

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Facilities Services Limited

Report on the Audit of the Consolidated Financial statements

Opinion

We have audited the accompanying consolidated Ind As financial statements of **IIFL Facilities Services Limited** (hereinafter referred to as the "Holding Company") and its subsidiary LLP (Holding Company and its subsidiary LLP together referred to as the "the Group") and its jointly controlled entity LLP, which comprise the consolidated Balance Sheet as at March 31,2024, 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 material 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 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 as at March 31,2024, of consolidated loss, of consolidated total comprehensive income, 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 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 judgement, 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 on these matters and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:



Key Audit Matter	Response to Key Audit Matter
<p><u>Contingent Liabilities</u></p> <p>The Group Company is involved in various disputes with regulatory authorities and others for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgment and such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgment required, the materiality of such litigations and the complexity of the assessment process, this is identified as a Key Audit Matter. (Refer Note no. 35 to the Standalone Financial Statements regarding disclosure of contingent liabilities).</p>	<p>Our audit procedure in response to this key Audit Matter inter-alia included:</p> <ul style="list-style-type: none">• Assessment of the process and relevant controls implemented to identify litigations and pending administrative proceedings.• Assessment of assumptions used in the evaluation of potential legal risks performed by the legal of the Company considering the legal precedence and other rulings in similar cases.• Inquiry with the legal department personnel regarding the status of the most significant disputes and perusal of the key relevant documentation.• Analysis of opinion obtained by the Company from external experts, wherever available.• Review of the adequacy of the disclosures in the notes to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

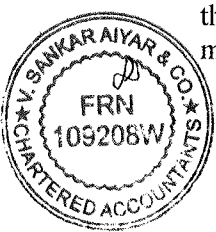
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the standalone and consolidated financial statements and our auditor's report thereon. The Holding Company's Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

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 statement 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 including its jointly controlled entity in accordance with accounting principles generally accepted in India, including Indian Accounting Standards specified under section 133 of the Act. The Board of Directors of the Holding Company and the Management of the Subsidiary LLP included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for



safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements, the Board of Directors of the holding company and the Management of the subsidiary LLP included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, has no realistic alternative but to do so.

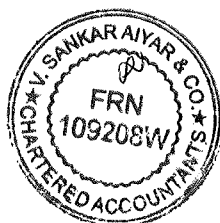
The Board of Directors of the Holding Company and the Management of the subsidiary LLP include in the Group and of its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and its jointly controlled entity.

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 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 and jointly controlled entity which are companies incorporated in India, 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 jointly controlled entity 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 jointly controlled 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 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 jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit financial statements of the Holding Company of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

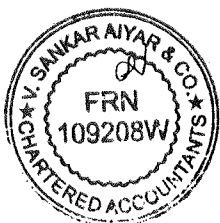
We communicate with those charged with governance of Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our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

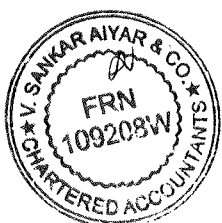
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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.

Report on Other Legal and Regulatory Requirements

1. 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 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 standalone 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 as on March 31, 2024 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31st March, 2024 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.
- g) With respect to the other matters to be include in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
According to the information and explanations given to us and based on verification of records, the managerial remuneration for the year ended 31st March,2024 has been paid/provided by the Company to the directors in accordance with the provision of Section 197 read with the Schedule V to 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 Company has disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 42(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 Company – Refer Note 42(iv) to the consolidated financial statements;
 - iv. (a) The respective Managements of the Holding Company, its subsidiary LLP and jointly controlled entity, whose financial statement have been audited under the Act, have represented to us 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 holding company, its subsidiary and jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer Note 42(i) to the consolidated financial statements;
 - (b) The respective Managements of the Holding Company, its subsidiary LLP and jointly controlled entity, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiary and jointly controlled from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

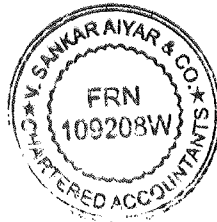


recorded in writing or otherwise, that the Holding Company, its subsidiary and jointly controlled entity shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer Note 42(ii) to the consolidated financial statements; and

(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 subsidiary and jointly controlled entity which companies are 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. (a) The final dividend proposed in previous year, declared and paid by the Group during the year is in accordance with section 123 of the Act.
- (b) The group has neither declared nor paid any interim dividend during the year.
- vi. Based on our examination, which included test checks, performed by us on the Holding Company which is audited by us, the Holding Company has used accounting software for maintaining their books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being trampled with. This clause does not apply to LLP's.
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 Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report.

Place: Mumbai
Date: May 15, 2024



For V Sankar Aiyar & Co.,
Chartered Accountants
(FRN: 109208W)

S Nagabushanam

(S Nagabushanam)
(M.No.107022)
UDIN:24107022BKFGKD4544

Annexure to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Facilities Services Limited on the consolidated financial statements for the year ended 31st March 2024

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 Facilities Services Limited (hereinafter referred to as "the Holding Company").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company 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 of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

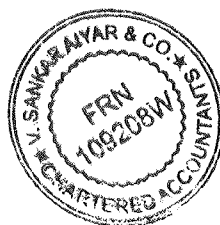
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2024 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.

Place: Mumbai
Date: May 15, 2024



For V Sankar Aiyar & Co.,
Chartered Accountants
(FRN: 109208W)

S Nagabushanam

(S Nagabushanam)
(M.No.107022)
UDIN:24107022BKFGKD4544

HFL FACILITIES SERVICES LIMITED
CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(I) Non-current assets			
(a) Property, Plant and Equipment	4	2,144.72	2,300.93
(b) Capital work-in-progress		-	-
(c) Right of Use Asset	5	0.91	-
(d) Investment Property	6	41.85	41.85
(e) Goodwill	7	-	-
(f) Other Intangible assets	7	0.01	-
(g) Investments in subsidiaries, associates and joint ventures	8	0.05	0.05
(h) Financial Assets			
(i) Investments	9	172.50	-
(ii) Loans	10	1,043.50	1,141.60
(iii) Other financial assets	11	17.36	14.04
(i) Deferred tax assets	12	3.96	2.09
(j) Other non-current assets	13	557.59	76.25
		3,982.45	3,576.81
(II) Current assets			
(a) Financial Assets			
(i) Investments	9	-	-
(ii) Trade receivables	14	12.08	12.05
(iii) Cash and cash equivalents	15	59.95	155.43
(iv) Bank balances other than (iii) above	16	13.80	3.08
(v) Loans	10	-	-
(vi) Other financial assets	11	26.76	176.96
(b) Current Tax Assets		-	-
(c) Other current assets	13	10.88	4.19
		123.47	351.71
TOTAL ASSETS (I + II)		4,105.92	3,928.52
EQUITY AND LIABILITIES			
(I) Equity			
(a) Equity Share capital	17	90.00	90.00
(b) Other Equity	18	1,706.38	1,768.09
Equity Attributable to owners		1,796.38	1,858.09
(c) Non-controlling interest	18	(0.30)	(0.26)
		1,796.08	1,857.83
(II) LIABILITIES			
(i) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,837.06	1,653.63
(ii) Other financial liabilities	20	165.58	79.14
(iii) Lease liabilities	5	0.70	-
(b) Provisions	21	0.77	0.69
(c) Deferred tax liabilities	12	-	-
		2,004.11	1,733.46
(ii) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	155.29	125.21
(ii) Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		13.82	7.22
(iii) Other financial liabilities	20	94.25	165.11
(iv) Lease liabilities	5	0.23	-
(b) Other current liabilities	23	42.10	39.67
(c) Provisions	21	0.04	0.02
(d) Current Tax Liabilities	24	-	-
		305.73	337.23
Total Liabilities (i+ii)		2,309.84	2,070.69
TOTAL EQUITY AND LIABILITIES (I+II)		4,105.92	3,928.52

The accompanying notes forming an integral part of the financial statements

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As per our report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

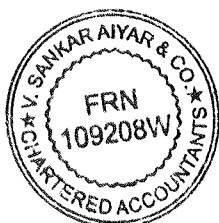
Firm's Registration No. 109208W

By the hand of

S Nagabushane

S Nagabushanam
Partner

Membership No. : 107022



Place : Mumbai
Dated : May 15, 2024

For and on Behalf of Board of Directors



Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Mamta Singh

Mamta Singh
Director
(DIN: 08600639)

Jayesh Upadhyay

Jayesh Upadhyay
Company Secretary

IIFL FACILITIES SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

PARTICULARS	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
(i) Revenue from operations	25	381.69	400.47
(ii) Other income	26	184.78	154.86
(I) Total Income (i+ii)		566.47	555.33
EXPENSES			
(i) Employee benefits expense	27	17.07	14.22
(ii) Finance costs	28	191.90	168.83
(iii) Depreciation and amortization expense	29	150.46	175.06
(iv) Other expenses	30	249.25	79.33
(II) Total expenses (i+ii+iii+iv)		608.68	437.44
(III) Profit/(loss) before exceptional items and tax (I-II)		(42.21)	117.89
(IV) Share of profit/(loss) of Joint Venture (net)		(3.68)	173.60
(V) Profit/(loss) before tax (III+IV)		(45.88)	291.49
Tax expense			
(i) Current tax	31	17.96	27.32
(ii) (Excess)/short provision of tax relating to earlier years		0.08	(0.17)
(iii) Deferred tax		(1.95)	(1.01)
(VI) Total Tax Expenses (i+ii+iii)		16.10	26.14
(VII) Profit/(loss) for the period before impact of rate change on opening deferred tax (V-VI)		(61.98)	265.35
(VIII) Impact of change in rate on opening deferred tax		-	-
(IX) Total Profit/(loss) for the period (VII-VIII)		(61.98)	265.35
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		0.31	(0.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	0.17
(X) Other Comprehensive Income for the year (i+ii)		0.23	(0.49)
(XI) Total Comprehensive Income for the period (IX+X)		(61.75)	264.86
Profit/(loss) for the period attributable to:			
Owners Interest		(61.94)	263.60
Non-controlling interest		(0.04)	1.76
		(61.98)	265.36
Other Comprehensive Income			
Owners Interest		0.23	(0.49)
Non-controlling interest		-	-
		0.23	(0.49)
Total Comprehensive Income for the period attributable to:			
Owners Interest		(61.71)	263.11
Non-controlling interest		(0.04)	1.76
		(61.75)	264.86
(XII) Earnings per equity share attributable to owners			
(1) Basic (in ₹)	32	(6.88)	29.29
(2) Diluted (in ₹)		(6.88)	29.29

