.98</b>
- IIFL Securities Capital Enhancer Fund	2.03	-
- IIFL Special Opportunities Fund – Series 4 Category II AIF Scheme - Class A1	9.26	8.87
- India Alternative Private Equity Fund - Category II - AIF Class S	35.43	64.44
- IIFL Income Opportunities Fund Series - Special Situation Category II- AIF	-	18.50
- IIFL Securities Capital Enhancer Fund - Class S	95.14	-
- IIFL Securities Dynamic Fund - Class A3	50.48	-
- IIFL Real Estate Fund (Domestic) – Series 2 Category II- AIF	169.94	220.17
<b>Equity shares (iii)</b>	<b>184.08</b>	<b>70.60</b>
- BSE Limited	184.08	37.12
- National Stock Exchange of India Limited	-	33.48
<b>Exchange Traded Fund (iv)</b>	-	<b>53.38</b>
- Axis Technology ETF	-	53.38
<b>Debt fund (v)</b>	<b>1,439.96</b>	<b>170.53</b>
- <b>Market Linked Debentures of IIFL Finance Limited</b>	-	-
- Series G2 BR NCD 22NV21 (Credit Enhanced MLD, ISIN: INE866I08337)	-	8.49
- SR D3 OPT II BR NCD 27SP22 (MLD, ISIN: INE866I07CI5)	-	18.88
- Secured Redeemable Non-Convertible Debentures Market Linked Debenture 2021 –Series D8	-	42.80
- Secured Redeemable Non-Convertible Debentures Market Linked Debenture 2024 –Series D14	462.57	-



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>- Non-Convertible Debentures</b>		
- IIFL HOME FINANCE LIMITED SR D7 8.20 NCD 28SP26 FVRS10LAC (ISIN: INE477L07AK5)	41.63	-
- IIFL Home Finance Limited Sr D7 8.20 NCD 28Sp26	83.31	-
- IIFL FINANCE LIMITED SR I 9.60 NCD 07MY22 FVRS1000 (ISIN: INE866I07BZ1)	0.00	-
- IIFL FINANCE LIMITED SR II CATG II III IV NCD 07MY22 FVRS1000 (ISIN: INE866I07CB0)	0.00	-
- IIFL FINANCE LIMITED SR IV 10.20 NCD 07FB24 FVRS1000 (ISIN: INE866I07CF1)	0.00	-
<b>- Bonds</b>		
- U.P. POWER CORPORATION LIMITED SR I	800.41	-
- Optional Convertible Debenture (475 units @ face value ₹ 1,00,000 each)	47.50	47.50
- 8.30% Canara Perpetual Bond	-	47.85
- Piramal - India REIT Fund Scheme V	4.54	5.01
<b>Total - Gross (I) + (II)</b>	<b>2,275.48</b>	<b>737.45</b>
- Less: Impairment loss allowance	-	-
<b>Total - Net</b>	<b>2,275.48</b>	<b>737.45</b>
- Investments outside India	-	-
- Investments in India	2,275.48	737.45
<b>Total - Net</b>	<b>2,275.48</b>	<b>737.45</b>

\* During the year the company has sold entire stake of 21.47 % of compulsory convertible preference shares (CCPS) of Giskard Datatech Private Limited. Accordingly, Giskard Datatech Private Limited has Ceased to be Associate of the Company.

Amount is less than ₹ 0.01, hence shown ₹ 0.00 million.

### NOTE 8 : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Clients receivables (net of provisions) #	7,900.44	5,391.50
Exchanges receivables	1,010.77	2,821.59
Margin with exchange	28.33	1,048.62
Deposit with exchange	115.75	100.75
Security deposit with landlords and others (net of provisions) *	186.12	183.68
Interest accrued on deposits and investments	226.86	103.18
Receivable from related parties (Refer note 44)	50.55	24.51
Gratuity (Net) (Refer note 30)	7.00	2.42
Other financial assets	371.53	196.25
<b>Total</b>	<b>9,897.35</b>	<b>9,872.50</b>

# Include receivable from directors & key managerial personnel of ₹ 0.02 (As at March 31, 2021 ₹ Nil) (Refer note 44)

\* Include deposit with directors and its relatives of ₹ 50 million (As at March 31, 2021 ₹ 50.00 million) (Refer note 44)

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 9 : DEFERRED TAX ASSETS (NET) (AS AT MARCH 31, 2022)

(₹ in Million)

Particulars	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	21.40	(7.28)	-	-	14.12
Business loss carry forwards	0.11	18.45	-	-	18.56
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	150.67	5.67	-	-	156.34
Finance Lease	3.62	0.43	-	-	4.05
Compensated absences and retirement benefits	11.47	2.35	-	0.54	14.36
Minimum alternate tax carry-forward	10.08	-	(0.60)	-	9.48
Unrealised profit on investments	14.69	(5.15)	-	-	9.54
Others	1.57	8.47	-	-	10.04
<b>Total deferred tax assets</b>	<b>213.61</b>	<b>22.94</b>	<b>(0.60)</b>	<b>0.54</b>	<b>236.49</b>
<b>Deferred tax liabilities:</b>					
<b>Total deferred tax liabilities</b>	-	-	-	-	-
<b>Deferred tax assets (Net)</b>	<b>213.61</b>	<b>22.94</b>	<b>(0.60)</b>	<b>0.54</b>	<b>236.49</b>

### NOTE 9 : DEFERRED TAX ASSETS (NET) (AS AT MARCH 31, 2021)

(₹ in Million)

Particulars	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Depreciation on property, plant and equipment	63.26	(41.86)	-	-	21.40
Business loss carry forwards	6.95	(6.84)	-	-	0.11
Provisions for doubtful receivables / other financial asset (Including expected credit loss)	141.60	9.07	-	-	150.67
Finance Lease	2.86	0.76	-	-	3.62
Compensated absences and retirement benefits	13.22	0.71	-	(2.46)	11.47
Minimum alternate tax carry-forward	10.08	-	-	-	10.08
Unrealised profit on investments	(35.84)	50.53	-	-	14.69
Others	1.48	0.09	-	-	1.57
<b>Total deferred tax assets</b>	<b>203.61</b>	<b>12.46</b>	-	<b>(2.46)</b>	<b>213.61</b>
<b>Deferred tax liabilities:</b>					
<b>Total deferred tax liabilities</b>	-	-	-	-	-
<b>Deferred tax assets (Net)</b>	<b>203.61</b>	<b>12.46</b>	-	<b>(2.46)</b>	<b>213.61</b>

### NOTE 10 : INVESTMENT PROPERTY

(₹ in Million)

Particulars	Land / Building	
	As at March 31, 2022	As at March 31, 2021
<b>As at April 1</b>	<b>939.17</b>	<b>942.81</b>
(Deductions)/Adjustments during the year	(139.40)	(3.64)
<b>Cost as at March 31</b>	<b>799.77</b>	<b>939.17</b>
<b>Amortisation</b>		
<b>As at April 1</b>	-	-
(Deductions)/Adjustments during the year	(33.98)	-
<b>As at March 31</b>	<b>(33.98)</b>	-
<b>Net Block</b>	<b>765.79</b>	<b>939.17</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### (i) Amounts recognised in profit or loss for investment properties (₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit from investment properties	-	-

### (ii) Fair value (₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	1,342.55	1,264.24

#### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties, where such information is not available, the group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- ready reckoner value / guideline rate as obtained from registrar department; or
- The valuation report obtained from a registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017.

Note: One of the subsidiary has reclassified properties worth ₹ 852.53 million which are held for earning rentals income and/or for capital appreciation as investment properties instead of Capital Work in progress. The said reclassification has been made with effect from April 01, 2020 the earliest date from which the reclassification is practicable.

### NOTE 11 : PROPERTY, PLANT AND EQUIPMENT (AS AT MARCH 2022) (₹ in Million)

Particulars	Land/ Leasehold Land	Buildings (including land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
<b>Cost</b>									
As at April 1, 2021	691.59	2,133.91	356.86	64.20	129.90	31.07	232.15	0.69	3,640.37
Additions	-	440.49	25.07	6.13	9.91	1.04	82.56	-	565.20
Deductions/adjustments	-	-	(9.85)	(2.00)	(7.18)	(0.41)	(22.76)	-	(42.20)
<b>As at March 31, 2022</b>	<b>691.59</b>	<b>2,574.40</b>	<b>372.08</b>	<b>68.33</b>	<b>132.63</b>	<b>31.70</b>	<b>291.95</b>	<b>0.69</b>	<b>4,163.37</b>
<b>Depreciation</b>									
As at April 1, 2021	2.71	465.40	255.28	49.81	97.73	16.64	179.43	0.52	1,067.52
Depreciation for the year	0.34	142.75	48.83	6.69	15.82	5.75	51.86	0.11	272.15
Deductions/adjustments	-	-	(7.27)	(1.33)	(5.54)	(0.37)	(14.88)	-	(29.39)
<b>Upto March 31, 2022</b>	<b>3.05</b>	<b>608.15</b>	<b>296.84</b>	<b>55.17</b>	<b>108.01</b>	<b>22.02</b>	<b>216.41</b>	<b>0.63</b>	<b>1,310.28</b>
<b>WDV as at March 31, 2022</b>	<b>688.54</b>	<b>1,966.25</b>	<b>75.24</b>	<b>13.16</b>	<b>24.62</b>	<b>9.68</b>	<b>75.54</b>	<b>0.06</b>	<b>2,853.09</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 11 : PROPERTY, PLANT AND EQUIPMENT (AS AT MARCH 2021)

(₹ in Million)

Particulars	Land/ Leasehold Land	Buildings (including land)	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Total
<b>Cost</b>									
<b>As at April 1, 2020</b>	<b>691.59</b>	<b>3,171.25</b>	<b>358.82</b>	<b>66.37</b>	<b>132.94</b>	<b>30.29</b>	<b>225.62</b>	<b>1.06</b>	<b>4,677.94</b>
Reclassification from asset held for sale	-	(372.43)	-	-	-	-	-	-	(372.43)
Additions	-	288.22	8.68	0.84	7.06	2.96	27.36	-	335.12
Effect of change in foreign currency	-	-	0.00	0.00	-	-	0.01	-	0.01
Deductions/adjustments	-	(953.13)	(10.64)	(3.01)	(10.10)	(2.18)	(20.84)	(0.37)	(1,000.27)
<b>As at March 31, 2021</b>	<b>691.59</b>	<b>2,133.91</b>	<b>356.86</b>	<b>64.20</b>	<b>129.90</b>	<b>31.07</b>	<b>232.15</b>	<b>0.69</b>	<b>3,640.37</b>
<b>Depreciation</b>									
<b>As at April 1, 2020</b>	<b>2.37</b>	<b>510.13</b>	<b>212.74</b>	<b>44.62</b>	<b>87.30</b>	<b>12.79</b>	<b>132.01</b>	<b>0.78</b>	<b>1,002.74</b>
Depreciation for the year	0.34	174.99	50.39	8.05	18.41	5.79	62.84	0.11	320.92
Effect of change in foreign currency *	-	-	0.00	0.00	-	-	0.01	-	0.01
Deductions/adjustments	-	(154.59)	(7.85)	(2.86)	(7.98)	(1.94)	(15.43)	(0.37)	(191.02)
Reclassification from asset held for sale	-	(65.13)	-	-	-	-	-	-	(65.13)
<b>Upto March 31, 2021</b>	<b>2.71</b>	<b>465.40</b>	<b>255.28</b>	<b>49.81</b>	<b>97.73</b>	<b>16.64</b>	<b>179.43</b>	<b>0.52</b>	<b>1,067.52</b>
<b>WDV as at March 31, 2021</b>	<b>688.88</b>	<b>1,668.51</b>	<b>101.58</b>	<b>14.39</b>	<b>32.17</b>	<b>14.43</b>	<b>52.72</b>	<b>0.17</b>	<b>2,572.85</b>

#### Note :-

\*Amount is less than ₹ 0.01, hence shown ₹ 0.00 million.

- (a) Capital work in progress ₹ 25.49 million (as at March 31, 2021 ₹ 465.51 million) pertains to assets not yet capitalised.
- (b) Refer to note 41 for assets given on pledge.

