V. Sankar Aiyar & Co.
CHARTERED ACCOUNTANTS
2-C, Court Chambers
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INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Commodities Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Commodities Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

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accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.

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

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
According to the information and explanations given to us and based on verification of records, the company has not paid or provided for managerial remuneration during the year.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 22 of the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(G.SANKAR)
(M.No.46050)
UDIN: 21046050AAAAEE3733

Place: Mumbai
Date: May 3rd, 2021

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Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Commodities Limited on the standalone financial statements for the year ended 31st March 2021

i) The company does not have any fixed assets. Therefore, para 3(i) of the Order is not applicable to the Company.

ii) The Company is not carrying on any trading or manufacturing activity. Therefore para 3(ii) of the Order is not applicable to the Company.

iii) The Company has not granted loans to Companies, firms, limited liability partnership or other parties covered in the register maintained under Sec 189 of the Companies Act, 2013. Therefore, Para 3(iii) of the Order is not applicable to the Company.

iv) In our Opinion and according to the information and explanations given to us, the there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Therefore, Para 3(iv) of the Order is not applicable to the Company

v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.

vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax , service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2021 from the date they became payable;

(b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of income tax or sales tax or goods and services tax or duty of customs or duty of excise. However, according to the information and explanations given to us, the following dues of service tax has not been deposited by the Company on account of dispute

Nature of the Statute	Nature of the Disputed Dues	Amount of Tax (Rs in Millions)	Period to which amount relates	Forum where dispute is pending
Service Tax, 1994	Service tax on transaction charges levied by the exchanges	Rs.14.34 outstanding out of total demand of Rs.14.67	01.04.2007 to 13.05.2008	CESTAT
Income Tax Act, 1961	Non deduction of TDS	Rs 35.39	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Non deduction of TDS	Rs 73.90	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Interest	Rs 0.81	AY 2018-19	Rectification

viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not borrowed from debenture holders or financial institutions or banks or government during the year. Therefore Para 3(viii) of the Order is not applicable to the Company.

ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x) According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud by the company or on the Company by its officers or employees, having a material misstatement on the financial statements has been noticed or reported during the period under audit.

xi) According to the information and explanations given to us and based on verification of records, the company has not paid or provided for managerial remuneration during the year. Therefore Para 3(xi) of the Order is not applicable to the Company.

xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.

xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.

xvi) According to the information and explanations given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934.

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

GSankar

Place: Mumbai
Date: May 3rd, 2021

(G.SANKAR)
(M.No.46050)
UDIN: 21046050AAAAEE3733

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

V. Sankar Aiyar & Co.
CHARTERED ACCOUNTANTS
Mumbai – 400 020

Annexure B to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Commodities Limited on the standalone financial statements for the year ended 31st March 2021

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 Commodities Limited ("the Company") as of March 31st, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

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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, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

gSankar

(G.SANKAR)
(M.No.46050)
UDIN: 21046050AAAAEE3733

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 3rd, 2021

IIFL Commodities Limited
Balance Sheet as at March 31, 2021

(₹ in Million)

Particulars	Note No	As at Mar 31, 2021	As at Mar 31, 2020
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	2.16	7.35
(b) Bank Balance other than (a) above	4	11.64	3.05
(c) Investments	5	50.89	57.28
(d) Other Financial assets	6	37.18	36.06
Sub Total		**101.86**	**103.74**
(2) Non-financial Assets			
(a) Current tax assets (Net)	7	0.21	0.04
(b) Deferred tax Assets (Net)	8	10.59	9.71
(c) Other non-financial assets	9	1.38	1.01
Sub total		**12.18**	**10.76**
TOTAL		**114.05**	**114.50**
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(I) total outstanding dues of creditors other than micro enterprises and small enterprises			-
(II) Other Payables	10	0.08	0.07
(b) Borrowings (Other than Debt Securities)		-	
(c) Other financial liabilities	11	14.46	4.89
Sub total		**14.54**	**4.96**
(2) Non Financial Liabilities			
(a) Current tax liabilities (Net)	12	-	0.50
(b) Other non-financial liabilities	13	0.83	0.10
Sub total		**0.83**	**0.60**
(3) EQUITY			
(a) Equity Share capital	14	3.14	3.14
(b) Other Equity	15	95.55	105.80
Sub total		**98.68**	**108.94**
TOTAL		**114.05**	**114.50**
See accompaying notes forming part of Standalone Financial statements	1-28		

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

GSankar

G.Sankar
Partner
Membership No.: 046050

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

IIFL Commodities Limited

For and on behalf of the Board of Directors

Chintan Modi
Director
(DIN : 00012147)

Upendra Jaiswal
Director
(DIN : 07753834)