The accompanying notes forming an integral part of the financial statements

1 - 43

As per our report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No. 109208W

By the hand of

S Nagabushanam

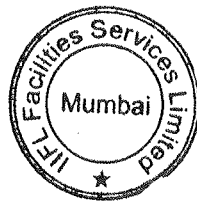
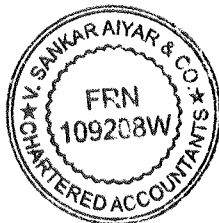
S Nagabushanam

Partner

Membership No. : 107022

Place : Mumbai

Dated : May 15, 2024



For and on Behalf of Board of Directors

Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Mamta Singh

Mamta Singh
Director
(DIN: 08600639)

Jayesh Upadhyay

Jayesh Upadhyay
Company Secretary

IIFL FACILITIES SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(₹ In million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit/(Loss) before taxation, and extraordinary item	(45.88)	291.49
Adjustments For:		
Depreciation & Amortisation	150.46	175.06
Provision for Gratuity	0.27	0.24
Provision for Leave Encashment	0.04	0.21
Provision for expenses	13.13	6.80
Capital Gain	5.69	(3.71)
Fair Value adjustment	-	0.01
Interest Expenses	191.90	168.83
Interest Income	(138.96)	(120.04)
Expected credit loss (including provision for doubtful debts)	151.97	0.35
Net (gain)/loss on derecognition of property, plant and equipment	(49.49)	(29.13)
Share of (Profit)/Loss from Partnership Firm	3.68	(173.60)
Operating Profit Before Working Capital Changes	282.82	316.51
(Increase) / Decrease in Trade Receivables	(1.63)	8.52
(Increase) / Decrease in Other Current Financial Assets	15.42	21.76
(Increase) / Decrease in Other Current Assets	(6.69)	0.05
(Increase) / Decrease in Other Non-Current Financial Assets	(3.33)	(2.11)
(Increase) / Decrease in Other Non-Current Assets	(495.39)	(0.91)
Increase / (Decrease) in Other long-term liabilities	86.50	(110.16)
Increase / (Decrease) in Long term provision	0.08	(0.03)
Increase / (Decrease) in Trade Payable	(6.54)	(6.11)
Increase / (Decrease) in Current Financial Liabilities	(74.55)	76.59
Increase / (Decrease) in Current Liabilities	2.42	(0.46)
Increase / (Decrease) in Short Term Provisions	(0.02)	(0.03)
Cash Generated From Operations	(200.91)	303.62
Tax (Paid) / Refund	2.52	69.97
Net cash flow from operating activities (A)	(198.39)	373.59
Cash flow from investing activities		
Purchase of Fixed Assets	(14.62)	(8.60)
Sale of Fixed Assets	69.96	59.08
Purchase of long term investments	(172.50)	-
(Purchase)/Sale of short term investment (net)	(5.69)	183.72
Net cash flow from investing activities (B)	(122.84)	234.20
Cash flow from financing activities		
Proceeds of Long term Borrowings	874.00	170.00
Repayment of Long term Borrowings	(650.05)	(301.81)
Dividend Paid	-	(225.00)
Investment (Repayment) of Finance Lease Asset	-	9.07
(Investment) / redemption in fixed deposits	(10.72)	219.46
Interest Expenses	(202.31)	(167.07)
Interest received	116.84	115.20
Payment of lease liability	(0.09)	-
Interest towards lease liabilities	(0.03)	-
(Increase) / Decrease in Long Term Loans & Advances	98.10	(352.40)
(Increase) / Decrease in Short Term Loans & Advances	-	-
Net cash flow used in financing activities (C)	225.74	(532.55)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(95.49)	75.24
Cash and cash equivalents at the beginning of the year	155.43	80.19
Cash and Cash Equivalents at End of the year	59.95	155.43
Net Increase/(Decrease) in Cash and Cash Equivalents	(95.49)	75.24
Reconciliation of Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year (Refer Note 15)	155.43	80.19
Cash and Cash equivalents at the end of the year (Refer Note 15)	59.95	155.43
Net change in Cash & Cash Equivalents	(95.49)	75.24

1 - 43

The accompanying notes forming an integral part of the financial statements

As per our report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No. 109208W

By the hand of

S Nagabushan

S Nagabushanam

Partner

Membership No. : 107022



For and on Behalf of Board of Directors

Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Mamta Singh

Mamta Singh
Director
(DIN: 08600639)

Jayesh Upadhyay

Jayesh Upadhyay
Company Secretary

Place : Mumbai

Dated : May 15, 2024

A. EQUITY SHARE CAPITAL
FY 2023-24

Particulars	No. of Shares	Amount (in million)
As at March 31, 2023	90,00,000	90.00
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	90,00,000	90.00
Changes in equity share capital during the year	-	-
As at March 31, 2023 (Refer note 17)	90,00,000	90.00

FY 2022-23

Particulars	No. of Shares	Amount (in million)
As at March 31, 2022	90,00,000	90.00
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	90,00,000	90.00
Changes in equity share capital during the year	-	-
As at March 31, 2023 (Refer note 17)	90,00,000	90.00

B. OTHER EQUITY

FY 2023-24

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income (specify nature)	Total
	Securities Premium	General Reserve	Debenture Redemption Reserve (DRR)	Retained Earnings		
Opening balance as at April 1, 2023	344.30	456.70	-	967.01	0.08	1,768.09
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	344.30	456.70	-	967.01	0.08	1,768.09
Transfer from/to reserve	-	-	-	-	-	-
Additions/(deletions) during the year	-	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	(61.93)	-	(61.93)
Appropriation towards dividend paid	-	-	-	-	-	-
Closing balance as at March 31, 2024 (Refer note 18)	344.30	456.70	-	905.08	0.08	1,706.16

FY 2022-23

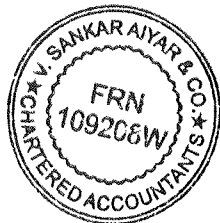
Particulars	Reserves and Surplus				Other items of Other Comprehensive Income (specify nature)	Total
	Securities Premium	General Reserve	Debenture Redemption Reserve (DRR)	Retained Earnings		
Opening balance as at April 1, 2022	344.30	456.70	-	928.40	0.57	1,729.98
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	344.30	456.70	-	928.40	0.57	1,729.98
Transfer from/to reserve	-	-	-	-	-	-
Additions/(deletions) during the year	-	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	263.61	(0.49)	263.12
Appropriation towards dividend paid	-	-	-	(225.00)	-	(225.00)
Closing balance as at March 31, 2023 (Refer note 18)	344.30	456.70	-	967.01	0.08	1,768.09

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W
By the hand of

For and on Behalf of Board of Directors

S Nagabushanam

S Nagabushanam
Partner
Membership No. : 107022



Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Mamta Singh

Mamta Singh
Director
(DIN: 08600639)

Jayesh Upadhyay

Jayesh Upadhyay
Company Secretary

Place : Mumbai
Dated : May 15, 2024

Note 1. Corporate Information

IIFL Facilities Services Limited is a subsidiary of IIFL Securities Ltd. The company is into providing office and related infrastructure and facility services catering mainly to group companies and outsiders and providing property advisory, consultancy and allied services. The financial statement comprises financial statements of the Company for the year ended March 31, 2024.

1.1 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.

Note 2. Material Accounting Policies

2.01 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions and amendments, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and subsidiaries i.e Shreyans Foundations LLP. 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 unrealized 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.

The Financial Statements of the Company comprises of Balance Sheets and Statement of Changes in Equity as at March 31, 2024 and March 31, 2023. Cash Flow Statements and Statement of Profit and Loss for years ended March 31, 2024 and March 31, 2023, a summary of Material accounting policies, notes and other explanatory Information. 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 Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 15, 2024.

2.02 Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current vs non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

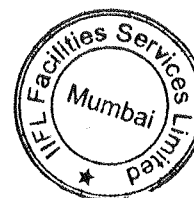
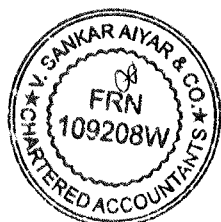
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.03 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 consolidated 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.

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
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

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.

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses 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 varying value as the deemed cost of the PPE.

Subsequent measurement (depreciation and useful lives):

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. Material components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

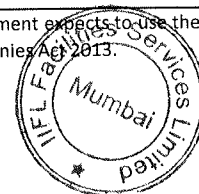
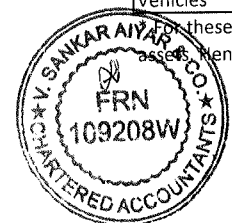
Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease.

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.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Buildings*	20
Computers*	3
Electrical equipment*	5
Office equipment	5
Furniture and fixtures *	5
Vehicles*	5

On these class of assets management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.



Individual assets or group of similar assets costing less than or equal to `5,000 are fully depreciated in the year of purchase.

De-recognition: PPE 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.

2.05 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.

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.

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 life of the intangible assets is as under:

Class of assets	Useful life in years
Computer software	3
Other intangible asset	Remaining useful life of base asset

Derecognition:

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the 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.

2.06 Investment properties

Recognition and initial measurement

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.

On transition to Ind AS, the Company 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.

