

IIFL MANAGEMENT SERVICES LIMITED

**Standalone Financial Statements
as at March 31, 2023**

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V. Sankar Aiyar & Co.
CHARTERED ACCOUNTANTS
2 - C, Court Chambers
35, New Marine Lines
Mumbai - 400 020

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Management Services Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Management Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

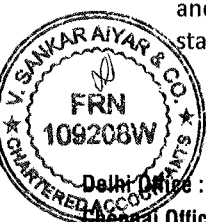
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters for the Company.

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.



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Chennai Office : 41, Circular Road, United India Colony, Kodambakkam, Chennai - 600 024 • Tel.: 044-2372 5720 / 4356 5627 • E-mail : chennai@vsa.co.in

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

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

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

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

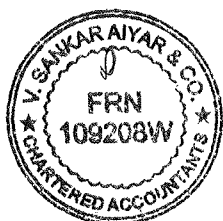
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

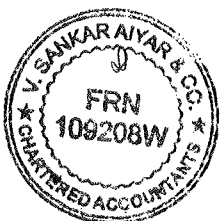
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 33 of the financial statements;



- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 40(iii) of the financial statements;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 40(iv) of the financial statements;
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 40(i) of the financial statements;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 40(ii) of the financial statements; and
- (c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
- (v) The Company has neither declared nor paid any dividend during the year;
- (vi) Proviso to Rule 3(1) of Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

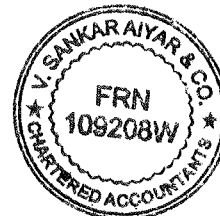
For V. Sankar Aiyar & Co.,
Chartered Accountants
(FRN 109208W)

S Nagabushanam

(S Nagabushanam)
(M.No.107022)

UDIN: 23107022BGXGSC1962

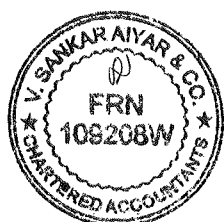
Place: Mumbai
Date: April 21, 2023



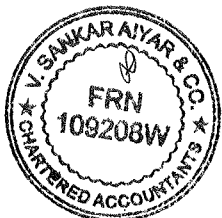
Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Management Services Limited on the standalone financial statements for the year ended 31st March 2023

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets.
(B) The company does not have any intangible assets and hence requirement of the clause 3(i)(a)(B) is not applicable.
- (b) As explained to us, the company has a phased programme of verification of fixed assets once in 3 years which in our opinion is reasonable considering the size of the company and nature of its fixed assets. Based on the information and the explanation given to us and on verification of the records of the Company, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold and disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanation given to us and records of the Company examined by us, the Company has not revalued its Property Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder and accordingly, the requirements of paragraph 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) The Company is not carrying on any trading or manufacturing activity. Therefore Para 3(ii)(a) of the Order is not applicable to the Company.
(b) According to the information and explanation given to us and records of the Company examined by us, the Company has not availed any working capital limits at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order not applicable.
- (iii) During the year, the Company has not made any investment, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties except the following :-
- (a) According to the information and explanations given to us and records of the Company examined by us, the loan given to limited liability partnership of Rs. 81.00 Millions and balance due as at March 31, 2023 is Rs. 81.00 Millions.
- (b) In our opinion, the terms and conditions of grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
- (d) In respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

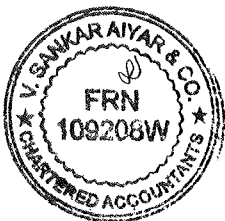


- (iv) According to the information and explanations given to us and records of the Company examined by us, the Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties during the year. Therefore, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us and records of the Company examined by us, the Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by 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 March 31, 2023 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 dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us and records of the Company examined by us, in respect of tax assessments made under the Income Tax Act, 1961, there are no transactions which have been surrendered or disclosed as income by the Company. Accordingly, there are no previously unrecorded income and related assets which have been accounted in the books of account during the year.
- (ix) According to information and explanation given to us and records of the Company examined by us,
- The Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
 - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - The Company has applied term loans for the purpose for which it was obtained.
 - On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilized for long term purposes by the Company.
 - On an overall examination of the financial statements of the Company, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and jointly controlled entity, and hence reporting on clause 3(ix)(e) of the Order not applicable.
 - The Company has not raised any loans during the year on pledge of securities held in its subsidiary and jointly controlled entity and hence reporting on clause 3(ix)(f) of the Order not applicable.
- (x) (a) In our opinion and according to the information and explanation given to us and records of the Company examined by us, the Company has not raised any moneys by way of initial public offer or further public offer during the year.



- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under the clause 3(x)(b) is not applicable.
- (xi) (a) Based upon the audit procedures performed and information and explanations given by the management, we have not come across any instances of fraud by the Company or on the Company during the year.
(b) We have not filed Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, since we have not come across any instances of fraud by the Company or on the Company during the year.
(c) The Company has a whistle blower policy system in place and according to the information and explanation received, no complaints have been received by the Company during the year (and up to the date of this report).
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of sections 188 of Companies Act with respect to related party transactions entered in to during the year and the details have been disclosed in the Financial Statements as required under Ind AS 24 – Related Party Disclosures.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
(b) We have considered the internal audit reports for the year under audit, issued to the Company and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us and records of the Company examined by us, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year.
- (xvi) (a) In our opinion and according to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 (xvi)(a), (b) and (c) of the order are not applicable to the Company.

(b) In our opinion and according to information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the order is not applicable to the Company.
- (xvii) The company has incurred cash losses of Rs 276.43 Millions in the financial year and has not incurred any cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly the requirements of Clause 3(xviii) of the Order not applicable to the Company.
- (xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company



V. Sankar Aiyar & Co.

CHARTERED ACCOUNTANTS

Mumbai - 400 020

as and when they fall due.

(xx) (a) According to information and explanation given to us and records examined by us, the Company does not have other than ongoing projects. Hence reporting under clause 3(xx)(a) of the Order is not applicable.

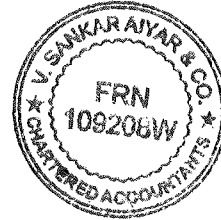
(b) According to information and explanation given to us and records examined by us, the Company does not have ongoing projects. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

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

S Nagabushanam

Place: Mumbai
Date: April 21, 2023

(S Nagabushanam)
(M.No.107022)
UDIN: 23107022BGXGSC1962



Annexure B to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Management Services Limited on the standalone financial statements for the year ended 31st March 2023

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 Management Services Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

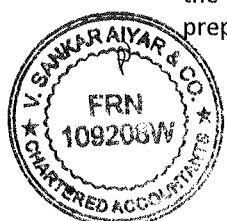
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that



receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

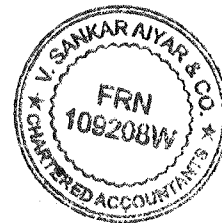
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria 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)

S Nagabushanam

Place: Mumbai
Date: April 21, 2023

(S Nagabushanam)
(M.No.107022)
UDIN: 23107022BGXGSC1962



IIFL MANAGEMENT SERVICES LIMITED
PART I - STANDALONE BALANCE SHEET

(₹ in million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	4	201.74	218.66
(b) Capital work-in-progress			
(c) Right of Use Asset	5	4.07	-
(d) Investment property	6	723.94	723.94
(e) Investments in subsidiaries, associates and joint ventures	7	0.05	0.05
(f) Financial assets			
(i) Investments	8	-	-
(ii) Loans	9	81.00	-
(g) Deferred tax assets (net)	10	35.55	35.94
(h) Other non-current assets	11	22.37	9.69
		1,068.72	988.28
(II) Current assets			
(a) Inventories		-	-
(b) Financial assets			
(i) Investments	8	210.02	905.36
(ii) Trade receivables	12	38.35	29.56
(iii) Cash and cash equivalents	13	4.09	10.08
(iv) Loans	9	-	-
(v) Other financial assets	14	152.84	146.32
(c) Other current assets	11	7.57	1.64
		412.87	1,092.96
TOTAL ASSETS (I + II)		1,481.59	2,081.24
EQUITY AND LIABILITIES			
(I) Equity			
(a) Equity share capital	15	2.81	2.81
(b) Other equity	16	291.89	550.98
		294.70	553.79
(II) LIABILITIES			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,141.60	456.20
(ii) Lease liabilities		2.73	-
(iii) Other financial liabilities	18	-	-
(b) Provisions	19	1.16	0.65
(c) Other non-current liabilities	20	-	-
		1,145.49	456.85
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	800.08
(ii) Lease liabilities		1.05	-
(iii) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises	21	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8.64	6.96
(iv) Other financial liabilities	18	12.62	243.41
(b) Other current liabilities	20	18.28	19.92
(c) Provisions	19	0.45	0.23
(d) Current tax liabilities (net)	22	0.36	-
		41.40	1,070.60
TOTAL LIABILITIES (i+ii)		1,186.89	1,527.45
TOTAL EQUITY AND LIABILITIES (I + II)		1,481.59	2,081.24