Place : Mumbai
Dated : May 3, 2021

IIFL Commodities Limited

Standalone Statement of Profit and Loss for the year ended March 2021

Particulars	Note No	For the year ended March 21	For the year ended March 20
(I) Total Revenue from operations		-	-
(II) Other Income	16	**2.19**	**3.07**
(III) Total Income		**2.19**	**3.07**
Expenses			
(i) Finance Costs	17	0.01	
(ii) Others expenses	18	2.98	4.11
(IV) Total Expenses		**2.99**	**4.11**
(V) Profit / (loss) before exceptional items and tax (II-III)		**(0.80)**	**(1.04)**
(VI) Exceptional items			-
(VII) Profit/(loss) before tax (IV+V)		**(0.80)**	**(1.04)**
(VIII) Tax Expense:	25		
(1) Current Tax		-	-
(2) Deferred Tax		(0.89)	0.64
(3) Short/Excess			0.42
(IX) Total Tax Expenses		**(0.89)**	**1.06**
(X) Profit / (loss) for the period from continuing (VI-VIII)		**0.09**	**(2.10)**
(XI) Profit/(loss) for the period		**0.09**	**(2.10)**
(XII) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or	19	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income (A)		-	-
(XIII) Total Comprehensive Income for the period		**0.09**	**(2.10)**
(XIV) Earnings per equity share			
Basic (Rs.)		**0.29**	**(6.69)**
Diluted (Rs.)		**0.29**	**(6.69)**

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

IIFL Commodities Limited

For and on behalf of the Board of Directors

Chintan Modi
Director
(DIN : 00012147)

Upendra Jaiswal
Director
(DIN : 07753834)

Place : Mumbai
Dated : May 3, 2021

IIFL Commodities Limited

(Formerly known as India Infoline Commodities Limited)

Cash Flow Statement for the year ended March 31, 2021

(₹ in million)

Particulars	2020-21	2019-20
Cash flows from operating activities		
Net profit before taxation and extraordinary item	(0.80)	(1.04)
Adjustments for:		
Depreciation & Amortisation		-
Provisions for Gratuity		-
Provisions for Leave Encashment		-
Provision for Expenses	0.08	0.07
Provision for Doubtful Debts		-
Net Loss/(Gain) on sale of Fixed Assets		-
Interest Expenses	0.01	-
Capital Gains on Investments	(5.01)	(0.35)
Net Loss/(Gain) on Fair Value of Investment	3.00	(2.40)
Interest Income	(0.16)	(0.32)
Operating profit before working capital changes	**(2.87)**	**(4.04)**
Changes in working Capital :		
Increase/(Decrease) in Provisions		-
Increase/(Decrease) in Trade Payables	(0.07)	(0.22)
Increase/(Decrease) in Other Liabilities	10.29	(1.52)
(Increase)/Decrease in Long Term Loans and Advances		-
(Increase)/Decrease in Other Long Term Assets	(1.03)	-
(Increase)/Decrease in Short term loans and Advances		-
(Increase)/Decrease in Other Current Assets	(0.37)	(0.25)
Net Cash from/(used in) operating activities	**5.94**	**(6.03)**
Current tax expenses	(0.67)	11.64
Net cash from operating activities (a)	**5.28**	**5.61**
Cash flows from investing activities		
Sale/(Purchase) of Fixed Assets (net)		
(Investment)/Redemption of fixed deposit	1.00	20.45
Interest received	0.06	0.32
Net short term investment	8.40	(26.30)
Net Cash from/(used in) investing activities (b)	**9.46**	**(5.53)**
Cash flows from financing activities		
Net short term borrowings	-	-
Interest expenses	(0.01)	-
Dividend paid (including dividend distribution tax)	(10.35)	-
Net Cash from/(used in) financing activities (c)	**(10.36)**	**-**
Net increase/(decrease) in Cash and Cash Equivalents (a+b+c)	**4.37**	**0.08**
Cash and cash equivalents at Beginning of year (Refer Note No. 3)	7.35	7.27
Cash and cash equivalents at End of year (Refer Note No. 3)	2.16	7.35
Earmarked Balance	9.57	-
Net increase in Cash and Cash Equivalents	**4.37**	**0.08**
See accompanying notes forming part of Financial statements (1-28)		

As per our attached report of even date

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

Place : Mumbai
Dated : May 3, 2021

For and on behalf of the Board of Directors

IIFL Commodities Limited

Chintan Modi
Director
(DIN : 00012147)

Upendra Jaiswal
Director
(DIN : 07753834)

IIFL Commodities Limited
(Formerly known as India Infoline Commodities Limited)

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

(₹ in million)

Particulars	No of shares	Amount
As at March 31, 2020	313,500.00	3.14
issued during the year	-	-
As at March 31, 2021	313,500.00	3.14