De-recognition

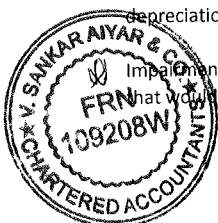
An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

2.07 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, Material 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 its carrying amount that would have been determined if no impairment loss had previously been recognized.



2.08 Capital work in progress

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

2.09 Non Current Assets held for sale

The Company classifies non-current 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 Material 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.

Non-Current 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.

2.10 Revenue from Contracts with Customers

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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 customer: 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 arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized when a customer obtains a control over goods or services and thus has ability to direct the use and obtain the benefits from such goods or services or as per the terms agreed in the contract. The company recognizes revenue from various activities as follows:

1) Revenue from lease rentals and related 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

2) Revenue from property management service is recognised at value of service and is disclosed net of indirect taxes, if any.

3) Interest Income: Interest Income is recognized on accrual basis.

4) Other Income including treasury: Other Incomes are accounted on accrual basis or right to receive is established.

5) Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of investments are determined after consideration of cost on weighted average basis.

6) 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.

Security deposits taken/ given are not discounted if they do not constitute a Material finance component.

2.11 Accounting for Leases

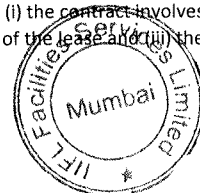
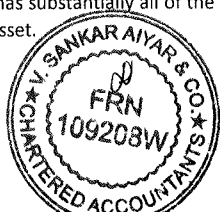
The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right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

As a lessee

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

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

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a 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 assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.



At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.12 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.

2.12.1 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. However, trade receivables that do not contain a Material financing component are measured at transaction price.

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.

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 at amortised cost

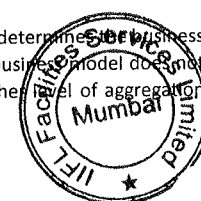
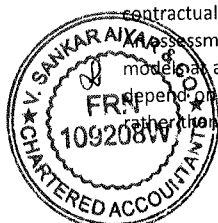
Financial assets are measured at the amortised cost, if both of the following criteria are met:

- (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.

Assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines its business model 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 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 at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI if one of the following criteria are not met:

(a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, 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 on the principal amount outstanding.

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

(iii) Financial assets at fair value through profit or loss (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.

(iv) Equity instruments

Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as FVTPL and measured at fair value with all changes recognised 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.

De-recognition

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 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:

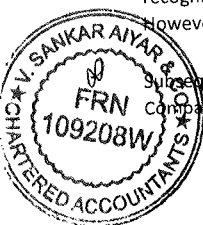
The Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- 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 Material increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased Materially, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased Materially, 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 Material 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 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 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.

2.12.2 Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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.

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.

2.12.3 Fair value measurement

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 a 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

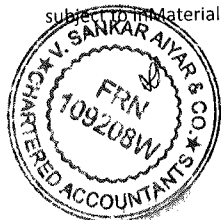
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to minimal risk of changes in value.



2.14 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 income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. 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). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

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.

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.

2.15 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 for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. 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.

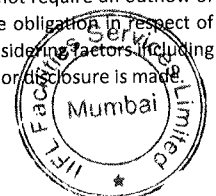
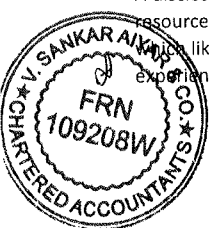
2.16 Provisions and contingent liabilities

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 require 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 reliability. When there is a possible obligation in respect of which the likelihood of outflow of resources embodying economic benefits is remote, (based on the judgement of the management considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter) no provision or disclosure is made.



Contingent assets are disclosed only where an inflow of economic benefits is probable.

2.17 Borrowing Costs

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.

2.18 Employee benefits

Short-Term Benefits

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

Post-Employment Benefits:

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.

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.

2.19 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.

2.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

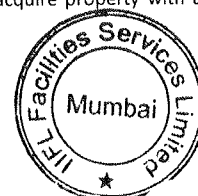
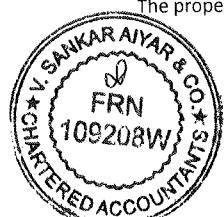
3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

3.1 Material management judgements

3.1.1 Classification of property

The properties of the Company are classified as Property, Plant and Equipment since the main business of the Company is to acquire property with an intention earn rental income by providing it on lease to the outsider and group company being the ordinary course of business. The properties of the Company would be classified as Investment property if acquired with an intention of capital appreciation.



3.1.2 Operating lease contracts – the Company as lessor

The Company has entered into leases of its Property, Plant and Equipment properties. The Company has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the Material risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

3.1.3 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, Material judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

3.2 Critical accounting estimates and assumptions

3.2.1 Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects which has been determined to be 12 months cycle.

3.2.2 Income taxes

The Company tax jurisdiction is India. Material 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.

3.2.3 Useful lives of depreciable / amortisable assets (Property, plant and equipment, 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 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.

3.2.4 Defined benefit obligation (DBO)

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Notes - 'Employee benefits'.

3.2.5 Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any Material leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3.2.6 Discount rate

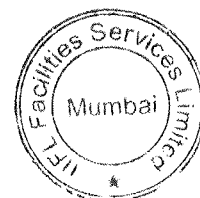
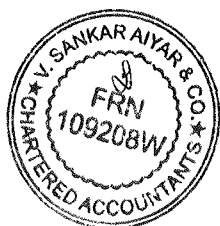
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.2.7 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.

3.2.8 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.



NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
March 31, 2024							
Gross block							
Opening balance as at April 01, 2023	2,225.49	1.90	91.77	236.04	43.44	687.10	3,285.74
Addition during the year/period	-	0.04	4.77	5.95	3.84	-	14.60
Classified under Asset held for sale	-	-	-	-	-	-	-
Deletion/adjustment during the year/period	(40.21)	(0.39)	(4.79)	(9.19)	(4.57)	-	(59.15)
Closing gross block as at March 31, 2024	2,185.28	1.55	91.75	232.80	42.71	687.10	3,241.19
Accumulated depreciation							
Opening balance as at April 01, 2023	636.75	1.82	84.69	218.69	39.47	3.39	984.81
Depreciation for the year	129.21	0.05	5.14	12.82	2.78	0.34	150.34
Classified under Asset held for sale	-	-	-	-	-	-	-
Deletion/adjustment during the year/period	(19.96)	(0.39)	(4.63)	(9.14)	(4.56)	-	(38.68)
Closing balance as at March 31, 2024	746.00	1.48	85.20	222.37	37.69	3.73	1,096.47
Net block closing as at March 31, 2024	1,439.28	0.07	6.55	10.43	5.01	683.37	2,144.72
Net block opening as at April 01, 2023	1,588.74	0.08	7.08	17.35	3.97	683.71	2,300.93

	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
March 31, 2023							
Gross block							
Opening balance as at April 01, 2022	2,268.38	1.82	91.26	235.36	42.75	687.10	3,326.67
Addition during the year/period	3.59	0.09	2.07	1.88	0.97	-	8.60
Classified under Asset held for sale	-	-	-	-	-	-	-
Deletion/adjustment during the year/period	(46.48)	(0.01)	(1.56)	(1.20)	(0.28)	-	(49.53)
Closing gross block as at March 31, 2023	2,225.49	1.90	91.77	236.04	43.44	687.10	3,285.74
Accumulated depreciation							
Opening balance as at April 01, 2022	519.40	1.63	78.16	192.47	34.62	3.05	829.33
Depreciation for the year	134.19	0.19	7.96	27.25	5.13	0.34	175.06
Classified under Asset held for sale	-	-	-	-	-	-	-
Deletion/adjustment during the year/period	(16.84)	(0.01)	(1.43)	(1.03)	(0.28)	-	(19.58)
Closing balance as at March 31, 2023	636.75	1.82	84.69	218.69	39.47	3.39	984.81
Net block closing as at March 31, 2023	1,588.74	0.08	7.08	17.35	3.97	683.71	2,300.93
Net block opening as at April 01, 2022	1,748.98	0.19	13.10	42.89	8.13	684.05	2,497.34

Note:

(a) Refer note 38 for Assets pledged as security

NOTE 5 : RIGHT OF USE ASSET

A) Carrying value of right of use assets at the end of the reporting period by class

(₹ in million)

Particular	March 31, 2024	March 31, 2023
	Vehicle	Vehicle
Balance at the beginning of the year	-	-
Additions during the year	1.02	-
Deletions during the year	-	-
Depreciation charged for the year	(0.11)	-
Balance at the end of the year	0.91	-

Note: The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

B) Maturity analysis of lease liabilities

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Less than one year	0.29	-
One to five years	0.76	-
More than five years	-	-
Total undiscounted lease liabilities at March 31	1.05	-
Lease liabilities included in the statement of financial position at March 31	0.93	-
Current lease liability	0.23	-
Non current lease liability	0.70	-

C) Amounts recognised in profit or loss

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Interest on lease liabilities	0.03	-
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	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	0.03	-

D) Amounts recognised in the statement of cash flows

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Total cash outflow for leases	0.14	-

NOTE 6 : INVESTMENT PROPERTY

(₹ in million)

Particulars	Land	
	March 31, 2024	March 31, 2023
Opening block	41.85	41.85
Addition during the year	-	-
Deductions/adjustments during the year	-	-
Closing gross block	41.85	41.85
Amortisation	-	-
Less : Amortisation	-	-
Closing balance	41.85	41.85
Net Block closing block	41.85	41.85
Net Block opening block	41.85	41.85

(i) Amounts recognised in profit or loss for investment properties

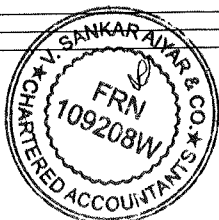
(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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/ (loss) from investment properties	-	-

(ii) Fair value

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Investment properties	369.90	369.90
Total	369.90	369.90



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 fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017.