#### (c) Ageing Schedule of Capital Work in Progress

(₹ in Million)

Particulars	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Projects in Progress	21.52	3.97	-	-	25.49	452.42	13.09	-	-	465.51
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

#### (d) Ageing of projects whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in Million)

Particulars	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Project in Progress	-	-	-	-	-	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-	-	-	-	-	-

### NOTE 12 : INVENTORIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsold properties	-	23.25
<b>Total</b>	<b>-</b>	<b>23.25</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 13 : OTHER INTANGIBLE ASSETS

(₹ in Million)

Particulars	Commercial Rights		Software		Intangible		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>As at April 1</b>	<b>1,129.11</b>	-	<b>148.07</b>	<b>115.34</b>	-	<b>11.00</b>	<b>1,277.18</b>	<b>126.34</b>
Other additions	8.50	1,129.11	18.99	32.73	-	-	27.49	1,161.84
(Deductions) /Adjustments during the year	-	-	-	-	-	(11.00)	-	(11.00)
<b>Cost as at March 31</b>	<b>1,137.61</b>	<b>1,129.11</b>	<b>167.06</b>	<b>148.07</b>	-	-	<b>1,304.67</b>	<b>1,277.18</b>
<b>Amortisation</b>								
<b>As at April 1</b>	<b>8.04</b>	-	<b>117.25</b>	<b>91.69</b>	-	<b>0.36</b>	<b>125.29</b>	<b>92.05</b>
Amortisation/impairment for the year	229.83	8.04	20.72	25.56	-	0.37	250.55	33.97
(Deductions) /Adjustments during the year	-	-	-	-	-	(0.73)	-	(0.73)
<b>As at March 31</b>	<b>237.87</b>	<b>8.04</b>	<b>137.97</b>	<b>117.25</b>	-	-	<b>375.84</b>	<b>125.29</b>
<b>Net Block</b>	<b>899.74</b>	<b>1,121.07</b>	<b>29.09</b>	<b>30.82</b>	-	-	<b>928.83</b>	<b>1,151.89</b>

### NOTE 14 : ASSETS HELD FOR SALE

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Building	-	305.75
<b>Total</b>	<b>-</b>	<b>305.75</b>

### NOTE 15 : RIGHT OF USE ASSET

#### A) Carrying value of right of use assets at the end of the reporting period by class

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Premises	Vehicle	Total	Premises	Vehicle	Total
Balance at the beginning of the year	205.39	12.06	217.45	211.18	11.86	223.04
Additions during the year	192.74	31.54	224.28	163.74	7.68	171.42
Deletions during the year	(55.39)	(0.71)	(56.10)	(71.86)	(1.28)	(73.14)
Depreciation charged for the year	(101.03)	(10.83)	(111.86)	(97.67)	(6.20)	(103.87)
<b>Balance at the end of the year</b>	<b>241.71</b>	<b>32.06</b>	<b>273.77</b>	<b>205.39</b>	<b>12.06</b>	<b>217.45</b>

#### B) Maturity analysis of lease liabilities

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Maturity analysis – contractual undiscounted cash flows</b>		
- Less than one year	84.37	56.18
- One to five years	241.26	163.99
- More than five years	32.22	85.12
<b>Total undiscounted lease liabilities at 31 March</b>	<b>357.85</b>	<b>305.29</b>
<b>Lease liabilities included in the statement of financial position at 31 March</b>	<b>290.39</b>	<b>232.17</b>
<b>Current lease liability</b>	<b>63.65</b>	<b>39.94</b>
<b>Non current lease liability</b>	<b>226.74</b>	<b>192.23</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### C) Amounts recognised in profit or loss

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	24.97	19.10
Depreciation charge for the year	111.86	103.87
Expenses relating to short-term leases	-	1.43
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.61	1.94
<b>Total</b>	<b>137.44</b>	<b>126.34</b>

### D) Amounts recognised in the statement of cash flows

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Total cash outflow for leases</b>	<b>129.21</b>	<b>113.93</b>

During Previous year, the Ministry of Corporate Affairs (MCA) has issued amendment in August 2020 relating to Ind AS 116. The said amendment as a practical expedient permits lessees not to account for COVID-19 related rent concessions as a lease modification.

The company has exercised the option of not accounting for Covid related rent concessions as lease modification and has accounted for the rent concession received from the lessors of ₹ 0.64 million (March 31, 2021 ₹ 6.60 million) as income under the head "Other income".

### NOTE 16 : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Service tax/VAT/GST/other tax input credit	8.09	7.73
Prepaid expense	85.26	82.29
Capital advance	2.04	162.12
Other advances	58.97	17.74
Other non-financial assets	24.51	31.84
<b>Total</b>	<b>178.87</b>	<b>301.72</b>

### NOTE 17 : PAYABLES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(1) Trade Payable</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16.55	43.23
<b>Total (1)</b>	<b>16.55</b>	<b>43.23</b>
<b>(2) Other Payable</b>		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Unbilled - Provision for expenses	893.85	362.11
(b) Accrued salaries & benefits	25.17	2.25
(c) Others	9.06	6.73
<b>Total (2)</b>	<b>928.08</b>	<b>371.09</b>
<b>Total (1+2)</b>	<b>944.63</b>	<b>414.32</b>

Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Million)

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	-	-

Ageing schedule for Trade payables is as under:

(₹ in Million)

Particulars	As at March 31, 2022					Total
	Unbilled	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	928.08	11.82	4.02	0.06	0.65	944.63
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

Particulars	As at March 31, 2021					Total
	Unbilled	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	-	-	-	-	-	-
Others	371.09	41.90	0.16	0.13	1.03	414.32
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

NOTE 18 : BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
- Bank overdraft	1,362.89	-
- Working capital demand loan	2,000.00	890.00
- Unsecured Loan	800.08	-
<b>(b) Term Loan</b>		
- Loan from Bank	1,907.44	2,025.88
<b>Total</b>	<b>6,070.41</b>	<b>2,915.88</b>
Borrowings in India	6,070.41	2,915.88
Borrowings outside India	-	-
<b>Total</b>	<b>6,070.41</b>	<b>2,915.88</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

**18.1 (a)** Working capital demand loan (WC DL) and bank overdraft are secured by way of first pari-passu charge on all receivable to the tune of 2 times of the outstanding facility amount and against Fixed Deposit pledged with Bank. Refer note 41 for details of asset pledged.

(b) Tenor of repayment :

(i) For WC DL it varies from 7 days to 365 days of each tranche, principal amount of each tranche is to be paid as bullet payment on maturity date.

(ii) For bank overdraft upto validity of facility.

(c) Interest Rate ranging from 3.91% to 7.65%

### 18.2 Term loans from Bank

(i) Term loan of ₹ 1,907.44 million (31 March 2021: ₹ 2,025.88) are secured by way of immovable properties situated at Ahmedabad, Mumbai, Chennai, Gurgaon, Hyderabad, Pune & Thane owned by IIFL Facilities Services Limited (a wholly owned subsidiary). The outstanding amount are repayable in 120 monthly installments starting from April 2021 having a interest rate of 7.95% floating rate (Repo Rate + Applicable spread)

### 18.3 Unsecured Loan

(i) Short term loan from bank.

## NOTE 19 : OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Clients payables *	28,266.57	11,895.18
Exchanges payables	11,561.17	9,475.50
Deposits received from franchisee, tenant and others#	572.14	417.03
Book overdraft	16.16	55.78
Payable to related parties (Refer note 44)	5.46	3.90
Finance lease obligation	290.39	232.17
Other payable	252.56	62.71
<b>Total</b>	<b>40,964.45</b>	<b>22,142.27</b>

\* Includes payable to director and key managerial personnel and their relatives ₹ 0.00 millions (March 31, 2021 ₹ 0.13 millions) (Refer note 44)

# Includes deposit from related party of ₹ 20.06 millions (March 31, 2021 ₹ 19.63 millions) (Refer note 44)

## NOTE 20 : PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for leave encashment	63.70	47.32
<b>Total</b>	<b>63.70</b>	<b>47.32</b>

## NOTE 21 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Income received in advance	7.71	6.22
Statutory dues (net of input credit)	320.53	67.70
Advances received from customers		
- Asset held for sale	-	20.78
- Others	80.65	123.30
<b>Total</b>	<b>408.89</b>	<b>218.00</b>



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 22 : EQUITY SHARE CAPITAL

#### a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Authorised Share Capital</b>		
At the beginning of the year	1,000.00	1,000.00
Add: Increase in authorised share capital	-	-
<b>Closing at the end of year</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
303,936,230 Equity Shares of ₹ 2 each fully paid up ( 302,935,330 Equity Shares of ₹ 2 each fully paid up)	607.87	605.87

#### b. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
<b>Equity Shares</b>				
At the beginning of the year	302,935,330	605.87	319,609,462	639.22
Add: Shares issued during the year under ESOP Scheme	1,000,900	2.00	326,262	0.65
Less: Shares extinguished on buyback #	-	-	(17,000,394)	(34.00)
<b>Closing at the end of year</b>	<b>303,936,230</b>	<b>607.87</b>	<b>302,935,330</b>	<b>605.87</b>

# In FY 2020-21, the Company had concluded the buyback of 17,000,394 equity shares at an average price of ₹ 50.99 per equity share, (maximum buy back price approved was ₹ 54 per equity share) ("Buyback") as approved by the Board of Directors on November 20, 2020 and by shareholders through postal ballot on December 22, 2020. The equity shares bought back were extinguished on February 16, 2021. Total outflow of ₹ 866.81 million (excluding taxes and expenses) of which ₹ 832.81 million has been utilized from the securities premium account in line with the requirement under the Companies Act 2013. Further tax on Buyback and Buyback related expenses amounting to ₹ 189.60 million and ₹ 1.23 million respectively have also been utilized from securities premium account. Additionally Capital Redemption Reserve of ₹ 34.00 million (equivalent to nominal value of the equity shares bought back) has been created out of securities premium account, in line with the requirement under the Companies Act 2013. Consequent to extinguishment of shares so bought back, the paid-up equity share capital has reduced by ₹ 34.00 million (Refer note 23).

#### 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 ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of Company, the holder 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 shareholders.

#### d. Details of shareholders holding more than 5% shares in the Company:

The list of shareholders to whom the shares to be issued under the Composite Scheme of Arrangement having more than 5% shareholdings are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
<b>Equity share of ₹ 2 each fully paid up</b>				
FIH Mauritius Investments Ltd.	84,641,445	27.85%	84,641,445	27.94%
Mr. Nirmal Bhanwarlal Jain	46,964,282	15.45%	46,964,282	15.50%
HWIC Asia Fund Class A shares	28,362,530	9.33%	28,362,530	9.36%
<b>Total</b>	<b>159,968,257</b>	<b>52.63%</b>	<b>159,968,257</b>	<b>52.81%</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

- e. During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back, except shares allotted through composite Scheme of Arrangement.
- f. Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments, including the terms and amount, refer note 43 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

### g. Details of Shareholding of Promoters of the Company:

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
Nirmal Bhanwarlal Jain	46,964,282	15.45%	-0.33%	46,964,282	15.50%	5.50%
Madhu N Jain	12,075,000	3.97%	-0.33%	12,075,000	3.99%	5.50%
Venkataraman Rajamani	11,184,432	3.68%	-0.33%	11,184,432	3.69%	5.50%
Mansukhlal Jain & Harshita Jain (in their capacity as Trustee of Nirmal Madhu Family Private Trust)	10,000,000	3.29%	-0.33%	10,000,000	3.30%	5.50%
Aditi Avinash Athavankar (in the capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.96%	-0.33%	9,000,000	2.97%	5.50%
Aditi Athavankar	200,000	0.07%	-0.33%	200,000	0.07%	5.50%
Orpheus Trading Pvt Ltd	3,019,500	0.99%	-0.33%	3,019,500	1.00%	5.50%
Ardent Impex Pvt Ltd	2,700,000	0.89%	-0.33%	2,700,000	0.89%	5.50%
<b>Total</b>	<b>95,143,214</b>	<b>31.30%</b>		<b>95,143,214</b>	<b>31.41%</b>	