B. Other Equity

(₹ in Million)

	Reserves and Surplus						
	Securities Premium Reserve	General Reserve	Retained Earnings/Surplus	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Remeasurment on Defined Benefit Plan	Total
Balance as at 31st March 2019	**16.87**	**2.50**	**89.12**	**-**	**-**	**(0.59)**	**107.90**
Total Comprehensive Income for the year			(2.10)				**(2.10)**
Appropriation towards dividend paid (including corporate dividend tax)							**-**
Transfer to retained earnings							**-**
Balance as at 31st March 2020	16.87	2.50	87.02	-	-	(0.59)	105.80
Total Comprehensive Income for the year			0.09				**0.09**
Appropriation towards dividend paid (including corporate dividend tax)			(10.35)			**-**	**(10.35)**
Transfer to retained earnings							
Balance as at 31st March 2021	16.87	2.50	76.77	-	-	(0.59)	95.55

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place : Mumbai
Dated : May 3, 2021

For and on behalf of the Board of Directors

Chintan Modi
Director
(DIN : 00012147)

Upendra Jaiswal
Director
(DIN : 07753834)

Note 1. Corporate Information

IIFL Commodities Limited ("the Company") a member of Multi Commodity exchange of India Ltd (MCX), National Commodity & Derivative Exchange Ltd (NCDEX) and National Spot Exchange Limited (NSEL) was incorporated on March 29, 2004 and offers online and offline Commodity broking, trading in commodities on Proprietary account and advisory services in Commodities Futures and Spot Segment.
The company has transferred its assets and liabilities pertaining to MCX & NCDEX to IIFL Securities Ltd under slump sale with effect from July 1, 2018. The company is in process of surrendering its MCX & NCDEX license.
The Company is one of the subsidiaries of IIFL Securities Limited.

Note 2. Summary of significant accounting policies:

2.01 Basis of accounting and preparation of financial statements:

The standalone 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 standalone 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 Financial Statements of the Company comprises of Balance Sheets and Statement of Changes in Equity as at March 31, 2020 and March 31, 2020. Cash Flow Statements and Statement of Profit and Loss for years ended March 31, 2020 and March 31, 2019, a summary of significant 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 standalone financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 3, 2021.

2.02 Key Accounting Estimates & Judgements:

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

Critical accounting estimates and assumptions

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

(i) 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.

(ii) Provision for litigation:

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.

(iii) Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(iv) 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.

2.03 Foreign currency translation:

i) Functional, Reporting and presentation currency: The financial statements are presented in Indian Rupee which is the Company’s functional and presentation currency.

ii. Transactions & Balances: Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.
Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

2.04 Comprehensive income (loss):

Comprehensive income (loss) consists of net earnings (loss) and other comprehensive income (loss) and includes all changes in total equity during a period, except for those resulting from investments by owners and distributions to owners. Accumulated other comprehensive income (loss) (net of income taxes) is included in the balance sheet as a component of common shareholders’ equity.

2.05 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.

2.06 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.

I Financial assets

Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i) The Company business model for managing the financial asset and

ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i) Financial assets measured at amortized cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial 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 such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the company, 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. 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.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

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

i. Trade receivables and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables) iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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.

II Financial Liabilities and equity:

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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.

2.07 Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantages market for the asset or liability.

Determination of fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 —inputs 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.

2.08 Provisions and Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period,taking into account the risk & uncentainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ address from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

2.09 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 insignificant risk of changes in value.

2.10 Revenue from Contracts with Customers :

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a 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 does not have any revenue from operations during the year.

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

2) 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.

3) 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.

2.11 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). Where there is uncertainty over income tax treatments, the Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deffered 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 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The 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.

2.12 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.

2.13 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTE 3 : Cash and cash equivalents (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Balances with Bank :		
Cash In Hand		
In Current Bank Account	2.16	1.74
In Client account	-	5.61
Total(a)	**2.16**	**7.35**

NOTE 4 : Bank balance other than above (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
In Deposit Account(Maturity less than 3 month)		-
In Deposit Account(Maturity 3-12 month)	2.07	3.05
Earmarked Bank Balances	9.57	
Total(b)	**11.64**	**3.05**
Total Cash & Cash Equivalents (a)	**13.80**	**10.41**

* Company has pledged fixed deposits of ₹ 1.05 millions with the banks for arbitration purpose.