(₹ In million)		
NOTE 7 : OTHER INTANGIBLE ASSETS	Goodwill	Software
March 31, 2024		
Gross block	-	0.05
Opening balance	-	0.01
Addition during the year/period	-	-
Deletion/adjustment during the year/period	-	0.06
Closing gross block	-	-
Amortisation	-	0.05
Opening balance	-	0.00
Addition during the year/period	-	-
Deletion/adjustment during the year/period	-	0.06
Closing balance	-	-
Net block closing block	-	0.01
Net block opening block	-	-

(₹ In million)		
March 31, 2023		
Gross block	-	0.05
Opening balance	-	-
Addition during the year/period	-	-
Deletion/adjustment during the year/period	-	0.05
Closing gross block	-	-
Amortisation	-	0.05
Opening balance	-	-
Addition during the year/period	-	(0.05)
Deletion/adjustment during the year/period	-	-
Closing balance	-	-
Net block closing block	-	-
Net block opening block	-	-

(₹ In million)		
NOTE 8 : INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	March 31, 2024	March 31, 2023
Particulars		
Investment in equity of Meenakshi LLP (JV of Shreyans LLP)	0.05	0.05
Total	0.05	0.05

(₹ In million)		
NOTE 9 : INVESTMENTS	March 31, 2024	March 31, 2023
A) Non Current		
Investments carried at amortised cost:		
INVESTMENT IN OPTIONALLY CONVERTIBLE DEBENTURE (OCD)		
Ava Lifespaces Private Limited 18 OCD 18AP26 FVRS1Lac	172.50	-
Total	172.50	-
Aggregate amount of quoted investments	172.50	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	-	-

(₹ In million)		
NOTE 10 : LOANS	March 31, 2024	March 31, 2023
A) Non Current		
Loans receivables considered good - Unsecured		
(a) Inter corporate deposit (refer note 39)	1,043.50	1,141.60
Total	1,043.50	1,141.60

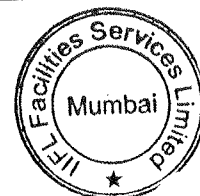
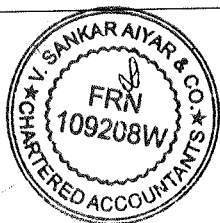
i) Details of loans that are due by Directors, other officer etc.

(₹ In million)		
FY 2023-24		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	1,043.50	100%
Related Parties	-	-

(₹ In million)		
FY 2022-23		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	1,141.60	100%
Related Parties	-	-

(₹ In million)		
NOTE 11 : OTHER FINANCIAL ASSETS	March 31, 2024	March 31, 2023
A) Non Current		
(a) Security Deposits	17.36	14.04
Total	17.36	14.04

(₹ In million)		
B) Current		
Particulars	March 31, 2024	March 31, 2023
(a) Interest accrued on deposits/loans and investments	15.59	0.01
(b) Receivable from related parties (refer note 39)	9.39	15.58
(c) Security Deposits	0.27	-
(d) Other financial asset	1.51	11.00
(e) Other Receivables	150.37	150.37
Less: Allowances for credit loss	(150.37)	-
Total	26.76	176.96



[₹ in million]						
Particulars	Balance as at April 01, 2023	Recognised/ (reversed) in statement of profit and loss	Recognised/ (reversed) in other comprehensive income	Impact of change in rate on opening deferred tax	Mat Credit Utilised	Balance as at March 31, 2024
Deferred tax assets						
Compensated absences and retirement benefits	0.34	0.05	(0.08)	-	-	0.31
Provisions, allowances for doubtful receivables	0.93	0.34	-	-	-	1.27
Other	0.82	1.56	-	-	-	2.38
Total (a)	2.09	1.95	(0.08)	-	-	3.96
Deferred tax liabilities						
Unrealised gain on investments	0.00	-	-	-	-	0.00
Expenses deductible in future years	-	-	-	-	-	-
Total (b)	0.00	-	-	-	-	0.00
Deferred tax assets/(liability) (a + b)	2.09	1.95	(0.08)	-	-	3.96

[₹ in million]						
Particulars	Balance as at April 01, 2022	Recognised/ (reversed) in statement of profit and loss	Recognised/ (reversed) in other comprehensive income	Impact of change in rate on opening deferred tax	Mat Credit Utilised	Balance as at March 31, 2023
Deferred tax assets						
Compensated absences and retirement benefits	0.07	0.10	0.17	-	-	0.34
Provisions, allowances for doubtful receivables	0.84	0.09	-	-	-	0.93
Other	-	0.82	-	-	-	0.82
Total (a)	0.91	1.01	0.17	-	-	2.09
Deferred tax liabilities						
Unrealised gain on investments	(0.00)	0.00	-	-	-	0.00
Expenses deductible in future years	-	-	-	-	-	-
Total (b)	(0.00)	0.00	-	-	-	0.00
Deferred tax assets/(liability) (a + b)	0.91	1.01	0.17	-	-	2.09

[₹ in million]		
A) Non Current	March 31, 2024	March 31, 2023
(a) Capital Advances*	497.65	2.25
(b) Income tax (net of provision)	59.50	73.55
(c) Prepaid expense	0.44	0.45
Total	557.59	76.25

*During the year company has made an Advance payment of Rs. 49.28 crores (approximately 8% of total consideration) towards purchase of commercial property. The company has received allotment letter for the same and Registration is pending for the said property.

[₹ in million]		
B) Current	March 31, 2024	March 31, 2023
(a) Advances to suppliers	-	-
Unsecured and considered good	10.44	2.59
(b) Prepaid expense	0.44	1.60
Total	10.88	4.19

[₹ in million]		
Current	March 31, 2024	March 31, 2023
(a) Trade receivables considered good - unsecured	12.08	12.05
(b) Trade receivables - credit impaired	5.05	3.70
Total	17.13	15.75
Less: Allowance for credit Loss (refer note 36)	(5.05)	(3.70)
Total	12.08	12.05

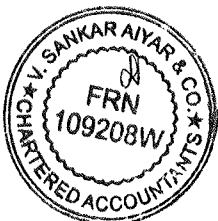
[₹ in million]						
Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	12.08	-	-	-	-	12.08
(ii) Undisputed Trade receivables - which have Material increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	1.75	3.09	0.18	0.03	5.05
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have Material increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

[₹ in million]						
Particulars	Outstanding for following periods from due date of payment					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	12.05	-	-	-	-	12.05
(ii) Undisputed Trade receivables - which have Material increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	2.61	0.91	0.11	0.07	3.70
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have Material increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

[₹ in million]		
Current	March 31, 2024	March 31, 2023
Cash on hand	0.01	0.01
Balances with banks :		
In current accounts	59.94	155.42
Total	59.95	155.43

[₹ in million]		
Current	March 31, 2024	March 31, 2023
(a) Fixed deposits with banks, having remaining maturity for less than twelve months	13.80	3.08
Total	13.80	3.08

[₹ in million]		
Out of the fixed deposits shown above:	March 31, 2024	March 31, 2023
(a) Lien marked	0.65	1.48
(b) Other deposits	13.15	1.60
Total	13.80	3.08



NOTE 17 : EQUITY SHARE CAPITAL

(₹ In million)

Particulars	March 31, 2024	March 31, 2023
Authorized share capital:		
1,11,00,000 (Previous Year 1,11,00,000) Equity Shares of ₹ 10 each	111.00	111.00
Issued, subscribed and paid up:		
90,00,000 (Previous Year 90,00,000) Equity Shares of ₹ 10 each fully paid-up with voting rights	90.00	90.00

The company has only one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

A. Reconciliation of shares outstanding at the beginning and at the end of the year

(₹ In million)

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and paid up at the beginning of the year	90,00,000	90.00	90,00,000	90.00
Issued, subscribed and paid up at the End of the year	90,00,000	90.00	90,00,000	90.00

B. Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

C. Equity shares held by holding company / ultimate holding company and their subsidiaries

Equity shares of ₹ 10 each fully paid	March 31, 2024		March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
IIFL Securities Ltd, the Holding Company	90,00,000	100	90,00,000	100

D. Details of shareholders holding more than 5% shares in the company

Equity shares of ₹ 10 each fully paid	March 31, 2024		March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of ₹ 10 each fully paid				
IIFL Securities Ltd, the Holding Company	90,00,000	100	90,00,000	100

E. Details of shareholding of promoters

Shares held by promoters at the end of the year	March 31, 2024			March 31, 2023		
	No. of Shares	% of Total Shares	% Changed during the year	No. of Shares	% of Total Shares	% Changed during the year
Promoter Name						
IIFL Securities Limited	90,00,000	100%	NIL	90,00,000	100%	NIL

F. 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.

NOTE 18 : OTHER EQUITY

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
General reserve		
Opening balance	456.70	456.70
Addition during the year	-	-
Deduction during the year	-	-
Balance in general reserve	456.70	456.70
Securities premium		
Opening balance	344.30	344.30
Addition during the year	-	-
Deduction during the year	-	-
Balance in securities premium	344.30	344.30
Retained earnings		
Opening balance	967.01	928.41
Interim Dividend	-	(225.00)
Total comprehensive income for the year	(61.94)	263.60
Balance in retained earnings	905.07	967.01
Other comprehensive income		
Opening balance	0.08	0.57
Addition during the year	0.23	(0.49)
Deduction during the year	-	-
Balance in other comprehensive income	0.31	0.08
Total other equity attributable to owners	1,706.38	1,768.09
Non-controlling interests		
Opening balance	(0.26)	(2.01)
Addition during the year	-	-
- Proportionate Share Capital	-	-
- Proportionate share in Profit/(Loss)	(0.04)	1.75
- Proportionate Settlement of loss of subsidiary	-	-
Balance in non-controlling interest	(0.30)	(0.26)
Total Other equity	1,706.08	1,767.83

Other Notes:

- Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- 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.
- Retained earnings : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.