### NOTE 23 : OTHER EQUITY

(₹ in Million)

Particulars	General reserve	Capital redemption reserve	Debenture redemption reserve	Capital reserve	Securities premium	Retained earnings	Share option outstanding account	Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
<b>Balance as at April 01, 2021</b>	<b>461.48</b>	<b>34.00</b>	-	<b>660.72</b>	<b>1,199.17</b>	<b>6,667.30</b>	<b>46.52</b>	<b>(11.15)</b>	<b>13.47</b>	<b>9,071.51</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	3,060.57	-	(1.60)	-	3,058.97
Appropriation towards dividend paid	-	-	-	-	-	(911.58)	-	-	-	(911.58)
Transfer to/from reserves	3.34	-	-	-	-	-	(3.34)	-	-	-
Share issue expenses	-	-	-	-	(83.30)	-	-	-	-	(83.30)
Other additions	-	-	-	-	34.32	0.16	38.15	-	3.66	76.29
<b>Balance as at March 31, 2022</b>	<b>464.82</b>	<b>34.00</b>	-	<b>660.72</b>	<b>1,150.19</b>	<b>8,816.45</b>	<b>81.33</b>	<b>(12.75)</b>	<b>17.13</b>	<b>11,211.89</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	General reserve	Capital redemption reserve	Debenture redemption reserve	Capital reserve	Securities premium	Retained earnings	Share option outstanding account	Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total
<b>Balance as at April 01, 2020</b>	<b>414.81</b>	-	<b>45.29</b>	<b>660.72</b>	<b>2,244.96</b>	<b>4,766.89</b>	<b>28.84</b>	<b>(18.46)</b>	<b>15.62</b>	<b>8,158.67</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	2,203.35	-	7.31	-	2,210.66
Appropriation towards dividend paid	-	-	-	-	-	(302.94)	-	-	-	(302.94)
Transfer to/from reserves	46.67	-	(45.29)	-	2.34	-	(3.72)	-	-	-
Buyback of Equity shares (Refer note 22)	-	-	-	-	(832.81)	-	-	-	-	(832.81)
Buyback expenses including tax (Refer note 22)	-	-	-	-	(190.83)	-	-	-	-	(190.83)
Creation of Capital Redemption Reserve (Refer note 22)	-	34.00	-	-	(34.00)	-	-	-	-	-
Other additions	-	-	-	-	9.51	-	21.40	-	(2.15)	28.76
<b>Balance as at March 31, 2021</b>	<b>461.48</b>	<b>34.00</b>	-	<b>660.72</b>	<b>1,199.17</b>	<b>6,667.30</b>	<b>46.52</b>	<b>(11.15)</b>	<b>13.47</b>	<b>9,071.51</b>

### Footnotes : Nature and purpose of reserves

- i) **Capital reserves** : Capital reserve is created due to Composite Scheme of Arrangement
- ii) **Securities premium** : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.
- iii) **Debenture redemption reserve** : Debenture redemption reserve is created Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, where the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures offered through a private placement on profit available for distribution of dividend. During the year an amount of ₹ Nil million (Previous year ₹ 45.29 million) has been transferred from Debenture Redemption Reserve account to General Reserve on account of redemption of Debentures.
- iv) **General reserve** : General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.
- v) **Retained earnings** : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.
- vi) **Share options outstanding account** : The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.
- vii) **Exchange difference on translation of foreign operations through other comprehensive income** : For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expense are translated at average rates and assets and liabilities are stated at closing rate. Use of such different rates for translation give rise to exchange differences which is accumulated in foreign currency translation reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year ended March 31, 2022 and March 31, 2021.
- viii) **Capital Redemption Reserve**: Nominal value of the shares cancelled through buyback is transferred to Capital Redemption Reserve.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 24 : NON CONTROLLING INTEREST

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the year	(1.63)	(1.33)
Profit / (loss) during the year	(2.26)	(0.30)
Non-controlling interest arising on the acquisition	2.05	-
<b>Total</b>	<b>(1.84)</b>	<b>(1.63)</b>

### NOTE 25 : INTEREST INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Interest on loans	1,077.54	333.66
Interest on deposits with banks*	716.59	413.82
Other interest income	-	0.29
<b>Total</b>	<b>1,794.13</b>	<b>747.77</b>

\*Interest received on fixed deposit with bank which are pledged with exchange for margin purpose.

### NOTE 26 : FEES AND COMMISSION INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Brokerage & related income	6,746.61	4,990.77
Investment banking income	1,503.82	735.97
Commission & other advisory fees (incl. cross sell)	2,118.86	1,222.63
<b>Total</b>	<b>10,369.29</b>	<b>6,949.37</b>

In the following table, Income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated income with the group reportable segments.

(₹ in Million)

FY 2021-22	Capital Market Activity	Insurance Broking	Facilities & Ancillary	Others	Total
Brokerage and related income	6,858.22	-	4.88	-	6,863.10
Investment banking income	1,503.82	-	-	-	1,503.82
Commission & other advisory fees (incl. cross sell)	1,375.37	510.20	217.62	27.67	2,130.86
Less : - Inter segment	-	-	-	-	(128.49)
<b>Total fee and commission income (a)</b>	<b>9,737.41</b>	<b>510.20</b>	<b>222.50</b>	<b>27.67</b>	<b>10,369.29</b>
Rental Income	-	-	397.08	-	397.08
Less : - Inter segment	-	-	-	-	(237.23)
<b>Total rental income (b)</b>	<b>-</b>	<b>-</b>	<b>397.08</b>	<b>-</b>	<b>159.85</b>
<b>Contractual revenue from operations (a + b)</b>	<b>9,737.41</b>	<b>510.20</b>	<b>619.58</b>	<b>27.67</b>	<b>10,529.14</b>

(₹ in Million)

FY 2020-21	Capital Market Activity	Insurance Broking	Facilities & Ancillary	Others	Total
Brokerage and related income	5,045.89	-	-	-	5,045.89
Investment banking income	735.97	-	-	-	735.97
Commission & other advisory fees (incl. cross sell)	580.85	425.89	227.77	-	1,234.51
Less : - Inter segment	-	-	-	-	(67.00)
<b>Total fee and commission income (a)</b>	<b>6,362.71</b>	<b>425.89</b>	<b>227.77</b>	<b>-</b>	<b>6,949.37</b>
Rental Income	-	-	474.16	-	474.16
Less : - Inter segment	-	-	-	-	(262.79)
<b>Total rental income (b)</b>	<b>-</b>	<b>-</b>	<b>474.16</b>	<b>-</b>	<b>211.37</b>
<b>Contractual revenue from operations (a + b)</b>	<b>6,362.71</b>	<b>425.89</b>	<b>701.93</b>	<b>-</b>	<b>7,160.74</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 27 : OTHER INCOME

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Gain/(loss) on financial assets measured at fair value through Profit & Loss account		
- Realised	299.53	583.03
- Unrealised	133.68	(298.42)
Interest income on		
- Investment	48.36	73.86
- Inter corporate deposit/ Lease	90.99	92.25
- Fixed deposits	23.24	3.49
- Income tax refund	9.46	8.65
Gain on termination on lease	5.73	5.50
Gain on derecognition of property, plant and equipment	110.65	67.65
Infrastructure support income	63.76	80.28
Dividend income	16.75	34.18
Income from sale of inventories	19.47	109.65
Other income	19.22	7.57
<b>Total</b>	<b>840.84</b>	<b>767.69</b>

### NOTE 28 : FINANCE COST MEASURED AT AMOTISED COST

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Interest on borrowings	774.48	397.37
Interest on debt securities	-	5.80
Interest on lease	24.97	19.10
Other finance expense	215.88	73.98
<b>Total</b>	<b>1,015.33</b>	<b>496.25</b>

### NOTE 29 : FEES AND COMMISSION EXPENSE

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Sub brokerage charges	1,422.13	954.55
Commission & other advisory fees (incl. cross sell)	581.94	125.69
Others	99.50	96.77
<b>Total</b>	<b>2,103.57</b>	<b>1,177.01</b>

### NOTE 30 : EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Salaries and wages	3,071.11	1,983.68
Contribution to provident and other funds	68.08	58.15
Share based payments (Refer note 43)	38.40	20.47
Staff welfare expenses	21.77	11.48
Gratuity	14.38	15.40
Leave encashment	26.82	23.91
<b>Total</b>	<b>3,240.56</b>	<b>2,113.09</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

### A Defined Benefit Plans:

#### (i) Reconciliation of opening and closing balances of Defined Benefit Obligation (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Defined benefit obligation at beginning of the year</b>	<b>166.46</b>	<b>161.65</b>
Interest cost	10.92	10.60
Current service cost	14.53	14.37
Liability transferred In/ acquisitions	4.42	1.91
(Liability transferred out/ divestments)	(5.02)	(2.74)
(Benefit Paid directly by the employer)	(0.01)	(0.23)
(Benefit paid from the fund)	(15.23)	(19.27)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.15)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(4.27)	(0.24)
Actuarial (gains)/losses on obligations - due to experience	6.02	0.41
<b>Defined benefit obligation at period end</b>	<b>177.67</b>	<b>166.46</b>

#### (ii) Reconciliation of opening and closing balances of fair value of plan assets (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Change in the fair value of plan assets</b>		
<b>Fair value of plan assets at beginning of the year</b>	<b>168.88</b>	<b>145.79</b>
Interest income	11.08	9.57
Contributions by the employer	20.49	22.85
Expected return on plan assets (excluding interest)	(0.55)	9.94
(Benefit paid from the fund)	(15.23)	(19.27)
<b>Fair value of plan assets at the end of the period</b>	<b>184.67</b>	<b>168.88</b>

#### (iii) Amount Recognized in the balance sheet (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>(Present value of benefit obligation at the end of the period)</b>	<b>(177.67)</b>	<b>(166.46)</b>
Fair value of Plan Assets at the end of the year/period	184.67	168.88
Net (liability)/asset recognized in the balance sheet (surplus/ (deficit))	7.00	2.42

#### (iv) Expenses recognised during the period (₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>In income statement</b>		
Current service cost	14.53	14.37
Net interest Cost	(0.15)	1.03
<b>Expense recognised in the Statement of Profit and Loss under "Employee benefits expenses"</b>	<b>14.38</b>	<b>15.40</b>
<b>In other comprehensive income</b>		
Actuarial (gains)/losses on obligation for the period	1.59	0.17
Return on plan assets, excluding interest income	0.55	(9.94)
<b>Net (income)/expense for the period recognized in OCI</b>	<b>2.14</b>	<b>(9.77)</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### (v) Balance sheet reconciliation

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Opening net liability</b>	<b>(2.42)</b>	<b>15.86</b>
Expenses recognized in statement of profit or loss	14.38	15.40
Expenses recognized in OCI	2.14	(9.77)
Net liability/(asset) Transfer In	4.42	1.91
Net (liability)/asset Transfer Out	(5.02)	(2.74)
(Benefit paid directly by the employer)	(0.01)	(0.23)
(Employer's contribution)	(20.49)	(22.85)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>(7.00)</b>	<b>(2.42)</b>

### (vi) Investment Details:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Category of assets</b>		
Insurance fund	184.67	168.88
<b>Total</b>	<b>184.67</b>	<b>168.88</b>

### (vii) Actuarial assumptions

Particulars	FY 2021-22	FY 2020-21
<b>Mortality Table (IALM)</b>		
Expected return on plan assets	6.49 % - 7.25%	6.49 % - 6.87%
Rate of discounting	6.49 % - 7.25%	6.49 % - 6.87%
Rate of salary increase	5 % - 9%	5 % - 9%
Rate of employee turnover	For service 4 years and below 31% - 49% p.a. & thereafter 1% - 6% p.a.	For service 4 years and below 31 - 49% p.a. & thereafter 1 - 6 % p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) & (2012-14) urban	Indian Assured Lives Mortality (2006-08)

- (a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.
- (b) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the group policy for plan assets management.