NOTE 5 : Investments (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Investment in Mutual funds L & T Mutual Fund (Mar 31, 2021 - 1,66,981.45 units, Mar 31, 2020 - 21,046.22)	50.89	57.28
- Investment outside India		
- Investment in India		
Total	**50.89**	**57.28**

NOTE 6 : Other Financial assets (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Deposit With Exchange	21.75	21.00
Margin with Exchange	15.00	15.00
Security Deposit with Exchanges/Landlords/Others	0.33	-
Accrued Interest on Fixed Deposit - Current	0.06	0.02
Client and exchange receivables	0.05	0.04
Total	**37.18**	**36.06**

NOTE 7 : Current tax assets (Net)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Advance tax net of provision	0.21	0.04
Total	**0.21**	**0.04**

NOTE 8. Deferred Tax Assets: (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
MAT Credit	10.09	10.09
On Depreciation,Gratuity,Bonus , Fair value	0.50	(0.38)
Total	**10.59**	**9.71**

NOTE 9 : Other non-financial assets (₹ in Million)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Service Tax/GST Input credit	1.38	0.99
Other Advances	-	0.02
Total	**1.38**	**1.01**

NOTE 10 : Financial Liabilities - Trade Payable **(₹ in Million)**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
(I) Trade Payable		
- Outstanding dues of micro & small enterprises*	-	-
- Outstanding dues of creditors other than micro & small enterprises	-	-
Total		

(I) Other Payable		**(₹ in Million)**
Particulars	**As at Mar 31, 2021**	**As at Mar 31, 2020**
Others Trade payable		
Accrued Salaries & Benefits		
Provision for Expense	0.08	0.07
Total	**0.08**	**0.07**

NOTE 11 : Other Financial Liabilities **(₹ in Million)**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Clients and Exchanges payables	4.89	4.89
Payable to related parties	(0.00)	
Provision for Gratuity		
Deposits Received - Franchises & others		
INTERIM DIVIDEND PAYABLE	9.57	
Total	**14.46**	**4.89**

NOTE 12 : Current Tax Liabilities **(₹ in Million)**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Provision for Tax	-	0.50
Total	**-**	**0.50**

NOTE 13 : Other non-financial Liabilities **(₹ in Million)**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Statutory dues (net of input credit)	0.83	0.10
Total	**0.83**	**0.10**

Note 14 : Equity

(a) Equity Share Capital

i. The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10 as follows:

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized Shares:		
5,00,000 (Previous Year 5,00,000) Equity Shares of ₹ 10/- each	5.00	5.00
Issued, Subscribed and Paid up:		
3,13,500 (Previous Year 3,13,500) Equity Shares of ₹ 10/- each fully paid-up	3.14	3.14

ii. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at March 31, 2021	As at March 31, 2020
Issued, subscribed and paid up at the beginning of the year [No. of Shares]	313,500	313,500
Add: Issued during the Year [No. of Shares]	-	-
Issued, Subscribed and paid up at the end of the year [No. of Shares]	313,500	313,500

iii. Terms/rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.
In the event of liquidation of company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

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

Name of Shareholders	As at March 31, 2021	
	No. of Shares	% to total shares
IIFL Securities Limited (Formerly India Infoline Limited) (Refer No. No.1.1)	313,500.00	100.00%

Name of Shareholders	As at March 31, 2020	
	No. of Shares	% to total shares
IIFL Securities Limited (Formerly India Infoline Limited) (Refer No. No.1.1)	313,500.00	100.00%

v. During the year 2016-17, the company has issued 1, 04,500 equity shares of Rs. 10 each fully paid up by way of Bonus shares to the shareholders.

Note 15 : Other Equity

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Equity		
Securities Premium	16.87	16.87
General Reserve	2.50	2.50
Retained Earnings	76.77	87.02
Other Comprehensive Income		
(i) Remeasurment on Defined Benefit Plan (net of tax)	(0.84)	(0.84)
(ii) Income Tax on Defined Benefit Plan	0.25	0.25
Total	**95.55**	**105.80**

IIFL COMMODITIES LIMITED

Notes forming part of the Financial Statements Year ended Mar 31, 2021

NOTE 16 : Other Income **(₹ in million)**

Particulars	Apr 20 to Mar- 21	Apr 19 to Mar 20
Interest Income on Bank Fixed Deposits	0.16	0.32
Gain on financial assets measured at fair value through Profit & Loss account		
- Realised	5.01	0.35
- Unrealised	(3.00)	2.40
Other Income	0.03	-
Total	**2.19**	**3.07**

NOTE 17 : Finance cost **(₹ in million)**

Particulars	Apr 20 to Mar- 21	Apr 19 to Mar 20
Interest Expenses on :		
Borrowings	0.01	
Total	**0.01**	**-**