NOTE 19 : BORROWINGS

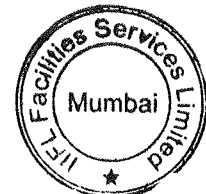
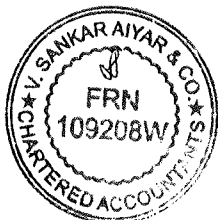
(₹ in million)

	March 31, 2024	March 31, 2023
A) Non Current		
(a) Secured		
Term loan		
(i) Term loans from bank (refer note b)	1,628.35	1,778.84
Less : current maturities to be settled within 12 months from balance sheet date (classified as current borrowings)	(155.29)	(125.21)
(b) Unsecured		
(i) Inter corporate deposit (refer note 39)	364.00	-
Total	1,837.06	1,653.63
B) Current		
B. CURRENT		
(a) Secured		
(i) Term loans from bank (refer note b)	155.29	125.21
Total	155.29	125.21

(a) Inter corporate deposits during the year were borrowed as per the business requirement. The rate of interest for the ICD is linked to marginal cost of funds / treasury bills, etc. plus applicable spread, closing applicable rate of interest as at March 31, 2024 @ 11.15% and March 31, 2023 @ 10.80%.

(b) Term loans from Bank

(i) Term loan of ₹1628.35 million (31 March 2023: ₹ 1,778.84 million) are secured by way of immovable properties situated at Mumbai, Chennai, Gurgaon, Hyderabad, Pune & Thane owned by the company. The outstanding amount are repayable in 95 monthly installments having a closing applicable rate of interest as at March 31, 2024 9.30% floating rate (Repo Rate + Applicable spread)



NOTE 20 : OTHER FINANCIAL LIABILITIES

		(₹ in million)	
		March 31, 2024	March 31, 2023
A) Non current			
(a) Security deposits from tenants#			
Unsecured considered good		162.53	76.48
(b) Provision for gratuity (funded) (refer note 27)		3.05	2.66
Total		165.58	79.14

		March 31, 2024	March 31, 2023
B) Current			
(a) Security deposits from tenants#			
Unsecured considered good		31.25	108.65
(b) Provision for gratuity (funded) (refer note 27)		0.06	0.04
(c) Payable to related parties (refer note 39)		0.36	-
(d) Payable to joint venture (net of investment)		55.75	52.07
(e) Other payables		3.78	1.03
(f) Loans to other		3.05	3.32
Total		94.25	165.11

		(₹ in million)	
		March 31, 2024	March 31, 2023
#Details of Security Deposit			
(a) From group company (refer note 39)		133.15	128.05
(b) From others		60.62	57.08
Total		193.78	185.13

NOTE 21 : PROVISIONS

		(₹ in million)	
		March 31, 2024	March 31, 2023
A) Non current			
Provision for leave encashment		0.77	0.69
Total		0.77	0.69

		March 31, 2024	March 31, 2023
B) Current			
Provision for leave encashment		0.04	0.02
Total		0.04	0.02

NOTE 22 : TRADE PAYABLES

		(₹ in million)	
		March 31, 2024	March 31, 2023
Current			
(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		-	-
(a) Creditors for supplies and services		0.69	0.43
Sub Total (i)		0.69	0.43
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises (refer disclosure shown as below)		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(a) Accrued salaries & benefits		0.36	0.37
(b) Provision for expenses		12.47	6.22
(c) Other payables		0.30	0.20
Sub Total (ii)		13.13	6.80
Total (i) + (ii)		13.82	7.22

Trade Payables ageing schedule FY 23-24

Particulars	Outstanding for following periods from due date of payments					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	13.13	-	-	-	-	13.13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule FY 22-23

Particulars	Outstanding for following periods from due date of payments					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	6.79	-	-	-	-	6.80
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmation sought from suppliers on registration with the specified authority under MSMED.

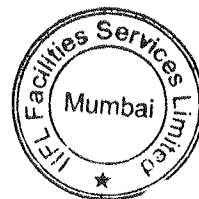
		(₹ in million)	
		March 31, 2024	March 31, 2023
Particulars			
(a) Principal amount remaining unpaid to any supplier at the year end		-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end		-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day 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		-	-

NOTE 23 : OTHER CURRENT LIABILITIES

		(₹ in million)	
		March 31, 2024	March 31, 2023
Current			
(a) Advances received from customers			
- Others		36.28	34.05
(b) Statutory dues (net of input credit)		5.82	5.62
Total		42.10	39.67

NOTE 24 : CURRENT TAX LIABILITIES (NET)

		(₹ in million)	
		March 31, 2024	March 31, 2023
Current			
Current tax liabilities (net)		-	-
Total		-	-



NOTE 25 : REVENUE FROM OPERATIONS

(₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
(a) Rent income	381.69	400.03
(b) Advisory fees	-	0.44
Total	381.69	400.47

NOTE 26 : OTHER INCOME

(₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
(a) Interest income from		
-Investments	15.48	-
-Finance lease	-	0.10
-Inter corporate deposit	116.51	108.00
-Fixed deposit	0.46	7.11
-Income tax refund	6.51	4.83
	49.49	29.13
(b) Net gain on derecognition of property, plant and equipment	-	-
(c) Net gain on financial assets measured at fair value through profit & loss account (net)	-	(0.01)
(d) Capital gains on investments	(5.69)	3.71
(e) Other income	2.02	1.99
Total	184.78	154.86

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
(a) Salaries and Wages	15.95	13.36
(b) Contribution to provident and other funds	0.41	0.35
(c) Share Based Payments to employees	0.39	0.06
(d) Gratuity	0.27	0.24
(e) Leave encashment	0.04	0.21
Total	17.07	14.22

The company has recognised the following amounts as an expense in the statement of profit and loss:

(₹ in million)

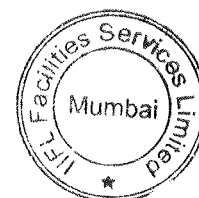
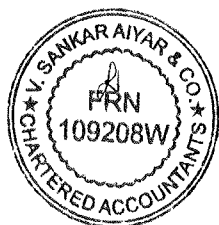
Particulars	Mar 31, 2024	Mar 31, 2023
A : Defined contribution plans		
Employer's contribution to provident fund	0.21	0.17
Employer's contribution to pension fund	0.05	0.05
Employer's contribution to LWF	0.00	0.00
Employer's contribution to NPS	0.16	0.13

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

B : Defined benefit plans

(₹ in million)

i) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of benefit obligation at the beginning of the year	2.70	2.31
Interest cost	0.20	0.17
Liability transferred in / quisions	0.45	-
(Liability transferred out / divestments)	-	(0.45)
Current service cost	0.07	0.08
Past service cost	-	-
Actuarial (gains)/ loss on obligations – Due to change in demographic assumptions	-	-
Actuarial (gains)/ loss on obligations – Due to change in financial assumptions	0.10	(0.09)
Actuarial (gains)/ loss on obligations – Due to experience	(0.42)	0.68
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
Present value of benefit obligation at the end of the year	3.11	2.70
ii) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	0.06
Interest income	-	0.00
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Assets transferred In/acquisitions	-	-
(Assets transferred out/ divestments)	-	-
(Benefit paid from the fund)	-	-
Return on plan assets, excluding interest income	-	(0.06)
Fair value of plan assets at the end of the year	-	-
iii) Amount recognised in the balance sheet		
(Present value of benefit obligation at the end of the period)	(3.11)	2.70
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(3.11)	(2.70)
Net (liability)/asset recognized in the balance sheet	-	-
iv) Expenses recognised during the year		
Current service cost	0.07	0.08
Net Interest cost	0.20	0.16
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
Expenses recognised in statement of profit and loss	0.27	0.24



iv) Expense recognised in the other comprehensive income (OCI) during the year		
Actuarial (gains)/loss on obligation for the period	(0.31)	0.59
Return on plan assets, excluding interest income	-	0.06
Net (income)/expense for the period recognized in OCI	(0.32)	0.65
Out of the above (Income) / expenses		
Recognised in profit and loss	0.27	0.24
Recognised in other comprehensive income	(0.31)	0.66
v) Balance sheet reconciliation		
Opening net liability	2.70	2.25
Expenses recognized in statement of profit or loss	0.27	0.24
Expenses recognized in OCI	(0.31)	0.66
Net liability/(asset) transfer in	0.45	-
Net (liability)/asset transfer out (Employer's contribution)	-	(0.45)
	-	-
Net liability/(asset) recognized in the balance sheet	3.11	2.70
vi) Classification of defined benefit obligations		
Current portion	0.06	0.04
Non-current portion	3.05	2.66
Actuarial assumptions		
Interest / discount rate	7.22%	7.52%
Annual expected increase in salary cost	9.00%	9.00%

C : General description of Material defined plans

Gratuity plan

Gratuity is payable to all eligible employees of the Company on death or on resignation, or on retirement after completion of five years of service. During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by making monetary ceiling of 20 lakhs, earlier it was No Cap. Change in liability (if any) due to this scheme change is recognised as past service cost / (Income).

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

D : Investment Details

Particulars	₹ in million	
	Mar 31, 2024	Mar 31, 2023
Insurance fund	-	-
Total	-	-

E : Sensitivity analysis

Material 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:

Particulars	₹ in million	
	Mar 31, 2024	Mar 31, 2023
Projected benefit obligation on current assumptions	3.11	2.70
Delta effect of +1% change in rate of discounting	(0.33)	(0.30)
Delta effect of -1% change in rate of discounting	0.38	0.35
Delta effect of +1% change in rate of salary increase	0.11	0.09
Delta effect of -1% change in rate of salary increase	(0.10)	(0.13)
Delta effect of +1% change in rate of employee turnover	0.14	0.12
Delta effect of -1% change in rate of employee turnover	(0.15)	(0.13)

F : Expected employer's contribution in future years

Particulars	₹ in million	
	Mar 31, 2024	Mar 31, 2023
1 year	-	-

G : Maturity analysis of the benefit payments: from the fund

Particulars	₹ in million	
	Mar 31, 2024	Mar 31, 2023
Projected benefits payable in future years from the date of reporting		
1st following year	0.06	0.04
2nd following year	0.06	0.05
3rd following year	0.07	0.05
4th following year	0.07	0.06
5th following year	0.08	0.06
Sum of years 6 to 10	0.47	0.41
Sum of years 11 and above	6.97	6.63

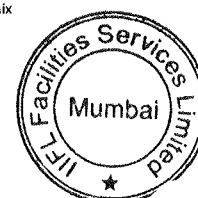
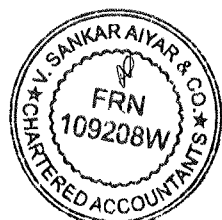
H : Risk exposure

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.