The accompanying notes forming an integral part of the financial statements

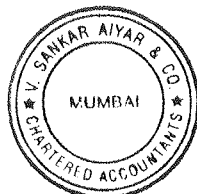
1 - 41

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

For and on Behalf of Board of Directors

S Nagabushane

S Nagabushanam
Partner
Membership No. : 107022



Narendra Deshmaj Jain
Director
(Din: 01984467)

Prasad Umarale
Director
(Din: 09078192)

Place : Mumbai
Dated : April 21, 2023

IIFL MANAGEMENT SERVICES LIMITED
PART II - STANDALONE STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
(i) Revenue from operations	23	182.42	172.53
(ii) Other income	24	282.79	229.06
(I) Total Income (i+ii)		465.21	401.59
EXPENSES			
(i) Employee benefits expense	25	52.61	34.25
(ii) Finance costs	26	75.46	100.07
(iii) Depreciation and amortization expense	27	17.65	17.84
(iv) Other expenses	28	573.00	194.97
(II) Total expenses (i+ii+iii+iv)		718.72	347.13
(III) Profit/(loss) before exceptional items and tax (I-II)		(253.51)	54.46
(IV) Exceptional Items		-	-
(V) Profit/(loss) before tax (III+IV)		(253.51)	54.46
Tax expense:	29		
(i) Current tax		4.98	29.85
(ii) Excess/short provision of tax relating to earlier years		(0.19)	(0.02)
(iii) Deferred tax		0.49	(7.87)
(VI) Total tax expenses (i+ii+iii)		5.28	21.96
(VII) Profit/(loss) for the period before impact of rate change on opening deferred tax (V-VI)		(258.79)	32.50
(VIII) Impact of change in rate on opening deferred tax			
(IX) Profit/(loss) for the period (VII-VIII)		(258.79)	32.50
Other comprehensive income			
(i) Remeasurements of the defined benefit plans		(0.40)	0.82
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.10	(0.21)
(X) Other comprehensive income (i+ii)		(0.30)	0.61
(XI) Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period) (IX+X)		(259.09)	33.11
Earnings per equity share	30		
(1) Basic (in ₹)		(922.19)	115.83
(2) Diluted (in ₹)		(922.19)	115.83

The accompanying notes forming an integral part of the financial statements

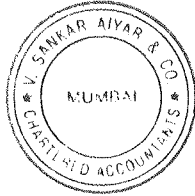
1 - 41

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

For and on Behalf of Board of Directors

S Nagabushane

S Nagabushanam
Partner
Membership No. : 107022



Narendra Deshmajain

Narendra Deshmajain
Director
(Din: 01984467)

Prasad Umarale

Prasad Umarale
Director
(Din: 09078192)