### (viii) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Projected benefit obligation on current assumptions</b>	<b>(177.67)</b>	<b>(166.46)</b>
Delta effect of +1% change in rate of discounting	(13.82)	(12.56)
Delta effect of -1% change in rate of discounting	15.95	14.55
Delta effect of +1% change in rate of salary increase	12.27	11.73
Delta effect of -1% change in rate of salary increase	(11.19)	(10.78)
Delta effect of +1% change in rate of employee turnover	3.08	2.22
Delta effect of -1% change in rate of employee turnover	3.26	(2.51)
Weighted average duration of the projected benefit obligation	12	12

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

These plans typically expose the group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :-** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds

**Interest risk :-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments

**Longevity risk :-** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :-** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### (ix) Maturity analysis of the benefit payments: from the fund

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
1st following year	13.50	22.54
2nd following year	13.02	11.04
3rd following year	12.85	11.44
4th following year	13.00	10.98
5th following year	14.07	11.10
6 to 10 years	75.97	62.57
Year 11 and above	216.13	193.52

### B. Defined Contribution Plans:

The subsidiary companies have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Contribution to Provident Fund	40.32	29.68
Contribution to ESIC	2.04	2.01
Contribution to Labour Welfare Fund	0.09	0.08
Contribution to EPS	22.69	21.95
Contribution to NPS	2.94	4.43
<b>Total</b>	<b>68.08</b>	<b>58.15</b>

### NOTE 31 : DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Depreciation on property, plant and equipment	272.15	320.92
Depreciation on right of use asset	111.86	103.87
Amortization of intangible asset	250.55	33.97
<b>Total</b>	<b>634.56</b>	<b>458.76</b>



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 32 : OTHER EXPENSES

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Advertisement expense	351.91	239.18
Brokerage and related expenses	15.84	6.41
Communication expense	70.53	89.37
Corporate social responsibility expenses (Refer note 39)	34.03	44.99
Custodian charges	60.77	43.56
Directors sitting fees	1.90	2.03
Directors commission	4.00	2.72
Exchange and statutory charges	79.05	9.85
Expected credit loss	59.66	50.80
Expense on account of sale of inventories	25.25	114.65
Franking charges and Bank Charges	8.17	6.97
Infrastructure support charges	12.60	9.51
Legal and professional charges	354.43	233.25
Loss on derecognition of property, plant and equipment	1.40	1.95
Marketing and commission expenses	266.42	172.65
Office expenses	121.32	100.87
Printing and stationery and Postage and courier	19.65	13.24
Rent, electricity, rates & taxes, insurance	88.33	78.23
Repairs & maintenance		
- Computer	0.45	0.83
- Others	14.00	12.66
Remuneration to auditors :		
- As auditors - Statutory Audit	9.01	8.41
- Certification work and other matters	0.14	0.43
- Out of pocket expenses	0.42	0.61
Technology cost	481.91	308.50
Travelling & conveyance and Meeting, Seminar & subscription	53.25	27.07
Miscellaneous expenses	16.07	6.64
<b>Total</b>	<b>2,150.51</b>	<b>1,585.38</b>

### NOTE 33 : INCOME TAX

Amount recognised in profit or loss

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
<b>Current tax expenses</b>		
Current year	998.28	648.70
Changes in estimates related to prior years	(12.62)	8.05
<b>Deferred tax expenses</b>		
Origination and reversal of temporary differences	(22.94)	(12.46)
<b>Total</b>	<b>962.72</b>	<b>644.29</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

**Reconciliation of effective tax rates:**

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21
Profit before tax (including exceptional item)	4,021.03	2,847.34
Tax using domestic tax rates	25.168%	25.168%
Tax amount	1,012.01	716.62
<b>Tax effect of :</b>		
Non-deductible expenses	22.04	11.48
Differential Tax Treatment	-	(125.53)
Income taxable at different rate	(70.63)	24.93
Adjustment in respect of current income tax of prior years	(12.62)	8.05
Differential rate in subsidiaries and associates	(0.34)	1.35
Loss on which DTA is not created	19.45	9.59
Tax-exempt income		
Dividend	(4.18)	(8.56)
Others	(1.35)	(0.99)
Recognition of previously unrecognised deductible temporary differences	(1.66)	7.35
<b>Total income tax expense</b>	<b>962.72</b>	<b>644.29</b>

**NOTE 34 : EARNINGS PER EQUITY SHARE**

Particulars		FY 2021-22	FY 2020-21
Face value of equity shares in ₹ fully paid up		2.00	2.00
<b>BASIC</b>			
Profit after tax as per statement of profit and loss (₹ in Millions)	<b>A</b>	3,060.57	2,203.35
Weighted average number of equity shares outstanding	<b>B</b>	303,285,115	316,337,518
<b>Basic EPS In ₹</b>	<b>A/B</b>	<b>10.09</b>	<b>6.97</b>
<b>DILUTED</b>			
Weighted average number of equity shares for computation of basic EPS		303,285,115	316,337,518
Add: Potential equity shares on conversion of Employees Stock Options		4,576,760	2,622,618
Weighted average number of equity shares for computation of diluted EPS	<b>C</b>	307,861,875	318,960,136
<b>Diluted EPS In ₹</b>	<b>A/C</b>	<b>9.94</b>	<b>6.91</b>

**NOTE 35: MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>1. Financial Assets</b>						
(a) Cash and cash equivalents	10,948.28	-	10,948.28	2,780.61	-	2,780.61
(b) Bank balance other than (a) above	25,212.64	1,240.59	26,453.23	13,891.09	103.69	13,994.78
(c) Receivables						
(I) Trade receivables	282.41	-	282.41	342.72	-	342.72
(II) Other receivables	177.61	-	177.61	108.83	-	108.83
(d) Loans	4,731.34	1.97	4,733.31	971.34	9.07	980.41
(e) Investments	1,910.35	365.13	2,275.48	548.54	188.91	737.45
(f) Other financial assets	9,802.84	94.51	9,897.35	9,598.12	274.38	9,872.50
<b>Sub-total</b>	<b>53,065.47</b>	<b>1,702.20</b>	<b>54,767.67</b>	<b>28,241.25</b>	<b>576.05</b>	<b>28,817.30</b>

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>2. Non-Financial Assets</b>						
(a) Current tax assets (net)	-	380.49	380.49	-	432.75	432.75
(b) Deferred tax assets (net)	-	236.49	236.49	-	213.61	213.61
(c) Investment property	-	765.79	765.79	-	939.17	939.17
(d) Property, Plant and Equipment	-	2,853.09	2,853.09	-	2,572.85	2,572.85
(e) Capital work-in-progress	-	25.49	25.49	-	465.51	465.51
(f) Inventories	-	-	-	23.25	-	23.25
(g) Other intangible assets	-	928.83	928.83	-	1,151.89	1,151.89
(h) Assets held for sale	-	-	-	305.75	-	305.75
(i) Right of use asset	-	273.77	273.77	-	217.45	217.45
(j) Other non-financial assets	161.88	16.99	178.87	121.57	180.15	301.72
<b>Sub-total</b>	<b>161.88</b>	<b>5,480.94</b>	<b>5,642.82</b>	<b>450.57</b>	<b>6,173.38</b>	<b>6,623.95</b>
<b>Total Assets</b>	<b>53,227.35</b>	<b>7,183.14</b>	<b>60,410.49</b>	<b>28,691.82</b>	<b>6,749.43</b>	<b>35,441.25</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>1. Financial Liabilities</b>						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.55	-	16.55	43.23	-	43.23
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	928.08	-	928.08	371.09	-	371.09
(b) Borrowings (other than debt securities)	4,320.20	1,750.21	6,070.41	1,017.10	1,898.78	2,915.88
(c) Other financial liabilities	40,305.78	658.67	40,964.45	21,643.85	498.42	22,142.27
<b>Sub-total</b>	<b>45,570.61</b>	<b>2,408.88</b>	<b>47,979.49</b>	<b>23,075.27</b>	<b>2,397.20</b>	<b>25,472.47</b>
<b>2. Non-Financial Liabilities</b>						
(a) Current tax liabilities (net)	140.49	-	140.49	27.71	-	27.71
(b) Provisions	13.87	49.83	63.70	9.73	37.59	47.32
(c) Other non-financial liabilities	408.89	-	408.89	218.00	-	218.00
<b>Sub-total</b>	<b>563.25</b>	<b>49.83</b>	<b>613.08</b>	<b>255.44</b>	<b>37.59</b>	<b>293.03</b>
<b>3. Equity</b>						
(a) Equity share capital	-	607.87	607.87	-	605.87	605.87
(b) Other equity	-	11,211.89	11,211.89	-	9,071.51	9,071.51
(c) Non controlling interest	-	(1.84)	(1.84)	-	(1.63)	(1.63)
<b>Sub-total</b>	<b>-</b>	<b>11,817.92</b>	<b>11,817.92</b>	<b>-</b>	<b>9,675.75</b>	<b>9,675.75</b>
<b>Total Liabilities and Equity</b>	<b>46,133.86</b>	<b>14,276.63</b>	<b>60,410.49</b>	<b>23,330.71</b>	<b>12,110.54</b>	<b>35,441.25</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 36: FINANCIAL RISK MANAGEMENT

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

The Group adopts the 'three lines-of-defence' (3 LOD) model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/ assurance function. All three lines play a distinct role within Group wider governance framework.

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

#### 36 A.1. CREDIT RISK

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

#### Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Million)

Particulars	As at March 31, 2022			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	190.68	106.00	108.23	404.91
Less : Impairment loss allowance	-	(14.27)	(108.23)	(122.50)
<b>Carrying amount</b>	<b>190.68</b>	<b>91.73</b>	<b>-</b>	<b>282.41</b>
Other financial assets	9,879.19	26.79	488.51	10,394.49
Less : Impairment loss allowance	-	(8.63)	(488.51)	(497.14)
<b>Carrying amount</b>	<b>9,879.19</b>	<b>18.16</b>	<b>-</b>	<b>9,897.35</b>

(₹ in Million)

Particulars	As at March 31, 2021			Total
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	
Trade receivables	308.65	44.20	109.44	462.29
Less : Impairment loss allowance	-	(10.13)	(109.44)	(119.57)
<b>Carrying amount</b>	<b>308.65</b>	<b>34.07</b>	<b>-</b>	<b>342.72</b>
Other financial assets	9,855.35	25.74	468.14	10,349.23
Less : Impairment loss allowance	-	(8.59)	(468.14)	(476.73)
<b>Carrying amount</b>	<b>9,855.35</b>	<b>17.15</b>	<b>-</b>	<b>9,872.50</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### Movement of ECL (Trade receivable and other financial assets)

(₹ in Million)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
<b>April 1, 2020</b>	<b>21.40</b>	<b>538.86</b>	<b>560.26</b>
Increase/(decrease) net	(2.68)	38.72	36.04
<b>March 31, 2021</b>	<b>18.72</b>	<b>577.58</b>	<b>596.30</b>
Increase/(decrease) net	4.19	19.16	23.35
<b>March 31, 2022</b>	<b>22.91</b>	<b>596.74</b>	<b>619.65</b>

### 36 A.2. COLLATERAL HELD

The group holds collateral of securities and other credit enhancements against its credit exposures.

### 36 A.3. MEASUREMENT OF EXPECTED CREDIT LOSS

The group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized. Further, the group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### 36 B. LIQUIDITY RISK

Liquidity risk arises from the group inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the group cash flow position and ensures that the group is able to meet its financial obligation at all times including contingencies.

The table below analyse the groups financial liability into relevant maturity grouping based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

(₹ in Million)

Particulars	As at March 31, 2022				
	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	944.63	944.63	-	-	-
Loan from Bank	1,907.44	157.23	948.10	802.11	-
Bank overdraft	1,362.89	1,362.89	-	-	-
Working capital demand loan	2,000.00	2,000.00	-	-	-
Other Borrowings	800.08	800.08	-	-	-
Other financial liabilities	41,031.91	40,168.83	834.94	28.14	-
<b>Total liabilities</b>	<b>48,046.95</b>	<b>45,433.66</b>	<b>1,783.04</b>	<b>830.25</b>	<b>-</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2021				
	Total	Up to 1 year	1-5 years	5-10 years	More than 10 years
Trade & other payable	414.32	414.32	-	-	-
Loan from Bank	2,025.88	127.10	875.88	1,022.90	-
Working capital demand loan	890.00	890.00	-	-	-
Other financial liabilities	22,215.40	21,660.50	469.78	85.12	-
<b>Total liabilities</b>	<b>25,545.60</b>	<b>23,091.92</b>	<b>1,345.66</b>	<b>1,108.02</b>	<b>-</b>

### 36 C. 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.

#### 36 C.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly short term borrowing and current investment therefore the group exposure to the risk of changes in market interest rates relates primarily to the group long-term debt and non current investment.