IIFL FACILITIES SERVICES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTE 28 : FINANCE COSTS (₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
(a) Interest on borrowings	191.80	168.83
(b) Interest expense on lease	0.03	-
(c) Other finance expense	0.07	-
Total	191.90	168.83

NOTE 29 : DEPRECIATION AND AMORTIZATION EXPENSE (₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
Depreciation on property, plant and equipment	150.34	175.06
Depreciation on right of use asset	0.11	-
Amortization of intangible asset	0.00	-
Total	150.46	175.06

NOTE 30 : OTHER EXPENSES (₹ in million)

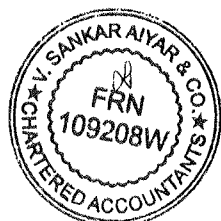
Particulars	Mar 31, 2024	Mar 31, 2023
(a) Advertisement expense	0.00	-
(b) Brokerage and related expenses	3.32	2.48
(c) Communication expense	0.06	0.05
(d) Corporate social responsibility expense (refer note 37)	5.23	2.85
(e) Electricity	19.76	15.17
(f) Exchange and statutory charges	1.22	0.72
(g) Commission & sitting fees	0.15	0.15
(h) Legal and professional charges	6.93	6.42
(i) Office expenses	26.49	23.52
(j) Printing and stationery	-	-
(k) Expected credit loss (including provision for doubtful debts)	151.97	2.54
(l) Insurance charges	2.21	1.68
(m) Marketing and commission expenses	-	-
(n) Rates & taxes	19.37	17.48
(o) Infrastructure Support Charges	0.13	0.38
(p) Repairs & maintenance	-	-
- Computer	-	-
- Others	11.41	5.51
(q) Remuneration to auditors :	-	-
- As auditors - statutory audit	0.32	0.25
- Certification work and other matters	-	0.01
- Out of pocket expenses	-	-
(r) Software charges	0.06	0.02
(s) Travelling and conveyance	0.61	0.10
Total	249.25	79.33

NOTE 31 : INCOME TAX EXPENSE (₹ in million)

(a) Components of income tax expenses:	Mar 31, 2024	Mar 31, 2023
(i) Current tax		
Current Year	17.96	27.33
Changes in estimates related to prior years	0.08	(0.17)
Total current tax expense	18.04	27.15
(ii) Deferred tax		
Origination and reversal of temporary differences	(1.95)	(1.01)
Impact of Change in opening tax rate	-	-
Total deferred tax expense/(benefit)	(1.95)	(1.01)
Income tax expenses	16.09	26.14

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: (₹ in million)

Particulars	Mar 31, 2024	Mar 31, 2023
Profit before tax	(45.88)	291.49
Tax using domestic tax rates	25.17%	25.17%
Tax amount	(11.55)	73.36
Tax effect of:		
Non-deductible expenses	40.24	(42.85)
Differential tax rate on income	(12.60)	(4.20)
Changes in estimates related to prior years	-	-
DTA created at different rate	-	-
Recognition of previously unrecognised deductible temporary differences	(0.10)	-
Adjustments for current tax for prior periods	0.08	(0.17)
Tax expense reported in the statement of profit and loss	16.08	26.14
Effective tax rate	-35.04%	8.97%



NOTE 32 : INCOME (XII) EARNINGS PER EQUITY SHARE ATTRIBUTABLE TO OWNERS

Particulars	₹ In million	
	Mar 31, 2024	Mar 31, 2023
Profit after tax as per Statement of Profit and Loss (₹)	(61.94)	263.60
Weighted average number of equity shares for basic EPS (in No.)	9.00	9.00
Face value of equity share (₹)	10.00	10.00
Basic earnings per share (₹)	(6.88)	29.29
Diluted earnings per share (₹)	(6.88)	29.29

NOTE 33 : INTEREST IN SUBSIDIARY

The company has interest in subsidiary as given below. The company's interest in this subsidiary is accounted for using equity method in the consolidated financial statements.

Below table represents subsidiary entity which are included in the consolidated financial statement (CFS) following equity method with it's name, country of incorporation and proportion of holding therein by the Group are given below w.e.f April 01, 2019

Name of Subsidiary	Country of Incorporation	Proportion of Holding
Shreyans Towers LLP	India	99%

Summarised balance sheet (to extent of ownership interest)	₹ In million	
	Mar 31, 2024	Mar 31, 2023
Proportion of ownership interest held by the Group at the year end % age of holding	99%	99%
Net Asset (Total Asset-Total Liability)	(12.23)	(8.66)
Company's share of profit for the year	(3.57)	173.17
Minority interest in subsidiary	(0.29)	(0.26)

NOTE 34 : SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. renting. All other activities of the company revolve around the main business. The risk and returns of the business of the company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the INDAS 108 on 'Operating Segment'.

NOTE 35 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A : Summary details of contingent liabilities (to the extent not provided for)

Particulars	₹ In million	
	Mar 31, 2024	Mar 31, 2023
Bank guarantee	-	1.48
Income-tax matters	26.48	26.48
Goods & Service tax matters in dispute	3.00	-
Total	29.48	27.96

B : Capital Commitments

Particulars	₹ In million	
	Mar 31, 2024	Mar 31, 2023
Capital contracts (net of advances)	5.47	2.59

C : Other Litigations

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.

D: Notes Madurai Land

Hon'ble High Court of Madras, Madurai bench (HC), vide order dt 13.12.2022 directed the Commissioner of Land Administration (CLA) to conduct enquiry and verify as to whether the conditions stipulated in the assignment order have been violated by CSI Trust (from whom the company purchased land for development and sold part of the land after development to various buyers). CLA vide order dt.11.01.2024 concluded as follows:

- CSI Trust has infringed upon the conditions of assignment by not utilizing the entire land for the purpose of establishing the industrial house for needy women and selling the land to third parties for real estate business and commercial activity etc...
- Since there is breach of condition of assignment, the government may resume the property.

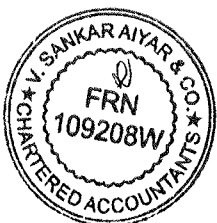
CLA has also ordered for resumption of lands as follows :-

- Vacant land shall be brought to the government account in physical form.
- The lands on which commercial establishments are standing and functioning are to be handed over to the corporation of Madurai so that the income being earned by CSI trust will accrue to the corporation of Madurai instead of CSI Trust.
- The district collector shall ascertain whether the educational institutions which are constructed on the land, are running on charitable or commercial motive and to decide whether to allow the educational institutions to run and if so on what basis.
- The district collector, Madurai is directed to resume the lands on which the residential apartments have been constructed and to send necessary alienation proposals to government for handing over the lands to Tamil Nadu Housing Board for maintenance of sold plots and for taking possession of unsold plots.

The order of CLA has also stated that the flat owners of residential apartments have purchased the lands in question from the LLP and IIFL Facilities Services Ltd (formerly known as IIFL Realty Ltd) who lacked the title.

The Company has filed writ petition before the said Hon'ble High Court which has vide its interim order dated 23.01.2024, directed the authorities concerned not to proceed further until further orders. The matter is pending before the High court of Madras.

The company is confident of getting favourable order from high court on the premise that the company is a bonafide purchaser of land who has exercised due diligence and cannot be deprived of their lawfully acquired title. Therefore, the Company does not expect any liability in this matter.



NOTE 36 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification

The carrying value of financial instruments by categories is as follows:

(₹ In million)

Particulars	CARRYING VALUE			
	As at March 31, 2024		As at March 31, 2023	
	Fair value through profit or loss	At amortised cost	Fair value through profit or loss	At amortised cost
Financial assets				
Cash and cash equivalents	-	59.95	-	155.43
Other bank balances	-	-	-	3.08
Trade receivables	-	-	-	12.05
Loans	-	-	-	1,141.60
Investment in Optionally Convertible Debenture (OCD)	172.50	-	-	-
Investment in Equity	-	0.05	-	0.05
Other financial assets	-	44.12	-	191.00
Total	172.50	104.12	-	1,503.21
Financial liabilities				
Borrowings:				
Non convertible debentures	-	-	-	1,778.84
Term loans from Bank	-	364.00	-	-
Inter corporate deposits	-	193.78	-	185.13
Security deposits from tenants	-	-	-	7.22
Trade and other payables	-	66.06	-	59.12
Other financial liabilities	-	-	-	-
Total	-	623.84	-	2,030.31

The management assessed that carrying amount of cash and cash equivalents, other bank balances, trade receivables, loans, unsecured borrowings, trade payable and other financial liabilities approximate their fair values largely due to the short-term maturities of these instruments.