Place : Mumbai
Dated : April 21, 2023

IIFL MANAGEMENT SERVICES LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit/(Loss) before taxation, and extraordinary item	(253.51)	54.46
Adjustments for:		
Depreciation & amortisation	17.65	17.84
Provision for gratuity	0.14	0.10
Provision for leave encashment	0.63	0.42
Provision for expenses	8.42	6.53
Capital gain	(91.06)	(195.27)
Financial assets measured at fair value through profit & loss account(net)	(4.21)	32.01
Interest Income	(11.68)	(31.13)
Interest expenses	75.46	100.07
Expected credit loss (including provision for doubtful debts)	6.11	7.03
Net gain on derecognition of property, plant and equipment	(0.04)	(0.86)
Share Of Profit/Loss From Partnership Firm	(173.60)	33.79
Operating profit before working capital changes	(425.69)	24.99
(Increase) / decrease in trade receivables	(14.90)	(22.56)
(Increase) / Decrease in current financial assets	(7.06)	(138.43)
(Increase) / Decrease in Short Term Loans & Advances	-	-
(Increase) / decrease in other current assets	(5.93)	(1.53)
(Increase) / decrease in long-term loans and advances	(81.00)	-
(Increase) / decrease in other non-current assets	1.18	137.47
Increase / (decrease) in other long-term liabilities	-	-
Increase / (decrease) in long term provision	(0.13)	(0.18)
Increase / (decrease) in trade payable	(6.73)	(0.43)
Increase / (decrease) in current financial liabilities	(57.19)	4.64
Increase / (decrease) in current liabilities	(1.65)	(26.77)
Increase / (decrease) in short term provisions	0.22	0.15
Cash generated from operations	(598.88)	(22.66)
Tax (paid) / refund	(17.79)	(37.13)
Net cash flow from / (used in) operating activities (A)	(616.67)	(59.79)
Cash flow from investing activities		
Purchase of fixed assets	(0.66)	(0.54)
Sale of fixed assets	0.07	2.08
Purchase of long term investments	(5.00)	(2.03)
Sale of long term investments	1.80	50.64
(Purchase)/sale of current investment (net)	793.50	(633.32)
Interest received	-	-
Net cash flow from / (used in) Investing activities (B)	789.71	(583.17)
Cash flow from financing activities		
Proceeds of Long term Borrowings	3,554.60	5,522.00
Repayment of Long term Borrowings	(2,869.20)	(5,579.80)
Proceeds/(repayment) of Short term Borrowings (net)	(800.00)	800.00
Payment of lease liability	(0.40)	-
Interest towards lease liabilities	(0.03)	-
Interest Received	11.50	-
Interest paid	(75.50)	(99.99)
Net cash flow from / (used in) financing activities (C)	(179.03)	642.21
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5.99)	(0.75)
Cash and cash equivalents at the beginning of the year (refer note 13)	10.08	10.83
Cash and cash equivalents at End of the year (refer note 13)	4.09	10.08
Net increase/(decrease) in cash and cash equivalents	(5.99)	(0.75)

The accompanying notes forming an integral part of the financial statements

1 - 41

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

For and on Behalf of Board of Directors

S Nagabushanam

S Nagabushanam
Partner
Membership No. : 107022



Narendra Deshm
Director
(Din: 01984467)

Prasad Umarale
Director
(Din: 09078192)

Place : Mumbai
Dated : April 21, 2023

IIFL MANAGEMENT SERVICES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL
FY 2022-23

Particulars	No. of Shares	Amount (in million)
As at March 31, 2022 (Refer note 15)	2,80,630	2.81
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
As at March 31, 2023 (Refer note 15)	2,80,630	2.81

FY 2021-22

Particulars	No. of Shares	Amount (in million)
As at March 31, 2020 (Refer note 15)	2,80,630	2.81
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
As at March 31, 2021 (Refer note 15)	2,80,630	2.81

B. OTHER EQUITY

FY 2022-23

(₹ in million)

Particular	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Other Items of Other Comprehensive Income	Total
Opening balance as at April 1, 2022	368.28	7.19	0.90	173.31	1.30	550.98
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-
Transfer from/ to reserve	-	-	-	-	-	-
Additions/(deletions) during the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(258.79)	(0.30)	(259.09)
Closing balance as at March 31, 2023 (Refer note 16)	368.28	7.19	0.90	(85.48)	1.00	291.89

FY 2021-22

(₹ in million)

Particular	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Other Items of Other Comprehensive Income	Total
Opening balance as at April 1, 2021	368.28	7.19	0.90	140.80	0.69	517.86
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-
Transfer from/ to reserve	-	-	-	-	-	-
Additions/(deletions) during the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	32.51	0.61	33.12
Closing balance as at March 31, 2022 (Refer note 16)	368.28	7.19	0.90	173.31	1.30	550.98