The following table shows sensitivity analysis for impact on interest cost of borrowings on variable interest rate

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank overdraft	1,362.89	-
Unsecured Loan	800.08	-
Term Loan from Bank	1,907.44	2,025.88
Working capital demand loan	2,000.00	890.00
<b>Total</b>	<b>6,070.41</b>	<b>2,915.88</b>
Weighted average interest rate	5.90%	8.09%
Annualised interest cost	358.20	235.82

#### Sensitivity analysis for impact on interest cost

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Increase in 1% change in ROI	60.70	29.16
Decrease in 1% change in ROI	(60.70)	(29.16)

#### 36 C.2. FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED-RATE INSTRUMENTS

The groups fixed-rate financial liabilities (non convertible debentures) are carried at amortised cost. Therefore no rise of change in interest rates at the reporting date, since neither the carrying amount nor the future cash flows will fluctuate.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### 36 C.3. EXPOSURE TO CURRENCY RISKS

The group is operating internationally and is exposed to foreign exchange risk arising from foreign currency transaction. Below is table showing net gap between foreign asset and liability.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency in million	₹ in million	Foreign currency in million	₹ in million
<b>Foreign currency assets</b>				
USD	2.00	151.71	1.64	119.75
GPB	0.22	21.74	0.29	29.72
EURO	0.01	0.59	0.02	1.72
<b>Foreign currency liabilities</b>				
USD	0.36	27.36	0.23	16.96
GPB	0.03	2.94	0.08	8.10
EURO	-	-	-	-
<b>Net gap</b>				
USD	1.64	124.35	1.41	102.79
GPB	0.19	18.80	0.21	21.62
EURO	0.01	0.59	0.02	1.72

The effect of upward movement of 5% in the exchange rate increase the profit/reserve by ₹ 7.19 million (previous year ₹ 6.31 million) and downward movement of 5% will reduce profit/reserve by ₹ 7.19 million (previous year ₹ 6.31 million) for FY 2021-22.

### 36 C.4 EXPOSURE TO PRICE RISK

The group exposure to price risk arising from investment held by the group and is classified in the balance sheet through fair value through profit & loss account. Group has majorly invested in Alternate Investment Funds and Debt Funds under various scheme and its exposure.

(₹ in Million)

Particulars	ETF	Equity Shares	Mutual Funds	Alternate Investment Funds	Preference Shares	Debt Fund	Total
<b>Market value as on March 31, 2022</b>	-	184.08	289.16	362.28	-	1,439.96	2,275.48
<b>Market value as on March 31, 2021</b>	53.38	70.60	91.11	311.98	-	170.53	697.60

The effect of upward movement of 5% in the price affects the projected net income by ₹ 113.77 million (Previous Year ₹ 34.88 million) and for forward downward movement of 5% the projected net loss will be ₹ 113.77 million (Previous Year ₹ 34.88 million) for FY 2021-22.

### 36 D. CAPITAL MANAGEMENT

The group's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using debt equity ratio.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

The group strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

(₹ in Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Total debt	6,070.41	2,915.88
Cash & cash equivalent (excluding client bank balance)	(488.27)	(515.94)
<b>Net debt</b>	<b>5,582.14</b>	<b>2,399.94</b>
Total equity	11,817.92	9,675.75
<b>Debt to Equity</b>	<b>0.47</b>	<b>0.25</b>

### 36 E. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- 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."

**Subjective estimate** - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses significant unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. 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.

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The following table shows an analysis of financial instruments recorded at Fair value hierarchy:

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>						
Cash and cash equivalents	-	10,948.28	10,948.28	-	2,780.61	2,780.61
Bank balance other than above	-	26,453.23	26,453.23	-	13,994.78	13,994.78
Receivables						
(I) Trade receivables	-	282.41	282.41	-	342.72	342.72
(II) Other receivables	-	177.61	177.61	-	108.83	108.83
Loans	-	4,733.31	4,733.31	-	980.41	980.41



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
Investments						
- Equity Shares	184.08	-	184.08	70.60	-	70.60
- Preference Shares	-	-	-	-	39.85	39.85
- Mutual Fund	289.16	-	289.16	91.11	-	91.11
- ETF	-	-	-	53.38	-	53.38
- Debt Instruments	1,439.96	-	1,439.96	170.53	-	170.53
- Alternate Investment Fund	362.28	-	362.28	311.98	-	311.98
Other financial assets	-	9,897.35	9,897.35	-	9,872.50	9,872.50
<b>Total</b>	<b>2,275.48</b>	<b>52,492.19</b>	<b>54,767.67</b>	<b>697.60</b>	<b>28,119.70</b>	<b>28,817.30</b>
<b>Financial Liabilities</b>						
Trade payables	-	16.55	16.55	-	43.23	43.23
Other payables	-	928.08	928.08	-	371.09	371.09
Borrowings (other than debt securities)	-	6,070.41	6,070.41	-	2,915.88	2,915.88
Other financial liabilities	-	40,964.45	40,964.45	-	22,142.27	22,142.27
<b>Total</b>	<b>-</b>	<b>47,979.49</b>	<b>47,979.49</b>	<b>-</b>	<b>25,472.47</b>	<b>25,472.47</b>

### 36 E. 1. 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.

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	Recurring fair value measurement as at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual fund	289.16	-	-	289.16
Equity instruments	184.08	-	-	184.08
Debt Instruments	800.41	587.51	52.04	1,439.96
Alternate investment funds	-	-	362.28	362.28
<b>Total Assets</b>	<b>1,273.65</b>	<b>587.51</b>	<b>414.32</b>	<b>2,275.48</b>

(₹ in Million)

Financial instruments measured at fair value - recurring fair value measurements	Recurring fair value measurement as at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual fund	91.11	-	-	91.11
Equity instruments	37.12	-	33.48	70.60
Exchange Traded Fund	53.38	-	-	53.38
Debt Instruments	-	27.38	143.15	170.53
Alternate investment funds	-	-	311.98	311.98
<b>Total Assets</b>	<b>181.61</b>	<b>27.38</b>	<b>488.61</b>	<b>697.60</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### 36 E. 2. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

#### Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, balances other than cash and cash equivalents, Trade receivables, other receivables, and trade payables

(₹ in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
<b>Assets</b>						
Cash and cash equivalents	10,948.28	10,948.28	-	2,780.61	2,780.61	-
Bank Balance other than above	26,453.23	26,453.23	-	13,994.78	13,994.78	-
Receivables						
(I) Trade receivables	282.41	282.41	-	342.72	342.72	-
(II) Other receivables	177.61	177.61	-	108.83	108.83	-
Loans	4,733.31	4,733.31	-	980.41	980.41	-
Investment in Associates	-	-	-	39.85	39.85	-
Security deposit with landlord	103.79	95.06	Level 3	97.32	86.71	Level 3
Security deposit others	82.33	82.33	-	86.34	86.34	-
Other financial asset	9,711.23	9,711.23	-	9,688.84	9,688.84	-
<b>Total Assets</b>	<b>52,492.19</b>	<b>52,483.46</b>		<b>28,119.70</b>	<b>28,109.09</b>	
<b>Liabilities</b>						
Trade payables	16.55	16.55	-	43.23	43.23	-
Other payables	928.08	928.08	-	371.09	371.09	-
Borrowings (other than debt securities)	6,070.41	6,070.41	-	2,915.88	2,915.88	-
Security Deposit from tenants	86.05	80.65	Level 3	119.70	114.20	Level 3
Security Deposit from others	486.09	486.09	-	297.33	297.33	-
Other financial liabilities	40,392.31	40,392.31	-	21,725.24	21,725.24	-
<b>Total Liabilities</b>	<b>47,979.49</b>	<b>47,974.09</b>		<b>25,472.47</b>	<b>25,466.97</b>	

### 36 E. 3. MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Million)

Particulars	Preference Shares	Alternate Investment Fund	Debt	Equity*	Total
<b>Balances as at April 01, 2020</b>	29.02	812.08	763.78	0.00	1,604.88
Purchase	-	1.28	4,896.80	2,020.00	6,918.08
Sale/redemption	-	(654.90)	(5,580.43)	(1,986.52)	(8,221.85)
Reclassified to investment held at equity method	(29.02)	-	-	-	(29.02)
Total gain / losses recognise in profit or loss	-	153.52	63.00	-	216.52
<b>Balances as at March 31, 2021</b>	<b>-</b>	<b>311.98</b>	<b>143.15</b>	<b>33.48</b>	<b>488.61</b>
Purchase	-	152.07	-	-	152.07
Sale/redemption	-	(77.33)	(95.57)	(33.48)	(206.38)
Reclassified to investment held at equity method	-	-	-	-	-
Total gain / losses recognise in profit or loss	-	(24.43)	4.45	-	(19.98)
<b>Balances as at March 31, 2022</b>	<b>-</b>	<b>362.29</b>	<b>52.03</b>	<b>-</b>	<b>414.32</b>

\* Amount is less than ₹ 0.01, hence shown ₹ 0.00 million.

## Notes forming part of Consolidated Financial Statements

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### 36 E. 4. MEASUREMENT OF FAIR VALUE

The fair values of Investments in Equity share and Bonds is based on last traded price and Alternate Investment Fund, Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase/ (decrease) as below
<b>Financial Assets:</b>				
Investment in non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
Investment in Alternate Investment Funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
Investment in Preference shares/ Equity share	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
<b>Financial Liabilities:</b>				
Non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses for respective instruments during every reporting date.	Not Applicable	Not Applicable	Not Applicable
Deposit	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Discount Rate	3.30% - 5.50% (Previous year 3.00% - 5.40%) based on SBI FD rate for respective period of deposit	Not Applicable

### NOTE 37: CAPITAL AND OTHER COMMITMENTS AT BALANCE SHEET DATE:

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Capital commitment	77.82	51.10
(ii)	Other commitment	147.76	44.79

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 38: CONTINGENT LIABILITIES:

The Group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	In respect of income tax demands (see note 1)	185.98	132.51
(ii)	In respect of Service tax demands (see note 2)	452.47	411.89
(iii)	In respect of MVAT Demands (see note 3)	0.63	-
(iv)	Bank guarantees	7,468.03	7,468.97
(v)	In respect of other legal case (see note 4)	343.27	125.15