B. Fair value hierarchy

The table which provides the fair value measurement hierarchy of the company's assets and liabilities is as follows:

As at March 31, 2024	CARRYING VALUE	Fair Value		
		Level 1	Level 2	Level 3
Financial instruments measured at fair value				
Financial assets				
(a) Investment In Optionally Convertible Debenture (OCD)	172.50	-	-	172.50
Total	172.50	-	-	345.00
Financial liabilities				
(a) Security deposits from tenants	193.78	-	-	182.68
Total	193.78	-	-	182.68

(₹ In million)

As at March 31, 2023	CARRYING VALUE	Fair Value		
		Level 1	Level 2	Level 3
Financial instruments measured at fair value				
Financial assets				
(a) Investment in non convertible debentures & Bonds	-	-	-	-
Total	-	-	-	-
Financial liabilities				
(a) Security deposits from tenants	185.13	-	-	175.07
Total	185.13	-	-	175.07

36 B. 1. 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:

Particulars	Debit
Balances as at March 31, 2023	172.50
Purchase	-
Sale/adjustment	-
Total gain / losses recognise in profit or loss	172.50
Balances as at March 31, 2024	172.50

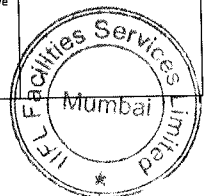
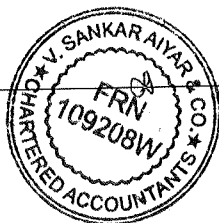
(₹ In million)

Particulars	Debit
Balances as at March 31, 2022	-
Purchase	-
Sale/adjustment	-
Total gain / losses recognise in profit or loss	-
Balances as at March 31, 2023	-

C. Measurement of fair values

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the Material unobservable inputs used is as follows:

Financial instruments measured at fair value	Valuation technique	Material unobservable inputs	Range	Sensitivity of the input to fair value
Type				Change in discount rate by 500 basis points would increase / (decrease) as below
Financial Assets:				
(a) Investment in non convertible debentures & Bonds	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
Financial Liabilities:				
(a) 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
(b) Security deposits from tenants	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	5% - 6.80% (last year 6.40% - 6.92%) based in SBI FD rate for respective period of Deposit	Not Applicable



Transfers between Levels 1, 2 and 3

There have been no transfers between Level 1, Level 2 and Level 3 during the respective period presented above.

D. Financial risk management

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk ; and
- Market risk

I. 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.

The carrying amount of the financial assets which represents the maximum credit exposure is as follows:

Credit quality analysis

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is provided in case of lease rental business when a debtor fails to make the contractual payments greater than 180 days. In case of lease rental business, the company keep 3 to 6 months rental as deposit from the occupants.

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

As at March 31, 2024	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased Materially and credit not Impaired	Financial assets for which credit risk has increased Materially and credit Impaired	Total
Trade Receivables	12.08	-	5.05	17.13
Impairment loss allowance	-	-	(5.05)	(5.05)
Carrying amount	12.08	-	-	12.08
Other financial assets	44.13	-	-	44.13
Impairment loss allowance	-	-	-	-
Carrying amount	44.13	-	-	44.13

(₹ in million)

As at March 31, 2023	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased Materially and credit not Impaired	Financial assets for which credit risk has increased Materially and credit Impaired	Total
Trade Receivables	12.05	-	3.70	15.75
Impairment loss allowance	-	-	(3.70)	(3.70)
Carrying amount	12.05	-	-	12.05
Other financial assets	191.00	-	-	191.00
Impairment loss allowance	-	-	-	-
Carrying amount	191.00	-	-	191.00

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in million)

Particulars	Financial assets for which credit risk has increased Materially and credit not Impaired	Financial assets for which credit risk has increased Materially and credit Impaired	Total
As at March 31, 2023	-	3.70	3.70
Increase / (decrease) net	-	1.35	1.35
As at March 31, 2024	-	5.05	5.05

Measurement of ECL

The company has applied the simplified approach 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 in order to compare it with the credit risk at the transition date. 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 Material increase in credit risk since initial recognition, as permitted by Ind AS 101.

Investment in debt securities

The company has investment only in non convertible debentures and the settlement of such instruments is based on expiry of terms. No impairment has been recognised on such investments till date.

Cash and cash equivalents / Deposits with Banks

Credit risk from cash and bank balances is managed by the company's treasury department in accordance with the company's policy.

ii. 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.

Exposure to liquidity risk

The table below analyse the company financial liability into relevant maturity compaying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2024	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 years	5-10 years	More than 10 years
(a) Non convertible debentures	-	-	-	-	-
(b) Commercial paper	-	-	-	-	-
(c) Inter corporate deposits	-	-	364.00	-	-
(d) Security deposits from tenants	193.78	31.25	157.13	5.40	-
(e) Trade and other payables	13.82	13.82	-	-	-
(f) Term loans from banks	1,628.35	155.29	977.40	495.66	-
(g) Other financial liabilities	66.05	63.00	3.05	-	-
	1,902.00	263.35	1,501.60	501.06	-

As at March 31, 2023	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 years	5-10 years	More than 10 years
(a) Non convertible debentures	-	-	-	-	-
(b) Commercial paper	-	-	-	-	-
(c) Inter corporate deposits	-	-	-	-	-
(d) Security deposits from tenants	185.13	105.97	78.14	1.02	-
(e) Trade and other payables	7.22	7.22	-	-	-
(f) Term loans from banks	1,778.84	125.21	792.67	860.96	-
(g) Other financial liabilities	59.12	56.46	2.66	-	-
	2,030.31	294.86	873.47	861.98	-

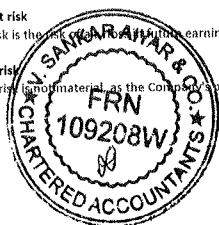
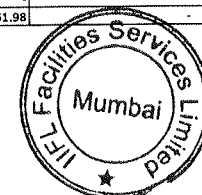
(₹ in million)

iii. Market risk

Market risk is the risk of changes in fair values, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument.

Currency risk

Currency risk is not material, as the Company's primary business activities are within India and dose not have Material exposure in foreign currency.



IIFL FACILITIES SERVICES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments/ borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to Interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

	(₹ in million)	
Particulars	March 31, 2024	March 31, 2023
Financial assets		
Fixed-rate Instruments		
Investment In Optionally Convertible Debenture (OCD)	172.50	-
Total	172.50	-
Financial liabilities		
Fixed-rate Instruments		
Non convertible debentures	-	-
Term loans from Bank	-	-
Total	-	-

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed-rate financial assets or 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.

The following table shows sensitivity analysis for impact on interest income/cost on financial instruments at variable interest rate:

	(₹ in million)	
Particulars	March 31, 2024	March 31, 2023
ICD Given:		
Inter corporate deposits given (refer note 39)	1,043.50	1,141.60
Applicable rate & 12 months weighted average rate	11.08%	10.80%
Annualised interest cost	115.62	123.29
ICD Taken & Term Loan from Bank:		
Term loan taken from bank & Inter incorporated deposit taken	1,992.35	1,778.84
Applicable rate & 12 months weighted average rate	10.20%	10.45%
Annualised interest cost	203.22	185.89

Sensitivity analysis for impact on variable interest cost

	(₹ in million)	
Particulars	March 31, 2024	March 31, 2023
Increase in 1% change in ROI	19.92	17.79
Decrease in 1% change in ROI	(19.92)	(17.79)

Exposure to Price Risk

	(₹ in million)	
Particulars	March 31, 2024	March 31, 2023
Debt	-	-
Mutual Fund	-	-

The effect of upward movement of 5% in the price affects the projected net income by ₹ Nil (previous year ₹ 9.00 million) and further downward movement of 5% the projected net loss will be ₹ Nil (previous year ₹ 9.00 million) for FY 2022-23.

E. 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 adjusted net debt to equity ratio is as follows:

	(₹ in million)	
Particulars	March 31, 2024	March 31, 2023
Total debt (A)	364.00	1,778.84
Less : Cash & cash equivalent (excluding client bank balance) (B)	59.95	155.43
Net debt (C=A-B)	304.05	1,623.41
Total equity (including all reserves) (D)	1,796.38	1,858.09
Net debt to equity (C/D)	0.17	0.87

NOTE 37 : CORPORATE SOCIAL RESPONSIBILITY

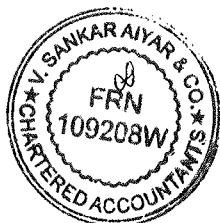
During the financial year 2023-24, the company spent ₹ 5.23 million (previous year ₹ 2.85 million) out of the total amount of ₹ 5.23 million (Previous Year ₹ 2.85 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to India Infoline Foundation.

	March 31, 2024	March 31, 2023
Particulars		
Amount required to be spent by the company during the year	5.23	2.85
Amount of expenditure incurred	5.23	2.85
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	No Shortfall	No Shortfall
Nature of CSR activities	Contribution to Foundation	Contribution to Foundation
Details of related party transactions	Contributed to India Infoline Foundation	Contributed to India Infoline Foundation

NOTE 38 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

		(₹ in million)	
Particulars	Notes	March 31, 2024	March 31, 2023
Non-financial assets			
Non-current			
First charge			
Freehold buildings and land	4	1,604.28	1,723.78
Total assets pledged as security		1,604.28	1,723.78



NOTE 39 : 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 :

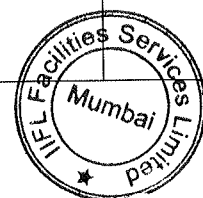
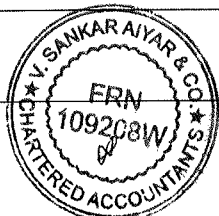
Name of the company	Holding /Subsidiary/Other related parties
Holding Company	IIFL Securities Limited
Subsidiary	Shreyans Foundations LLP
Director or his Relatives	Mr. Abhijeet Raut (Whole Time Director w.e.f. July 20, 2021) Ms. Rekha Warriar (Independent Director w.e.f. May 8, 2019) Ms. Mamta Singh (Non Executive Director) Mr. SuvaJit Ray (Additional Director w.e.f. September 28, 2022)
Fellow Subsidiaries	1. IIFL Management Services Limited 2. IIFL Securities Services IFSC Limited 3. IIFL Commodities Limited 4. Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited) 5. Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited) 6. India Infoline Foundation 7. IIFL Wealth (UK) Limited 8. IIFL Capital Inc. 9. Meenakshi Tower LLP 10. IIFL Securities Alternate Asset Management Limited
Other Related Parties*	1. IIFL Finance Limited 2. IIFL Home Finance Limited 3. Spaisa Capital Limited 4. IIFL Open Fintech Private Limited

*List includes related parties with whom transactions have been carried out during the year.