The accompanying notes forming an integral part of the financial statements

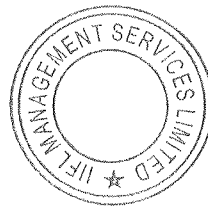
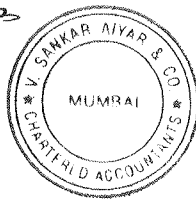
1 - 41

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

S Nagabushana

S Nagabushanam
Partner
Membership No. : 107022

Place : Mumbai
Dated : April 21, 2023



For and on Behalf of Board of Directors

Narendra Deshmajain

Narendra Deshmajain
Director
(Din: 01984467)

Prasad Umarale

Prasad Umarale
Director
(Din: 09078192)

Note 1. Corporate Information

IIFL Management Services Limited ("The Company") is a subsidiary of IIFL Securities Ltd. The Company is into providing property advisory, consultancy and allied services and providing office and related infrastructure and facility services catering mainly to group companies and outsiders.

1.1 Key Accounting Estimates And Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 2. Significant Accounting Policies

2.01 Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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, 2023 were approved by the Board of Directors and authorised for issue on April 21, 2023.

2.02 Current vs non-current classification

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

An asset is treated as current when it is:

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

A liability is treated as current when:

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

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

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

2.03 Foreign currency translation

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

i. Functional and presentation currencies:

Items included in the Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Company.

ii. Transactions & Balances:

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

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

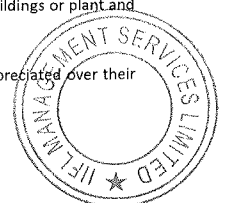
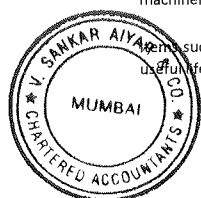
2.04 Property, Plant & Equipment (PPE)

Measurement at recognition: An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.



Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

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

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

Derecognition: The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Estimated useful life of the assets is as under:

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

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

* The carrying value is reviewed for impairment when events or changes in circumstances indicated the carrying value may not be recoverable and the cumulative impairment losses are shown as a reduction in the carrying value of property, plant and equipment. Assets are derecognised when no future benefits are expected and any gain or loss is recognised in the profit and loss in the year when asset is derecognised.

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

The carrying amount of PPE is reviewed periodically for impairment based whenever indicators exists. An impairment loss is recognised wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

De-recognition: PPE are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

2.05 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

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

Estimated useful life of the intangible assets is as under:

Class of assets	Useful life in years
Computer software	3

The carrying amount of intangible asset is reviewed periodically for impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Derecognition:

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

2.06 Investment properties

Recognition and initial measurement

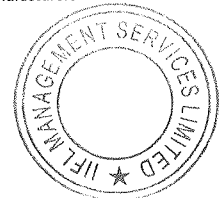
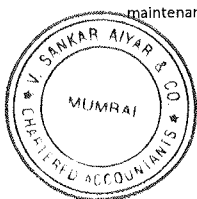
Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Following initial recognition, After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company. Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has experience in the category of the investment property being valued.

Depreciation:

Depreciation on each item of Investment property is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Freehold land is not depreciated. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.



De-recognition

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

2.07 Capital work in progress and Capital advances

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

2.08 Non Current Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortized

2.09 Impairment:

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Standalone Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.10 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.

2.11 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer. The performance obligation can be satisfied over time or a point in time as determined at the inception of the contract. Performance obligations is said to be satisfied over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Company performance, as the Company performs
- (b) the Company performance creates or enhances an asset that the customer controls, as the asset is created or enhanced, or provides the services which is consumed by the other party;
- (c) the Company performance does not create an asset or services with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date

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

- 1) Revenue from lease rentals and related income: Lease income is recognised in the statement of profit and loss net of indirect taxes, if any. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-
 - (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or
 - (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases
- 2) Interest Income: Interest Income is recognized on accrual basis.
- 3) Other Income including treasury: Other Incomes are accounted on accrual basis or right to receive is established.