NOTE 18 :Other expenses **(₹ in million)**

Particulars	Apr 20 to Mar- 21	Apr 19 to Mar 20
Exchange and statutory Charges	0.03	0.02
Bank Charges	0.00	0.01
Legal and professional charges	2.63	3.05
Subscription	-	0.04
Provision for doubtful debts and bad debts	0.00	0.15
Rates & taxes	0.00	-
Remuneration to Auditors :		
As auditors - statutory audit	0.08	0.08
As auditors - Other Audit		
Certification work and other matters	0.01	0.11
Out of pocket expenses	-	0.03
Software Charges	-	0.02
Corporate Social Responsibility Expense	0.23	0.59
Miscellaneous expenses	-	0.01
Total	**2.98**	**4.11**

NOTE 19 :Other Comprehensive Income **(₹ in million)**

Particulars	Apr 20 to Mar- 21	Apr 19 to Mar 20
Items that will not be reclassified to profit or loss		
i) Equity Instruments through Other Comprehensive Income		
ii) Remeasurement of Defined Benefit Plan	-	-
iii) Income Tax on Defined Benefit Plan	-	-
Total	**-**	**-**

Note 20 : Earning Per Share (EPS)

(₹ in million)

Particulars	**2020-21**	**2019-20**
Net profit after Tax as per Statement of Profit & Loss attributable to Equity Shareholders	0.09	(2.10)
Weighted Number of Equity Shares used as denominator for calculating Basic & Diluted EPS	313,500	313,500
Basic Earning per Share (₹)	0.29	(6.69)
Diluted Earning per Share (₹)	0.29	(6.69)
Face Value per Equity Share (₹)	10.00	10.00

Note 21 : Corporate Social Responsibility (CSR) :

During the year ended March 31, 2021, the Company spent ₹ 0.23 millions (Previous year ₹ 0.59 millions) out of the total amount of ₹ 0.23 millions (Previous year ₹ 0.59 millions) 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.

Note 22 : Contingent Liabilities and Commitments

(₹ in million)

Particulars	**2020-21**	**2019-20**
(I) Contingent Liabilities:		
Claims against the company/disputed liabilities not acknowledge as debts*		
In respect of others*	7.43	52.36
In respect of Service tax	14.67	6.52
In respect of Income tax demands	110.10	
In respect of Bank guarantee	-	-
(II) Commitments:		
Outstanding Commitment of Capital Expenditure as on balance sheet date	-	-

* The management expects that the demand is likely to be either deleted or substantially reduced and accordingly no provision is been made.

** MCX vide its letter dated April 12, 2018, alleged violation of Exchange Bye-laws and Business Rules due to alleged discrepancies in reporting to be made to MCX for the F.Y. 2014-15 and levied a penalty o ₹ 33.00 million. IICL challenged the penalty levied by MCX before Securities Appellate Tribunal (“SAT”) by way of an Appeal dated May 11,2018 (“Appeal”). MCX submitted its reply to the appeal and thereafter, rejoinder was also filed by IICL. The matter was heard and the Appeal has been allowed. The Impugned Orders have been quashed and set aside. MCX may issue fresh SCN if so deemed fit to IICL, as verbally pronounced and placed the matter before the Disciplinary Action Committee.

MCX vide its letter dated April 12, 2018 has alleged violation of Exchange Bye-laws and Business Rules due to alleged discrepancies in the reporting to MCX for the F.Y. 2015-16 and has levied a penalty of ₹ 11.92 million. IICL has challenged the penalty levied by MCX before Securities Appellate Tribunal by way of an Appeal dated May 11, 2018 (“Appeal”). MCX submitted its reply to the appeal and thereafter, rejoinder was also filed by IICL. . The matter was heard and the Appeal has been allowed. The Impugned Orders have been quashed and set aside. MCX may issue fresh SCN if so deemed fit to IICL, as verbally pronounced and placed the matter before the Disciplinary Action Committee.

MCX vide its letter dated October 23, 2019, alleged violation of Exchange Bye-laws, Circulars and Business Rules and levied a penalty of ₹ 6.23million apart from advice, for non-compliance and violations observed during the inspection period IICL challenged the penalty levied by MCX before the Securities Appellate Tribunal (“SAT”) by way of an Appeal dated December 9, 2019 (“Appeal”). The matter is pending before the SAT.

MCX vide its letter dated October 24, 2019 has alleged violation of Exchange Bye-laws and Business Rules due to alleged discrepancies in the reporting to MCX for the F.Y. 2017-18 and has levied a penalty of ₹ 0.69 million apart from warning and advice, for non-compliance and violations observed during the inspection period. IICL has challenged the penalty levied by MCX before the Securities Appellate Tribunal by way of an Appeal dated December 09, 2019 (“Appeal”). MCX submitted its reply and IICL also filed its rejoinder. The matter is pending before the SAT.

IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited”) (“IICL”) was a member of National Spot Exchange Limited (NSEL) till 2013. NSEL had defaulted in its settlement obligations to investors including pay-out of ₹ 279.54 Cr to IICL’s Clients who traded on the Exchange Platform till July 2013. The matter has been under investigation by EOW, ED, SEBI, SFIO as well as other investigating authorities/Courts and is currently pending before such authorities/courts. IICL and its officials have been fully cooperating in the investigations and submitting all the required informations and clarifications to the authorities. IICL acted as a broker for the investors on NSEL and facilitated execution of the orders of the investors through exchange system as a registered broker as per the Bye-Laws, Rules and circulars of NSEL. As per the Bye-laws and Rules of NSEL, NSEL was the counter party for the trades and it guaranteed settlement of the trades i.e. funds and commodities of the clients. The same was also confirmed by erstwhile commodities regulator Forward Markets Commission vide its order dated December 17, 2013. Further, the Settlement of outstanding funds pay-out by NSEL to the clients is still pending with various courts, Government and regulatory authorities. The Bombay High Court, constituted a Committee for verifying the claims of the investors and the process for the settlement of their claim is yet to be concluded.

SEBI vide its order dated February 22, 2019, declared IICL “not a fit and proper person” to hold directly or indirectly, the certificate of registration as a commodity derivative broker and rejected the application dated December 23, 2015 filed by IICL and also directed that IICL shall cease to act, directly or indirectly, as a commodity derivatives broker. IICL preferred an Appeal against the said SEBI Order dated February 22, 2019 before the Securities Appellate Tribunal, Mumbai on April 11, 2019 and the same is pending before SAT.

IIFL Commodities Limited

(Formerly known as India Infoline Commodities Limited)

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

Note 23 : Related Party Transaction

(a) As Per Ind As 24, the disclosures of transaction with the related parties are given below :

List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

Nature of relationship	Name of party
Holding Company	IIFL Securities Limited
Director or their relatives	Mr. Chintan Rajeshkumar Modi
	Mr. Upendra Kumar Jaiswal
	Mr. Jayanth Ranganathan
Key Management Personnel	Mr. Chintan Rajeshkumar Modi
Fellow Subsidiaries (Refer note 1.1)	IIFL Insurance Brokers Limited
	IIFL Securities Services IFSC Limited
	IIFL Management Services Limited
	IIFL Facilities Services Limited
	IIFL Wealth UK Limited
	IIFL Capital Inc
	IIFL Corporate Services Limited (formerly k/a IIFL Asset Reconstruction Limited)
	India Infoline Foundation
Other Related parties (Fellow subsidiaries upto April 1, 2018) #	India Infoline Finance Limited
	IIFL Home Finance Limited
	Samasta Microfinance Limited
	Ayusha Dairy Private Limited
	IIFL Wealth Management Limited*
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Asset Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Finance Limited
	IIFL Trustee Limited
	IIFL Distribution Services Limited
	IIFL Investment Advisers & Trustee Services Limited
	IIFL (Asia) Pte Limited
	IIFL Private Wealth Hong Kong Limited**
	IIFL Assets Management (Mauritius) Limited
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc.
	IIFL Private Wealth (Suisse) SA.
	Clara Developers Private Limited
	IIFL Capital (Canada) Limited
	IIFL Wealth Securities IFSC Limited
	IIFL Altiore Advisors Private Limited
	IIFL Wealth Advisors (India) Limited
Other Related parties (Holding Company upto April 1, 2018)	IIFL Holdings Limited
Other related parties	Mr. Nirmal Jain - Promoter
	Mr. Venkataraman Rajamani - Promoter
	FIH Mauritius Investments Limited
	Giskard Datatech Private Limited
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt. Limited
	5paisa Capital Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	Kalki Family Private Trust

	Nirmal Madhu Family Private Trust
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	India Infoline Employee Trust

* IIFL Wealth Management Limited has dis-invested with effect from IIFL Private Wealth (Suisse) SA and accordingly does not hold any stake in IIFL Private Wealth (Suisse) SA. (Effective date of disinvestment: February 27, 2019)

* *IIFL Private Wealth (Hongkong) Limited has ceased to carry its business operations and is in process of winding up.