#### Notes :

- 1) Amount paid under protest with respect to income tax demand ₹ 51.52 million (March 31, 2021 ₹ 22.41 million)
- 2) Amount paid under protest with respect to service tax demand ₹ 11.69 million (March 31, 2021 ₹ 11.69 million)
- 3) Amount paid under protest with respect to MVAT demand ₹ 0.63 million (March 31, 2021 ₹ Nil million)
- 4) The inspection was conducted for the four financial years of IIFL Commodities Ltd and the penalty was levied for those 4 FYs. Since the initial orders levying the penalty were not passed by the relevant authority without providing the opportunity of hearing, the Company preferred an appeal before the SAT. The Tribunal heard the Company and remanded the matter back to MCX relevant authority to pass the appropriate orders after providing personal hearing. On February 25, 2022, MCX relevant authority passed the separate orders levying a penalty of ₹ 51.85 million without accepting company's submissions. Hence, aggrieved by the said orders, IIFL Commodities Ltd. has preferred an appeal before the SAT and matter is pending.
- IIFL Commodities Limited ("IICL") was a member of National Spot Exchange Limited (NSEL) till 2013. NSEL had defaulted in its settlement obligations to investors including pay-out of ₹ 279.54 Cr to IICL's Clients who traded on the Exchange Platform till July 2013. The matter has been under investigation by EOW, ED, SEBI, SFIO as well as other investigating authorities/Courts and is currently pending before such authorities/courts. IICL and its officials have been fully cooperating in the investigations and submitting all the required informations and clarifications to the authorities. IICL acted as a broker for the investors on NSEL and facilitated execution of the orders of the investors through exchange system as a registered broker as per the Bye-Laws, Rules and circulars of NSEL. As per the Bye-laws and Rules of NSEL, NSEL was the counter party for the trades and it guaranteed settlement of the trades i.e. funds and commodities of the clients. The same was also confirmed by erstwhile commodities regulator Forward Markets Commission vide its order dated December 17, 2013. Further, the Settlement of outstanding funds pay-out by NSEL to the clients is still pending with various courts, Government and regulatory authorities. The Bombay High Court, constituted a Committee for verifying the claims of the investors and the process for the settlement of their claim is yet to be concluded.
- SEBI vide its order dated February 22, 2019, declared IICL "not a fit and proper person" to hold directly or indirectly, the certificate of registration as a commodity derivative broker and rejected the application dated December 23, 2015 filed by IICL and also directed that IICL shall cease to act, directly or indirectly, as a commodity derivatives broker. IICL preferred an Appeal against the said SEBI Order dated February 22, 2019 before the Securities Appellate Tribunal, Mumbai on April 11, 2019. The matter is concluded and reserved for Awards.
- 5) The above Contingent Liability does not include Income Tax liability of ₹ 228.71 million arising due to error in processing of Return by Income Tax Department.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 39: CORPORATE SOCIAL RESPONSIBILITY

During the year ended March 31, 2022 the Group spent ₹ 34.03 million (Previous year 2020-21 ₹ 44.99 million) out of the total amount of ₹ 43.32 million (Previous year 2020-21 ₹ 44.99 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility [CSR]. The aforementioned amount has been contributed to India Infoline Foundation.

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount required to be spent by the company during the year	43.32	44.99
Amount of expenditure incurred	34.03	44.99
Shortfall at the end of the year	9.29	-
Total of previous years shortfall	-	-
Reason for shortfall	Pertains to ongoing projects	NA
Nature of CSR activities	Sakhion ki Baadi, Developing Bazaar Hub – Gulaabi, Development of Ophthalmic Ward, Vaccine delivery using Drone, Seva Kutir – Learning centre, Solar installation at Govt. School, Mission Conquer Covid – ECG Machine, Cycle Distribution for students (Girls), Awareness Campaign on Importance of Education for Female – College of Home Science, Development at Govt. Hospital, Gaon, Govt. School – Science Laboratory,	Support to the 'Home of Ageing blind', Supported a children's shelter home based at Mumbai. Community based learning centre to eradicate female literacy from Rajasthan, especially among the marginalized & Scheduled Tribe population, financial support to Ashoka University towards its research and fellowship programs., Skill development activity to promote women entrepreneurship, to create 3 restrooms for quarantined inmates., donations to Hospitals in Mumbai to make provisions for safety equipment for on-duty health workers.
Details of related party transactions	India Infoline Foundation	India Infoline Foundation

### NOTE 40: DISCLOSURE OF RATIOS

Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### NOTE 41: ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
First charge		
Other financial assets	8,705.52	5,947.60
Fixed Deposit	2,594.30	-
<b>Non-financial assets</b>		
First charge		
Land and buildings	1,857.68	1,962.17
<b>Total assets pledged as security</b>	<b>13,157.50</b>	<b>7,909.77</b>

### NOTE 42: DISCLOSURE AS PER IND AS -108 "SEGMENT REPORTING":

Considering the nature of the business of the Group, the management has classified its segments based on Management Approach under Ind AS 108 as below:

Sr. No.	Business Segment	Principal activities
(i)	Capital market activity	Capital Market and other related activities including distribution of financial services spaces offering capital market services such as equity/ currency broking/ commodity broking, depository participant services, merchant banking business and third party financial product distribution services.
(ii)	Insurance Broking	Insurance broking services.
(iii)	Facility & ancillary	Facilities and ancillary services includes real estate broking and other advisory services.
(iv)	Others	Other ancillary activities ( Including Healthcare Business)

As at March 31, 2022

(₹ in Million)

Particulars	Capital Market Activity	Insurance Broking	Facilities & Ancillary	Others	Total
<b>I Segment revenue</b>					
a External	11,158.71	516.18	2,000.14	29.06	<b>13,704.09</b>
Inter segment revenue					<b>(539.98)</b>
<b>Total revenue</b>					<b>13,164.11</b>
<b>II Results</b>					
a Segment result	3,129.08	304.79	655.12	(67.96)	<b>4,021.03</b>
Less : - Unallocated					-
<b>Profit before tax</b>					<b>4,021.03</b>
b Interest income	1,385.33	-	902.95	-	<b>2,288.28</b>
Add : - Unallocated					<b>9.46</b>
<b>Net interest income</b>					<b>2,297.74</b>
c Interest expense	307.31	3.07	704.95	-	<b>1,015.33</b>
Add : - Unallocated					-
<b>Net Interest expense</b>					<b>1,015.33</b>
d Current tax					<b>962.72</b>
e Net profit after tax					<b>3,058.31</b>
<b>III Segment assets</b>	54,116.54	281.55	5,332.11	63.31	<b>59,793.51</b>
Add : - Unallocated corporate assets					<b>616.98</b>
<b>Net assets</b>					<b>60,410.49</b>
<b>IV Segment liabilities</b>	45,430.13	87.21	2,883.35	51.39	<b>48,452.08</b>
Add : - Unallocated corporate liabilities					<b>140.49</b>
<b>Net liabilities</b>					<b>48,592.57</b>
<b>V Capital expenditure</b>	132.82	2.42	13.05	3.89	<b>152.18</b>
<b>VI Depreciation</b>	428.88	13.89	191.47	0.32	<b>634.56</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

As at March 31, 2021

(₹ in Million)

Particulars	Capital Market Activity	Insurance Broking	Facilities & Ancillary	Others	Total
<b>I Segment revenue</b>					
a External	7,507.15	430.91	1,352.06	4.72	<b>9,294.84</b>
Inter segment revenue					<b>(618.64)</b>
<b>Total revenue</b>					<b>8,676.20</b>
<b>II Results</b>					
a Segment result	2,319.99	244.01	278.53	4.81	<b>2,847.34</b>
Less : - Unallocated					-
<b>Profit before tax</b>					<b>2,847.34</b>
b Interest income	787.91	-	343.44	-	<b>1,131.35</b>
Add : - Unallocated					<b>8.65</b>
<b>Net interest income</b>					<b>1,140.00</b>
c Interest expense	157.94	2.75	335.56	-	<b>496.25</b>
Add : - Unallocated					-
<b>Net Interest expense</b>					<b>496.25</b>
d Current tax					<b>644.29</b>
e Net profit after tax					<b>2,203.05</b>
<b>III Segment assets</b>	29,683.56	214.61	4,894.86	1.86	<b>34,794.89</b>
Add : - Unallocated corporate assets					<b>646.36</b>
<b>Net assets</b>					<b>35,441.25</b>
<b>IV Segment liabilities</b>	23,345.26	76.80	2,315.71	0.02	<b>25,737.79</b>
Add : - Unallocated corporate liabilities					<b>27.71</b>
<b>Net liabilities</b>					<b>25,765.50</b>
<b>V Capital expenditure</b>	1,200.44	0.33	296.20	-	<b>1,496.96</b>
<b>VI Depreciation</b>	204.22	22.63	231.91	-	<b>458.76</b>

### NOTE 43 : SHARE BASED PAYMENTS

During the year, the Company has granted ESOPs under IIFL Employees Stock Option Scheme - 2018 (ESOP 2018).

#### a) The details of Employee Stock Option Schemes are as under:

Particulars	ESOP 2018	ESOP 2019
Method of Accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options	
Exercise Period	Seven years from the date of grant	
Grant Date	October 30, 2019, January 07, 2021 and October 08, 2021	August 10, 2012, October 29, 2012, November 05, 2013, August 05, 2014, March 02, 2015, March 08, 2016 and April 29, 2017
Grant Price (₹ per share)	₹ 30.85, ₹ 49.00 and ₹ 99.40	₹ 25.79, ₹ 31.05, ₹ 26.47, ₹ 61.40, ₹ 82.02, ₹ 82.73 and ₹ 218.71

#### b) (i) Movement of options during the year ended March 31, 2022 of ESOP 2019 Scheme (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2021</b>	<b>445,641</b>	<b>61.40 - 218.71</b>	<b>87.62</b>	<b>1.89</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(66,145)	61.40 - 218.71	94.95	-
Exercised during the year	(106,080)	82.02	82.02	-
<b>Outstanding as on March 31, 2022</b>	<b>273,416</b>	<b>82.02 - 218.71</b>	<b>88.02</b>	<b>0.99</b>
<b>Exercisable as on March 31, 2022</b>	<b>273,416</b>	<b>82.02 - 218.71</b>	<b>88.02</b>	<b>0.99</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### b) (ii) Movement of options during the year ended March 31, 2022 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2021</b>	<b>8,937,938</b>	<b>30.85 - 49.00</b>	<b>32.89</b>	<b>5.72</b>
Granted during the year	6,500,000	99.40	99.40	-
Forfeited during the year	(1,368,256)	30.85 - 99.40	53.59	-
Expired during the year	(56,924)	30.85	30.85	-
Exercised during the year	(894,820)	30.85 - 49.00	30.87	-
<b>Outstanding as on March 31, 2022</b>	<b>13,117,938</b>	<b>30.85 - 99.40</b>	<b>63.83</b>	<b>5.57</b>
<b>Exercisable as on March 31, 2022</b>	<b>1,331,494</b>	<b>30.85 - 49.00</b>	<b>33.58</b>	<b>4.76</b>

### c) (i) Movement of options during the year ended March 31, 2021 of ESOP 2019 Scheme (Demerger Scheme)

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2020</b>	<b>484,041</b>	<b>61.40 - 218.71</b>	<b>87.17</b>	<b>2.90</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(36,400)	82.02	82.02	-
Exercised during the year	(2,000)	82.02	82.02	-
<b>Outstanding as on March 31, 2021</b>	<b>445,641</b>	<b>61.40 - 218.71</b>	<b>87.62</b>	<b>1.89</b>
<b>Exercisable as on March 31, 2021</b>	<b>436,841</b>	<b>61.40 - 218.71</b>	<b>84.98</b>	<b>1.87</b>

### c) (ii) Movement of options during the year ended March 31, 2021 of ESOP 2018 Scheme

Particulars	Options Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
<b>Outstanding as on April 1, 2020</b>	<b>8,912,200</b>	<b>30.85</b>	<b>30.85</b>	<b>6.58</b>
Granted during the year	1,005,000	49.00	49.00	-
Forfeited during the year	(643,750)	30.85	30.85	-
Expired during the year	(11,250)	30.85	30.85	-
Exercised during the year	(324,262)	30.85	30.85	-
<b>Outstanding as on March 31, 2021</b>	<b>8,937,938</b>	<b>30.85 - 49.00</b>	<b>32.89</b>	<b>5.72</b>
<b>Exercisable as on March 31, 2021</b>	<b>510,550</b>	<b>30.85</b>	<b>30.85</b>	<b>5.58</b>

#### Fair Value Methodology:

The fair value of the shares are measured using Black Scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2018	
	2021-22	2020-21
Stock price (₹)	99.98	45.71
Volatility	42.88%	41.86%
Risk-free Rate	6.35%	5.91%
Exercise price (₹)	99.40	49.00
Time to Maturity (Years)	6	6
Dividend yield	2.87%	3.93%
Weight Average Value (₹)	36.40	11.68

**Stock Price:** The average of weekly high & low of volume weighted average price (VWAP) of shares during the two weeks preceding the date of grant.