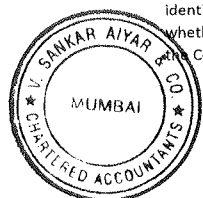
If the performance obligations are satisfied overtime, the Company uses the percentage of completion method to recognize revenue i.e., the cumulative revenue recognised is proportionate to the percentage of completion. For the computation of percentage of completion, the Company uses the ratio of cost incurred till date to estimated total cost. Cost incurred is one of the reliable indicators of progress of completion and satisfaction of performance obligations.

Revenue is recognised at the transaction price which is the amount of consideration to which Company is expected to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes) and significant financing component, if any.

Security deposits taken and given are not discounted if they do not constitute a significant finance component.

2.12 Lease accounting :

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



As a Lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

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

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

Short-term leases and leases of low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

2.13 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.

2.14 Financial Instruments

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

2.14.1 Financial Assets

Initial recognition and measurement:

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

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price

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

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

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.

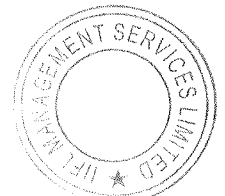
Based on the above criteria, the Company classifies its financial assets into the following categories:

- 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's 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 measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are 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 Standalone Statement of Profit and Loss.

iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the statement of profit and loss when the Company right to receive dividends is established. As at each of the reporting dates, there are no equity instruments measured at FVOCI.

vi. Investments in equity instruments of subsidiaries & associates

Investments in equity instruments of subsidiaries & associates are accounted at cost.

v. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries associate and joint venture. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit & Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

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.

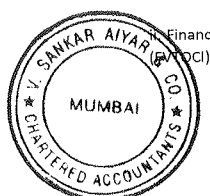
On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

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

- i. Trade receivables and lease receivables

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



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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

2.14.2 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 Standalone Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the 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.

2.14.3 Fair value measurement

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

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

The fair value of an asset or 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.

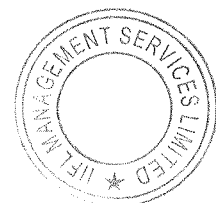
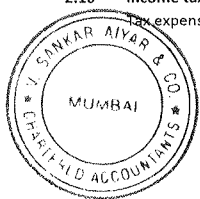
2.15 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.16 Income taxes

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



Current income tax

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

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Such deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and reduces to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the MAT to be utilised.

2.17 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted market prices or other available fair value indicators.

2.18 Inventories

Inventories is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

2.19 Share based payments - Equity-settled transactions

The company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with IND AS 102, Share Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding amount.

2.20 Provisions and contingent liabilities

A provision is recognised when:

- The Company has a present obligation (legal or constructive) as a result of a past event;
 - It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - A reliable estimate can be made of the amount of the obligation.
- If the effect of the 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 recognised as a finance cost.

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

Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.21 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long - term project development are capitalised as part of their costs. Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

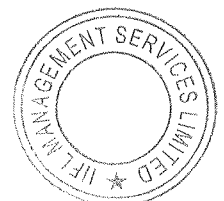
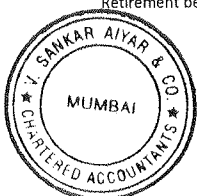
2.22 Employee benefits

Short-Term Benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered

Defined contribution plans

Retirement benefits in the form of contribution to provident fund and pension fund are charged to the statement of profit and loss.



Defined benefit plans

Gratuity is in the nature of a defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuations carried out at reporting date and net interest cost and service cost is charged to the statement of profit and loss. The actuarial valuation is computed using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Other employee benefits

Leave encashment is recognised as an expense in the statement of profit and loss account as and when they accrue. The Company determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised in the statement of profit & loss account.

2.23 Earnings per share

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

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

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

3.1 Significant management judgements

3.1.1 Classification of property

The properties of the company are classified as Property, Plant and Equipment since the same is either self occupied or intended to be self occupied by the Company. The properties of the company would be classified as Investment property if acquired with an intention of capital appreciation.