Date of Demerger – 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance”), IIFL Holdings Limited ("IIFL Holdings”), India Infoline Media and Research Services Limited (“IIFL M&R”), IIFL Securities Limited (“IIFL Securities”), IIFL Wealth Management Limited (“IIFL Wealth") and IIFL Distribution Services Limited (“IIFL Distribution”), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”) approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

IIFL Commodities Limited

(Formerly known as India Infoline Commodities Limited)

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

(b) Significant Transactions with Related Parties :

(₹ in million)

Nature of transaction	**2020-21**	**2019-20**
Donation Paid		
a) Fellow Subsidiaries		
India Infoline Foundation	0.23	0.59
Dividend Payable		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	10.35	-
Rent Expense		
a) Fellow Subsidiaries		
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		-
Interest Expense		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	0.01	-
Allocation / Reimbursement of expenses received		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)		-
Allocation / Reimbursement of expenses paid		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)		-
b) Fellow Subsidiaries		
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		-
IIFL Securities Limited (Formerly India Infoline Limited)		-

Nature of transaction	**2020-21**	**2019-20**
ICD Taken Return Back		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	8.40	-
ICD Taken		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	8.40	-

(b) Significant Transactions with Related Parties (Cont.) :

Nature of transaction	2020-21	2019-20
Sales Consideration Received		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)		-
Others Paid		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	0.87	0.69
b) Other Related parties		
IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limi	0.63	
Others Received		
a) Holding Company		
IIFL Securities Limited (Formerly India Infoline Limited)	0	11.52
b) Fellow Subsidiaries		
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		-
c) Other related parties		
India Infoline Finance Limited		-

Note:

1) Related parties are identified and certified by the management.

IIFL Commodities Limited

(Formerly known as India Infoline Commodities Limited)

IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)

Note 24:- The table below shows as analysis of assets and liabilities analyed according to when they are expected to be recoved or settled.

(₹ in million)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	2.16		2.16	7.35	-	7.35
(b) Bank Balance other than (a) above	11.64		11.64	3.05	-	3.05
(c) Investments	50.89		50.89	57.28	-	57.28
(d) Other Financial assets	15.43	21.75	37.18	15.06	21.00	36.06
			-			
Sub Total	**80.12**	**21.75**	**101.86**	**82.74**	**21.00**	**103.74**
(2) Non-financial Assets						
(a) Current tax assets (Net)	-	0.21	0.21	-	0.04	0.04
(b) Deferred tax assets (Net)	-	10.59	10.59	-	9.71	9.71
(c) Other non-financial assets	1.38		1.38	1.01	-	1.01
Sub total	**1.38**	**10.80**	**12.18**	**1.01**	**9.75**	**10.76**
Total Assets	**81.50**	**32.55**	**114.05**	**83.75**	**30.74**	**114.50**
II LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Payables				-	-	-
(I)Trade Payables				-	-	-
(i) total outstanding dues of micro enterprises and small enterprises				-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises				-	-	-
(II) Other Payables				-	-	-
(i) total outstanding dues of micro enterprises and small enterprises				-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.08		0.08	0.07	-	0.07
(b) Other financial liabilities	14.46		14.46	4.89	-	4.89
Sub total	**14.54**	**-**	**14.54**	**4.96**	**-**	**4.96**
(2) Non Financial Liabilities						
(a) Current tax liabilities (Net)	-		-	0.50	-	0.50
(b) Provisions				-	-	-
(c) Other non-financial liabilities	0.83		0.83	0.10	-	0.10
Sub total	**0.82**	**-**	**0.83**	**0.60**	**-**	**0.60**
(3) EQUITY						
(a) Equity Share capital	-	3.14	3.14	-	3.14	3.14
(b) Other Equity	-	95.55	95.55	-	105.80	105.80
Sub total	**-**	**98.68**	**98.68**	**-**	**108.94**	**108.94**
TOTAL	**15.36**	**98.68**	**114.05**	**5.56**	**108.94**	**114.50**

Note 25 : Income Taxes

The major components of income tax expense for the years ended March 31, 2021 are :

Components of tax expenses/(Income) includes the following:

(₹ in million)

Particulars	**March 31, 2021**	**March 31, 2020**
Current Income Tax:		
Current Income Tax Charge	-	-
Changes in estimates related to prior years	-	0.42
Deferred Tax:		
Relating to origination and reversal of temporary differences	(0.89)	0.64
Income tax expense reported in the statement of Profit or Loss	**(0.89)**	**1.06**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 :

(₹ in million)

Particulars	**March 31, 2021**	**March 31, 2020**
Profit before Tax	(0.80)	(1.04)
Tax Rate	26.00%	26.00%
Tax	(0.21)	-
Disallowance Expenses		-
Differential Tax Rate on Income	-	-
Past-year losses for which no deferred tax asset is recognised	(0.74)	
Rate Difference in DTA creation		0.64
Non-deductible expenses for tax purposes	0.06	
Differential Tax Rate on Income		
Adjustments for current tax for prior periods		0.42
Income tax expense reported in the statement of Profit and Loss	**(0.89)**	**1.06**

Deferred tax :

Deferred tax relates to the following:

(₹ in million)