**Volatility:** The daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

**Exercise Price:** Price of each specific grant has been considered.

**Time to Maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

### NOTE 44: RELATED PARTIES DISCLOSURES

#### (i) List of related parties where control exists:

Nature of relationship	Name of the related party
<b>Director and its Relatives</b>	Mr. R. Venkataraman - Chairman and Managing Director
	Mr. Narendra Jain - Whole Time Director
	Mr. Anand Bathiya - Independent Director w.e.f. September 22, 2020
	Mr. Viswanathan Krishnan - Independent Director w.e.f. January 21, 2021
	Ms. Rekha Warriar - Independent Director w.e.f. May 8, 2019
	Mr. Shamik Das Sharma - Independent Director w.e.f. January 14, 2020
	Mrs. Aditi Athavankar (wife of Mr. R. Venkataraman)
	Mr. Mohan Radhakrishnan - Whole Time Director till January 2, 2021
	Arindam Chanda - Chief Executive Officer (Till December 22, 2020)
<b>Key Management Personnel</b>	
<b>Subsidiary</b>	India Infoline Foundation (a section 8 Company)
<b>Associate</b>	Giskard Datatech Private Limited (associate w.e.f. November 06, 2020 till December 30, 2021)

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of relationship	Name of the related party
<b>Other Related Parties</b>	IIFL Finance Limited
	5paisa Capital Limited
	IIFL Home Finance Limited
	IIFL Wealth Management Limited
	Clara Developers Private Limited
	IIFL Asset Management Limited
	IIFL Trustee Limited
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited (Amalgamated with IIFL Capital Pte. Limited w.e.f. October 27, 2021)
	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Private Wealth Hong Kong Limited (wound up on March 26, 2021)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)
	IIFL Sales Limited (Step-Down Subsidiary of IIFL Finance Limited)
	IIFL (Asia) Pte. Limited (Amalgamated with IIFL Capital Pte. Limited with effect from October 27, 2021)
	IIFL Capital (Canada) Limited
	IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited)
	IIFL Wealth Securities IFSC Limited
	IIFL Wealth Altire Limited (Formerly known as IIFL Altire Advisors Limited)
	IIFL Wealth Capital Markets Limited (Formerly L&T Capital Markets Limited) (Wholly owned subsidiary of IIFL Wealth Finance Limited)
	IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)
	IIFLW CSR Foundation (Incorporated w.e.f. January 20, 2020)
	Orpheus Trading Private Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	5Paisa Trading Limited
	Ardent Impex Private Limited
	FIH Mauritius Investments Limited
	Mr. Nirmal Jain - Promoter
	Mr. R. Venkataraman - Promoter
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Kalki Family Private Trust
	Nirmal Madhu Family Private Trust
	India Infoline Employee Trust

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### (ii) Transactions during the year with related parties:

Nature of transactions	(₹ in million)	
	FY 2021-22	FY 2020-21
<b>Brokerage income /Delayed payin charges, etc:</b>		
<b>a) Director and its relatives</b>		
Mohan Radhakrishnan	-	0.11
R. Venkataraman	0.38	0.45
Mrs. Aditi Athavankar	0.01	0.00
Narendra Jain	0.00	0.00
<b>b) Key managerial personnel</b>		
Arindam Chanda	-	0.00
<b>c) Other related parties</b>		
Nirmal Jain	-	0.19
Ardent Impex Private Limited	-	0.01
IIFL Finance Limited	0.88	0.19
IIFL Wealth Prime Limited	-	1.24
IIFL Home Finance Limited	-	0.00
<b>Interest income on inter corporate deposit :</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	90.07	88.93
5paisa Capital Limited	-	2.99
IIFL Home Finance Limited	0.70	-
<b>Advisory/Referral fee income/Marketing support fees/Structured product brokerage:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	229.85	0.10
IIFL Asset Management Limited	73.91	47.00
5Paisa Capital Limited	47.72	-
IIFL Samasta Finance Limited	0.01	-
IIFL Home Finance Limited	238.92	4.08
IIFL Capital Pte Ltd	-	32.29
<b>Rent income:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	19.24	17.50
5 Paisa Capital Limited	22.55	21.77
<b>Rent expense:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	46.03	46.03
<b>b) Director and its relatives</b>		
Mrs. Aditi Athavankar	2.40	2.40
<b>Interest expenses on inter corporate deposits:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	68.08	72.35
IIFL Samasta Finance Limited	-	2.01
IIFL Home Finance Limited	-	74.78

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transactions	FY 2021-22	FY 2020-21
		(₹ in million)
<b>Marketing Support Expenses / Commission &amp; Brokerage:</b>		
<b>a) Other related parties</b>		
IIFL Alternate Assets Advisors Limited	3.55	-
IIFL Wealth Management Limited	28.11	-
<b>Corporate Social Responsibility Expenses:</b>		
<b>a) Subsidiaries</b>		
India Infoline Foundation	31.34	44.98
<b>Dividend Paid:</b>		
Director and its relatives	61.40	20.45
Other related parties	158.28	52.76
<b>Remuneration:</b>		
Director's	49.91	53.29
Key managerial personnel	-	7.61
<b>Director Sitting Fees:</b>		
Rekha Warriar	0.41	0.44
Shamik Das Sharma	0.35	0.47
Viswanathan Krishnan	0.48	0.09
Anand Bhatiya	0.51	0.29
Kranti Sinha	-	0.14
<b>Technology expense:</b>		
<b>a) Other related parties</b>		
Giskard Datatech Private Limited	-	1.45
<b>b) Associate</b>		
Giskard Datatech Private Limited	2.01	1.09
<b>Investment in equity share and preference share</b>		
<b>a) Associate</b>		
Giskard Datatech Private Limited	-	9.19
<b>Deposit - Taken:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	0.43	-
<b>Inter corporate deposit taken:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	44,525.00	23,003.50
IIFL Samasta Finance Limited	-	1,000.00
IIFL Home Finance Limited	-	7,401.00
<b>Inter corporate deposit taken and repaid:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	44,525.00	24,762.00
IIFL Samasta Finance Limited	-	1,000.00
IIFL Home Finance Limited	-	8,936.10
<b>Inter corporate deposit given:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	44,505.96	73,141.50
5paisa Capital Limited	-	900.00
IIFL Home Finance Limited	450.00	3,590.00
<b>b) Subsidiaries</b>		
India Infoline Foundation	-	20.00

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

Nature of transactions	FY 2021-22	FY 2020-21
		(₹ in million)
<b>Inter corporate deposit given and received back:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	44,505.96	73,141.50
5paisa Capital Limited	-	900.00
IIFL Home Finance Limited	450.00	3,590.00
<b>b) Subsidiaries</b>		
India Infoline Foundation	-	20.00
<b>Allocation/Reimbursement of expenses paid:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	28.69	32.50
IIFL Home Finance Limited	3.99	5.31
IIFL INC	-	0.59
5paisa Capital Limited	-	0.61
<b>Allocation/Reimbursement of expenses received:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	-	0.03
IIFL Finance Limited	108.94	95.43
IIFL Asset Management Limited	-	0.02
IIFL INC	-	0.16
IIFL Home Finance Limited	52.86	52.03
IIFL Wealth Prime Limited	0.16	0.05
5paisa Capital Limited	67.31	78.10
<b>Others paid:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	0.06	0.30
IIFL Finance Limited	9.04	8.59
IIFL Home Finance Limited	3.14	2.57
IIFL Wealth Prime Limited	-	0.07
5paisa Capital Limited	3.13	2.74
<b>Others Received:</b>		
<b>a) Other related parties</b>		
IIFL Wealth Management Limited	-	0.04
IIFL Finance Limited	22.22	14.14
IIFL Sales Limited	0.03	-
IIFL Asset Management Limited	0.20	-
IIFL Home Finance Limited	3.28	2.20
5paisa Capital Limited	2.37	2.84
IIFL INC	0.74	-
<b>Purchase of investment</b>		
<b>a) Other related parties</b>		
IIFL Samasta Finance Limited	1,007.78	-
IIFL Finance Limited	558.07	1,751.80
<b>Sale of investment</b>		
<b>a) Other related parties</b>		
IIFL Wealth Prime Ltd	-	79.08
IIFL Samasta Finance Limited	0.40	-
IIFL Finance Limited	1,121.99	222.11
<b>b) Associate</b>		
Giskard Datatech Private Limited	38.21	-

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### (iii) Balance outstanding

Nature of transactions	(₹ in Million)	
	As at March 31, 2022	As at March 31, 2021
<b>Sundry Payable:</b>		
<b>a) Other related parties</b>		
5Paisa Capital Limited	-	1.71
IIFL Wealth Prime Limited	-	0.04
IIFL Wealth Management Limited	4.14	0.06
IIFL Inc	0.18	-
<b>b) Director's and its relatives</b>		
R. Venkataraman	-	0.10
Mrs. Aditi Athavankar	0.00	0.00
Narendra Jain	-	0.01
<b>Sundry Receivable:</b>		
<b>a) Other related parties</b>		
IIFL Finance Limited	12.52	1.09
5paisa Capital Limited	3.90	-
IIFL Home Finance Limited	0.42	1.92
IIFL Asset Management Limited	23.16	15.25
IIFL Sales Limited	0.04	-
IIFL Capital PTE Limited	-	4.26
IIFL Inc.	-	4.26
IIFL Wealth Prime Limited	0.06	-
<b>b) Subsidiaries</b>		
India Infoline Foundation	9.33	-
<b>c) Director</b>		
R. Venkataraman	0.02	-
<b>Security deposit taken</b>		
<b>a) Other related parties</b>		
5paisa Capital Limited	10.88	10.88
IIFL Finance Limited	9.18	8.75
<b>Security deposit given</b>		
<b>a) Director's and its relatives</b>		
Mrs. Aditi Athavankar	50.00	50.00
<b>Interest accrued but not due:</b>		
IIFL Home Finance Limited	4.91	-
IIFL Finance Limited	19.67	5.37
<b>Investment in compulsory convertible preference shares &amp; equity shares of associates</b>		
Giskard Datatech Private Limited	-	39.85
<b>Investment in non-convertible debentures / market linked debenture</b>		
<b>a) Other related parties</b>		
IIFL Home Finance Limited	120.00	-
IIFL Finance Limited	443.01	63.12

#### Note:

- i) Amount is less than ₹ 0.01, hence shown ₹ 0.00 million, wherever applicable.
- ii) As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to directors and key managerial personnel is not included above.
- iii) During the year the company has sold entire stake of 21.47% of compulsory convertible preference shares (CCPS) of Giskard Datatech Private Limited. Accordingly, Giskard Datatech Private Limited has Ceased to be Associate of the Company.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

- iv) IIFL Wealth Management Limited has provided a letter of undertaking-cum-indemnity to the holding Company towards a civil suit pending against IIFL Wealth (UK)Ltd., a wholly owned subsidiary of the holding Company, inter-alia, to defend the said suit and indemnify the holding Company and its directors against claims, if any, arising from the same.

### Note 45: Summary of consolidation

- a) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 - Consolidated Financial Statements.

Sr. No.	Name of subsidiaries	Country of Incorporation	Proportion of ownership interest	
			March 31, 2022	March 31, 2021
1	Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	India	100.00%	100.00%
2	IIFL Management Services Limited	India	100.00%	100.00%
3	IIFL Facilities Services Limited	India	100.00%	100.00%
4	IIFL Commodities Limited	India	100.00%	100.00%
5	IIFL Capital Inc.	USA	100.00%	100.00%
6	IIFL Wealth (UK) Limited	UK	100.00%	100.00%
7	Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	India	95.00%	100.00%
8	IIFL Securities Services IFSC Limited	India	100.00%	100.00%
9	Meenakshi Towers LLP	India	100.00%	100.00%
10	Shreyans Foundation LLP	India	99.00%	99.00%

- b) Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries and associates.