(B) Material Transactions with Related Parties

(₹ In million)

Nature of transaction	March 31, 2024	March 31, 2023
Rent Income		
(i) Holding Company		
IIFL Securities Limited	161.39	200.35
(ii) Fellow Subsidiaries		
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	20.52	20.52
Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	8.82	6.03
(iii) Other related parties		
IIFL Finance Limited	30.36	21.12
IIFL Home Finance Limited	35.25	17.05
Spaisa Capital Limited	20.76	17.97
Interest Income		
(i) Holding Company		
IIFL Securities Limited	-	1.20
(ii) Fellow Subsidiaries		
IIFL Management Services Limited	116.51	58.62
Meenakshi Tower LLP	-	48.18
Interest Expense		
(i) Holding Company		
IIFL Securities Limited	33.35	0.92
Brokerage Expense/ Rebroker Expenses		
(i) Holding Company		
IIFL Securities Limited	0.04	0.18
Delayed Pay In Charges/Dp Bill/Document Charges		
(i) Holding Company		
IIFL Securities Limited	0.05	0.19
Donation Paid		
(i) Fellow Subsidiaries		
India Infoline Foundation	5.23	2.85
Dividend Paid		
(i) Holding Company		
IIFL Securities Limited	-	225.00
Allocation/Reimbursement of expenses Received		
(i) Holding Company		
IIFL Securities Limited	19.61	22.11
(ii) Fellow Subsidiaries		
IIFL Management Services Limited	0.47	0.57
Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	9.37	5.73
(iii) Other related parties		
IIFL Home Finance Limited	11.63	10.64
IIFL Finance Limited	19.40	19.70
IIFL Open Fintech Private Limited	0.01	-
Spaisa Capital Limited	17.25	14.57
Allocation/Reimbursement of expenses Paid		
(i) Holding Company		
IIFL Securities Limited	0.27	-
(ii) Other related parties		
IIFL Home Finance Limited	0.01	-
IIFL Finance Limited	0.56	0.83
Others Paid		
(i) Holding Company		
IIFL Securities Limited	0.44	0.71
(ii) Fellow Subsidiaries		
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)(Formerly Known as India Infoline Insurance Brokers Limited)	0.02	-
IIFL Management Services Limited	0.01	-
(iii) Other related parties		
IIFL Finance Limited	0.01	0.08
IIFL Home Finance Limited	0.00	0.01
Spaisa Capital Limited	0.00	0.02
Others Received		
(i) Holding Company		
IIFL Securities Limited	1.48	0.15
(ii) Fellow Subsidiaries		
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)(Formerly Known as India Infoline Insurance Brokers Limited)	0.00	-
Meenakshi Tower LLP	0.53	-
(iii) Other related parties		
IIFL Finance Limited	0.75	0.88
IIFL Home Finance Limited	0.00	-
ICD Taken		
(i) Holding Company		
IIFL Securities Limited	1,229.00	760.00
ICD Taken - Repaid		
(i) Holding Company		
IIFL Securities Limited	865.00	760.00
ICD Given		
(i) Holding Company		
IIFL Securities Limited	90.00	3,245.00
(ii) Fellow Subsidiaries		
IIFL Management Services Limited	278.00	3,151.60



IIFL FACILITIES SERVICES LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

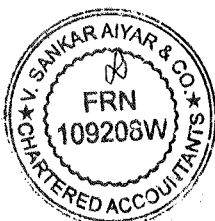
ICD Given Returned Back		
(i) Holding Company		
IIFL Securities Limited	90.00	3,245.00
(ii) Fellow Subsidiaries		
IIFL Management Services Limited	376.10	2,306.20
Meenakshi Tower LLP	-	493.00
Deposit Taken		
(i) Holding Company		
IIFL Securities Limited	0.96	-
(ii) Fellow Subsidiaries		
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	-	5.13
(iii) Other related parties		
IIFL Finance Limited	14.66	0.16
IIFL Home Finance Limited	9.79	5.11
Spalsa Capital Limited	1.93	-
Deposit Taken - Returned back		
(i) Holding Company		
IIFL Securities Limited	22.23	12.70
(ii) Other related parties		
IIFL Finance Limited	-	0.05
Other Transaction - Sale of Investment in NCD		
(i) Other related parties		
IIFL Finance Limited	-	0.01
Remuneration		
Director	3.51	2.61
Director Sitting fee		
Ms. Rekha Warriar	0.15	0.15

[C] Closing Balance

Nature of transaction	March 31, 2024	March 31, 2023
Deposit Taken		
(i) Holding Company		
IIFL Securities Limited	79.42	100.70
(ii) Fellow Subsidiary		
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	5.13	5.13
(iii) Other related parties		
IIFL Finance Limited	23.95	9.29
IIFL Home Finance Limited	14.90	5.11
Spalsa Capital Limited	9.75	7.81
Outstanding Balance of ICD Given/ (Taken)		
(i) Holding Company		
IIFL Securities Limited	(364.00)	-
(ii) Fellow Subsidiaries		
IIFL Management Services Limited	1,043.50	1,141.60
Meenakshi Towers LLP	-	-
Outstanding Investments Joint Venture		
Shreyans Foundation LLP	0.99	0.99
Amount due to/from related parties (Receivable/(Payable) to related parties)		
(i) Holding Company		
IIFL Securities Limited	(0.35)	1.08
(ii) Fellow Subsidiaries		
Livlong Insurance Brokers Limited	0.00	-
IIFL Management Services Limited	(0.01)	-
Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)	3.42	13.16
Meenakshi Towers LLP	0.53	-
(iii) Other Related Parties		
IIFL Home Finance Limited	1.18	-
IIFL Finance Limited	1.84	1.35
Spalsa Capital Limited	2.42	-

NOTE 40 : RATIO ANALYSIS

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance (%)	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	0.40	1.04	-61%	Decrease in ratio due to provision for diminishing in the value of investment & Decrease in current account balance
(b) Debt-Equity Ratio	Short Term Loan + Long Term Loan	Shareholders Equity	1.11	0.96	16%	Increase in ratio due to increase in borrowings and decrease in total comprehensive income
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	0.14	0.33	-58%	Decrease in ratio due to increase in finance cost and depreciation.
(d) Return on Equity Ratio	Profit after tax	Average shareholder's equity	-3%	14%	-124%	Decrease in ratio due to loss in the current period as compared to profit in FY 22-23
(e) Inventory turnover Ratio			NA	NA	NA	
(f) Trade Receivables turnover Ratio	Revenue from operations	Average Trade Receivable	31.64	24.29	30%	Increase in Ratio due to decrease in average trade receivable
(g) Trade Payables turnover Ratio	Other expenses	Average Trade Payables	23.69	11.53	105%	Increase in ratio due to increase in ECL and repairs and maintenance expense
(h) Net capital turnover Ratio	Total Income	Working Capital	-3.11	38.35	-108%	Decrease in Ratio due to decrease in other financials asset due to allowance for credit loss
(i) Net Profit Ratio	Profit after tax	Total Income	-11%	47%	-123%	Decrease in ratio due to increase in finance cost and increase in other expense due to ECL
(j) Return on capital employed	EBIT	Shareholders Equity	8%	25%	-67%	Decrease in ratio due to increase in other expense due to ECL
(k) Return on investment	Income generated from investments	Average investments	11%	4%	176%	Increase in ratio due interest income from investment in OCD



IIFL FACILITIES SERVICES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
NOTE 41 : 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 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 42 : 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 fund 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.

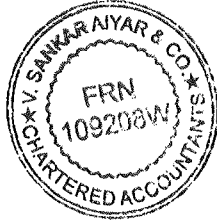
(xi) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note 43 : Figures for the previous year have been regrouped, re-arranged, reclassified wherever necessary.

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W
By the hand of

S Nagabushanam

S Nagabushanam
Partner
Membership No. : 107022



For and on Behalf of Board of Directors

Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Jayesh Upadhyay
Company Secretary

Mamta Singh
Director
(DIN: 08600639)

Place : Mumbai
Dated : May 15, 2024

Form AOC-1

(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

(Information in respect of each subsidiary to be presented with ₹ In million)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Shreyans Foundations LLP
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Currency: INR, Exc. Rate: 1
4	Share capital	1.00
5	Reserves & surplus	(13.36)
6	Total Assets	45.86
7	Total Liabilities	58.22
8	Investments	-
9	Turnover	0.10
10	Profit before taxation	(3.61)
11	Provision for taxation	-
12	Profit after taxation	(3.61)
13	Proposed Dividend	-
14	% of shareholding	99.00%

Notes: The following information shall be furnished at the end of the statement:

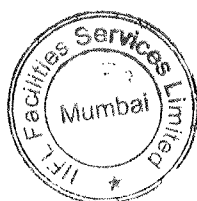
- Names of subsidiaries which are yet to commence operations – **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year. – **Not Applicable**
- w.e.f April 2019 Shreyans Foundations LLP has been transferred to IIFL Facilities Services Limited.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	
1	Latest audited Balance Sheet Date	March 31, 2024
2	Shares of Associate/Joint Ventures held by the Company on the year end	
(i)	No.	NA
(ii)	Amount of Investment in Associates/Joint Venture	0.05
(iii)	Extend of Holding%	50.0%
3	Description of how there is Material influence	There is a Material influence due to % of capital
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
6	Profit/Loss for the year	(14.63)
(i)	Considered in Consolidation (to the extent of owner share)	-
(ii)	Not Considered in Consolidation	(3.68)

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year-Not Applicable
- Shreyans LLP hold 50.00% shares of Meenakshi LLP.



For and on Behalf of Board of Directors

Abhijeet Raut

Abhijeet Raut
Whole Time Director
(DIN: 09201396)

Mamta Singh
Mamta Singh
Director
(DIN: 08600639)