Particulars	**As at March 31, 2021**			
	Opening balance As at April 1, 2020	**Recognised in profit or loss**	**Recognised in/reclassified from OCI**	**Closing balance**
Deferred tax assets:				
Business Loss	-	0.11		0.11
(Including expected credit loss)	0.60		-	0.60
Compensated absences and retirement benefits	-	-	-	-
Total deferred tax assets (a)	**0.60**	**0.11**	-	0.70
Deferred tax liabilities:	-			
Unrealised profit on investments	(0.98)	0.78	-	(0.20)
Total deferred tax liabilities (b)	**(0.98)**	**0.78**	**-**	**(0.20)**
Mat Credit entitlement (c)	**10.09**		**-**	10.09
Deferred tax assets (a) + (b) + (c)	**9.71**	**0.89**	**-**	**10.59**

(₹ in million)

Particulars	As at March 31, 2020			
	Opening balance As at April 1, 2019	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Unabsorbed depreciation	-	-		-
Provisions for doubtful receivables/other financial asset (Including expected credit loss)	0.64	(0.04)		0.60
Compensated absences and retirement benefits	-	-		-
Minimum alternate tax carry-forward				-
Total deferred tax assets (a)	**0.64**	**(0.04)**		**0.60**
Deferred tax liabilities:				
Unrealised profit on investments	(0.38)	(0.60)		(0.98)
Total deferred tax liabilities (b)	**(0.38)**	**(0.60)**		**(0.98)**
Mat Credit entitlement (c)	**10.02**	**0.07**		**10.09**
Deferred tax assets (a) + (b) + (c)	**10.28**	**(0.57)**		**9.71**

IIFL Commodities Limited

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

Note 26 : Fair Value hierarchy

Disclosures for carrying value/fair value measurement hierarchy for assets and liabilities :

(₹ in million)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
A] Financial Assets								
(i) Financial Assets measured at fair value through Profit and Loss:								
Investment in Mutual Fund	31.03.2021	50.89	50.89		31.03.2020	57.28	57.28	
(ii) Financial Assets at Amortised Cost:								
Deposits	31.03.2021	0.33			31.03.2020	36.00		
Cash and Cash Equivalents	31.03.2021	13.80			31.03.2020	10.41		
Security Deposit	31.03.2021	0.33			31.03.2020	-		
Other Financial Assets	31.03.2021	0.11			31.03.2020	0.06		
B] Financial Liabilities								
(i) Financial Liabilities at Amortised Cost								
Trade & other payables	31.03.2021	0.08			31.03.2020	0.07		
Other Financial Liabilities	31.03.2021	14.46			31.03.2020	4.89		

The carrying amount of financial assets and financial liabilities whose fair values are not disclosed above and that ae not measured at fair value are approximation of fair value.

Note 27

Financial risk management objectives and policies

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

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations and Investment.

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

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

The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affects significantly short term borrowing and current investment therefore the Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt and Non current investment. The Company does not have any borrowings.

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, other balances with banks, loans and other receivables and other financial asset.

The Company is not exposed to significant concentrations of credit risk as policies are in place to cover sales where Collections are primarily made through bank. The Company adopts prudent criteria in its investment policy, the main objectives of which are to reduce the credit risk associated with investment products and the counterparty risk associated with financial institutions. The Company considers the solvency, liquidity, asset quality and management prudence of the counter parties, as well as the performance potential of the counter parties in stressed conditions.

Exposure to Price Risk

The Company exposure to price risk arising form investment held by the company and is classified in the balance sheet through fair value through profit & loss account.

Liquidity risk: Liquidity risk arises from the Company’s inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools.Treasury monitors rolling forecasts of the company’s cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

(₹ in million)

As at March 31, 2021	< 1 Year	1 to 5 Years	> 5 Years	Total
Trade and Other Payables	0.08	-	-	0.08
Other Financial Liabilities	14.46	-	-	14.46
	14.54	**-**	**-**	**14.54**

(Amount in ₹)

As at March 31, 2020	< 1 Year	1 to 5 Years	> 5 Years	Total
Trade and Other Payables	0.07	-	-	0.07
Other Financial Liabilities	4.89	-	-	4.89
	4.96	**-**	**-**	**4.96**

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.

(₹ in million)

Particulars	31-Mar-21	31-Mar-20
Borrowings	-	-
Total Capital	98.68	108.95
Debt Equity Ratio	NIL	NIL

Note-28: Figures for the previous year have been regrouped, re-arranged and reclassified wherever necessary.

For V Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G.Sankar
Partner
Membership No.: 046050

Place : Mumbai
Dated : May 3, 2021

For and on behalf of the Board of Directors

Chintan Modi
Director
(DIN : 00012147)

Upendra Jaiswal
Director
(DIN : 07753834)