As at March 31, 2022

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss (including exceptional items)		Share in Other Comprehensive Income		Share in Total Comprehensive Income (including exceptional items)	
	As % of consolidated Net Assets	(₹ in million)	As % of consolidated Profit or Loss	(₹ in million)	As % of consolidated Other Comprehensive Income	(₹ in million)	As % of consolidated Total Comprehensive Income	(₹ in million)
<b>Parent</b>								
IIFL Securities Limited	80.35%	9,495.18	92.90%	2,841.13	155.57%	(2.49)	92.87%	2,838.64
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	1.80%	212.93	7.43%	227.14	3.28%	(0.05)	7.43%	227.08
2 IIFL Management Services Limited	4.69%	553.78	1.06%	32.51	-38.10%	0.61	1.08%	33.12
3 IIFL Facilities Services Limited	15.40%	1,819.98	15.10%	461.90	-20.75%	0.33	15.12%	462.24
4 IIFL Commodities Limited	0.74%	87.67	-0.11%	(3.49)	-	-	-0.11%	(3.49)
5 Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	0.02%	1.93	-1.66%	(50.85)	-	-	-1.66%	(50.85)
6 IIFL Securities Services IFSC Limited	0.02%	2.86	-0.03%	(0.78)	-	-	-0.03%	(0.78)
7 Meenakshi Towers LLP	-3.93%	(464.97)	-2.21%	(67.59)	-	-	-2.21%	(67.59)
8 Shreyans Foundation LLP	-1.70%	(200.67)	-1.24%	(37.96)	-	-	-1.24%	(37.96)
<b>Foreign</b>								
1 IIFL Capital Inc.	0.74%	87.34	0.21%	6.51	-	-	0.21%	6.51
2 IIFL Wealth (UK) Limited	0.15%	17.46	-0.02%	(0.48)	-	-	-0.02%	(0.48)
<b>Associate</b>								
<b>Indian</b>								
1 Giskard Datatech Private Limited	-	-	0.05%	1.45	-	-	0.05%	1.45
Elimination	1.73%	204.43	-11.48%	(351.18)	-	-	-11.49%	(351.18)
<b>Total</b>	<b>100.00%</b>	<b>11,817.92</b>	<b>100.00%</b>	<b>3,058.31</b>	<b>100.00%</b>	<b>(1.60)</b>	<b>100.00%</b>	<b>3,056.71</b>

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

### Note 46: Acquiring of demat accounts

The company has paid an amount of ₹ 1,129.11 million during the year 2020-21 towards transfers of demat accounts held by various clients of Karvy Stock Broking Ltd while submitting the bid in response to NSDL, CDSL, NSE, BSE and MSEIL Circulars inviting bids (RFuQ) inter-alia stating that Demat Accounts as well as Trading Accounts held by KSBL shall be transferred to another depository participant/trading member, consequent to NSE declaring KSBL as defaulter and expulsion of KSBL from the membership of NSE and termination of participant ship of KSBL as Depository Participant by CDSL and NSDL. The said amount was capitalised in the books.

The company became successful bidder as Depository Participant for transfer of Demat Accounts of clients of KSBL consequent to the said bidding process. KSBL has filed writ petition against NSDL, CDSL, NSE, BSE and MSEIL and also against the Company as one of the respondents, claiming that the Sale and/or auction of the Demat and Trading Accounts is ultra vires as due process was not followed in the bidding process etc. and that the the process of transfer of demat and trading accounts to another Depository Participant/trading member respectively and further steps being taken by the successful bidders be restrained.

The Hon'ble Bombay High Court vide its interim Order dated 18th March 2021 has rejected to restrain the process of transfer of demat and trading accounts. The Hon'ble High Court has also appointed Valuers for valuation of the demat accounts and trading accounts of the clients of KSDL; ordered that the amount paid by bidders shall be held by NSDL/CDSL/NSE/BSE/MSEIL as deposit; allowed transfer of the demat/trading accounts of the investors/beneficial owners to the Depository Participant/ Trading Member who are the successful bidders. The Matter is pending before Hon'ble High court.

### Note 47: Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

### Note 48: Note on Labour Code

"The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective."



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2022 (Contd.)

## Note 49: Other Disclosure

- i) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iv) There were no amounts which were required to be transferred to the Investor Education and Protection by the Company.
- v) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- vi) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- vii) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- viii) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- x) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- xi) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

## Note 50: Response to COVID -19 challenges

While COVID-related challenges persisted in FY 2021-22, they were for relatively smaller periods as compared to FY 2020-21 and didn't necessitate complete lockdown. Nonetheless, leveraging the learnings from FY 2020-21, and backed by its seamless and robust technology and well established processes, the Company ensured that all operations and servicing of clients were smoothly carried out without any interruptions. Based on the facts and circumstances, the Company has been operating in the normal course and there have been no adverse impacts on the assets, liquidity, revenue, profitability and operational parameters during the year.

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

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

**G.Sankar**

Partner

Membership No.: 046050

**R. Venkataraman**

Chairman and Managing Director

(DIN: 00011919)

**Narendra Jain**

Whole Time Director

(DIN: 01984467)

Place : Mumbai

Dated : April 26, 2022

**Ronak Gandhi**

Chief Financial Officer

**Meghal Shah**

Company Secretary

# ANNEXURE -A to the Consolidated Financial Statements

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

Sr. No.	Particulars	(₹ in million)													
		IIFL Management Services Limited	IIFL Facilities Services Limited	IIFL Commodities Limited	Livlong Insurance Brokers Limited	Livlong Protection & Wellness Services Limited	IIFL Capital Inc.	IIFL Wealth (UK) Limited	Meenakshi Towers LLP	Shreyans Foundation LLP	IIFL Securities Services Limited	IIFL Securities Services IFSC Limited	IIFL Securities Services IFSC Limited	IIFL Securities Services IFSC Limited	IIFL Securities Services IFSC Limited
1	Share Capital	2.81	90.00	3.14	10.00	41.00	40.29	11.20	0.10	1.00					5.00
2	Other Equity	550.97	1,729.98	84.53	202.94	(39.07)	47.05	6.26	(465.07)	(201.67)					(2.15)
3	Total Assets	2,081.24	4,177.39	93.01	317.94	80.66	114.27	20.40	73.44	46.05					8.30
4	Total Liabilities	1,527.46	2,357.41	5.34	105.00	78.73	26.93	2.94	538.40	246.72					5.45
5	Investments	905.42	181.01	14.93	94.23	-	-	-	-	-					-
6	Total Turnover	368.08	1,612.50	1.93	516.18	29.06	114.09	-	18.06	1.50					-
7	Profit/(loss) before tax (including exceptional item)	54.46	592.95	(4.61)	304.79	(67.96)	8.30	(0.48)	(67.59)	(39.15)					(0.78)
8	Provision for taxation (including deferred tax)	21.95	131.04	(1.12)	77.66	(17.11)	1.79	-	-	(1.19)					-
9	Profit/(loss) after tax	32.51	461.90	(3.49)	227.14	(50.85)	6.51	(0.48)	(67.59)	(37.96)					(0.78)
10	Total Comprehensive Income	33.12	462.24	(3.49)	227.08	(50.85)	6.51	(0.48)	(67.59)	(37.96)					(0.78)
11	Exchange Rate	-	-	-	-	-	75.91	99.83	-	-					-
12	Reporting Currency	INR	INR	INR	INR	INR	USD	GBP	INR	INR					INR
13	Proposed Dividend	-	-	-	-	-	-	-	-	-					-
14	% of share holding	100	100	100	100	95	100	100	100	99					100

#### Notes:

- All subsidiaries have common year end of March 31, 2022 hence no additional information under Section 129(3) read with rule 5 has been disclosed.
- Names of subsidiaries which are yet to commence operations  
IIFL Securities Services IFSC Limited

## Part "B": Associates

(₹ in million)

Sr No	Name of Associate	Giskard Datatech Private Limited *
1	Latest Audited Balance Sheet Date	NA
	Date of acquisition	6-Nov-21
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	NA
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	NA
6	Profit / (loss) for the year	
	i. Considered in Consolidation	1.45
	ii. Not Considered in Consolidation	NA

\* During the year the company has sold entire stake of 21.47 % of compulsory convertible preference shares (CCPS) of Giskard Datatech Private Limited on December 30,2021. Accordingly, Giskard Datatech Private Limited has Ceased to be Associate of the Company.

## For and on behalf of Board of Directors

**R. Venkataraman**

Chairman and Managing Director  
(DIN: 00011919)

**Narendra Jain**

Whole Time Director  
(DIN: 01984467)

Place : Mumbai  
Dated : April 26, 2022

**Ronak Gandhi**

Chief Financial Officer

**Meghal Shah**

Company Secretary

# Corporate Information

## BOARD OF DIRECTORS

**Mr. R. Venkataraman**  
Chairman and Managing Director

**Mr. Narendra Deshmal Jain**  
Whole-Time Director

**Ms. Rekha Gopal Warriar**  
Independent Director

**Mr. Shamik Das Sharma**  
Independent Director

**Mr. Anand Shailesh Bathiya**  
Independent Director

**Mr. Viswanathan Krishnan**  
Independent Director

## COMMITTEE OF BOARD

### Audit Committee

**Mr. Anand Shailesh Bathiya**  
Chairman, Independent Director

**Mr. Narendra Deshmal Jain**  
Member, Whole-Time Director

**Mr. Viswanathan Krishnan** -  
Member, Independent Director

**Ms. Rekha Gopal Warriar**  
Member, Independent Director

### Nomination and Remuneration Committee

**Ms. Rekha Gopal Warriar**  
Chairperson, Independent Director

**Mr. Anand Shailesh Bathiya**  
Member, Independent Director

**Mr. Shamik Das Sharma**  
Member, Independent Director

**Mr. Viswanathan Krishnan**  
Member, Independent Director

### Stakeholders Relationship Committee

**Ms. Rekha Gopal Warriar**  
Chairperson, Independent Director

**Mr. Narendra Deshmal Jain**  
Member, Whole-Time Director

**Mr. Shamik Das Sharma**  
Member, Independent Director

**Mr. Viswanathan Krishnan**  
Member, Independent Director

## COMMITTEE OF BOARD

### CSR Committee

**Mr. Anand Shailesh Bathiya**  
Chairman, Independent Director

**Mr. Narendra Deshmal Jain**  
Member, Whole-Time Director

**Mr. Viswanathan Krishnan**  
Member, Independent Director

**Ms. Rekha Gopal Warriar**  
Member, Independent Director

### Risk Management Committee

**Mr. Viswanathan Krishnan**  
Chairman, Independent Director

**Mr. Narendra Deshmal Jain**  
Member, Whole-Time Director

**Mr. Shamik Das Sharma**  
Member, Independent Director

**Mr. Anand Shailesh Bathiya**  
Member, Independent Director

## CHIEF FINANCIAL OFFICER

**Mr. Ronak Gandhi**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Meghal Shah**

## AUDITORS

**V. Sankar Aiyar & Co.**  
Chartered Accountants

## CORE MANAGEMENT TEAM

**Mr. H. Nemkumar**  
President, Institutional Equities

**Mr. Sandeep Bhardwaj**  
CEO, Retail Broking

**Mr. Nipun Goel**  
President, Investment Banking

**Mr. Vasudev Jagannath**  
President, Institutional Sales

**Mr. Suvajit Ray**  
Executive Vice President, Product

## INTERNAL AUDITORS

**Mahajan & Aibara**  
Chartered Accountants

## SECRETARIAL AUDITORS

**Nilesh Shah & Associates**  
Practising Company Secretaries

## REGISTRAR AND SHARE TRANSFER AGENT

**Link Intime India Private Limited**  
C-101, 247 Park, 1<sup>st</sup> Floor, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083

## REGISTERED OFFICE

IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area, Wagle Estate,  
Thane - 400 604

## CORPORATE OFFICE

Ground Floor, Hubtown Solaris,  
N.S. Phadke Marg, Vijay Nagar,  
Andheri (East), Mumbai – 400 069

## CORPORATE BANKERS

HDFC Bank Limited

ICICI Bank Limited

Yes Bank Limited

RBL Bank Limited

DCB Bank Limited

**Mr. Nandkishore Purohit**  
Chief Digital and Technology Officer

**Mr. Alok Arya**  
Chief Marketing Officer

**Mr. Prasad Umarale**  
Head, Compliance

**Mr. Deepan Raje**  
Head, Human Resources



**IIFL SECURITIES LIMITED**

CIN - L99999MH1996PLC132983

IIFL House, Sun Infotech Park, Road No.16V, B-23, MIDC,  
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Website: www.iiflsecurities.com

Visit us @  
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 IIFL (India Infoline Group)