3.1.2 Recognition of deferred tax assets

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

3.2 Estimates and assumptions

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

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

3.2.2 Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

3.2.3 Defined benefit obligation (DBO)

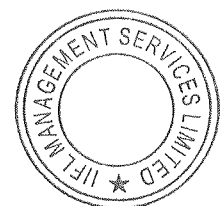
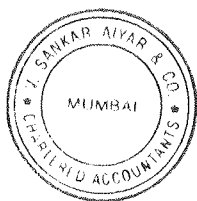
The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.2.4 Determination of lease term

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

3.2.5 Discount rate

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



NOTE 4 : PROPERTY, PLANT AND EQUIPMENT
As at Mar 31, 2023

(₹ in million)

Particulars	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
Gross Block							
Opening balance as at April 01, 2022	298.82	0.75	1.18	47.00	1.38	4.50	353.63
Assets held for Sale	-	-	-	-	-	-	-
Addition during the year/period	-	0.66	-	-	-	-	0.66
Deletion/adjustment during the year/period	-	(0.22)	-	-	(0.02)	-	(0.24)
Closing gross block as at March 31, 2023	298.82	1.19	1.18	47.00	1.36	4.50	354.05
Accumulated depreciation							
Opening balance as at April 01, 2022	85.24	0.65	1.18	46.62	1.28	-	134.97
Assets held for Sale	-	-	-	-	-	-	-
Depreciation for the year	17.01	0.16	-	0.35	0.03	-	17.55
Deletion/adjustment during the year/period	-	(0.19)	-	-	(0.02)	-	(0.21)
Closing Accumulated Depreciation as at March 31, 2023	102.25	0.62	1.18	46.97	1.29	-	152.31
Net block closing as at March 31, 2023	196.57	0.57	-	0.03	0.07	4.50	201.74
Net block closing as at March 31, 2022	213.58	0.11	-	0.38	0.10	4.50	218.66

Particulars	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
Gross Block							
Opening balance as at April 01, 2021	298.82	0.84	2.77	49.25	1.60	4.50	357.78
Assets held for Sale	-	-	-	-	-	-	-
Addition during the year/period	-	0.10	-	-	-	-	0.10
Deletion/adjustment during the year/period	-	(0.19)	(1.59)	(2.25)	(0.22)	-	(4.25)
Closing gross block as at March 31, 2022	298.82	0.75	1.18	47.00	1.38	4.50	353.63
Accumulated depreciation							
Opening balance as at April 01, 2021	68.23	0.77	2.32	48.12	1.18	-	120.62
Assets held for Sale	-	-	-	-	-	-	-
Depreciation for the year	17.01	0.07	0.07	0.54	0.15	-	17.84
Deletion/adjustment during the year/period	-	(0.19)	(1.20)	(2.05)	(0.05)	-	(3.49)
Closing Accumulated Depreciation as at March 31, 2022	85.24	0.65	1.18	46.62	1.28	-	134.97
Net block closing as at March 31, 2022	213.58	0.10	-	0.38	0.10	4.50	218.66
Net block closing as at March 31, 2021	230.59	0.07	0.45	1.13	0.42	4.50	237.16



NOTE 5 : RIGHT OF USE ASSET

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	-	-
Additions during the year	4.17	-
Deletions during the year	-	-
Depreciation charged for the year	(0.10)	-
Balance at the end of the year	4.07	-

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

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Less than one year	1.31	-
One to five years	3.03	-
More than five years	-	-
Total undiscounted lease liabilities at March 31	4.34	-
Lease liabilities included in the statement of financial position at March 31	3.78	-
Current lease liability	1.05	-
Non current lease liability	2.73	-

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Interest on lease liabilities	0.03	-
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	0.03	-

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Total cash outflow for leases	0.43	-

Non Current	₹ in million	
	March 31, 2023	March 31, 2022
Gross block		
Opening block#	723.94	896.86
Addition during the year/period	-	-
Deductions/adjustments during the year	-	(172.92)
Closing gross block	723.94	723.94
Amortisation		
Opening balance	-	-
Addition during the year/period	-	-
Less : Amortisation	-	-
Closing balance	-	-
Net Block closing block	723.94	723.94
Net Block opening block	723.94	896.86

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit/ (loss) from investment properties	-	-

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Investment properties	1,112.72	1,013.75
Total	1,112.72	1,013.75

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- ready reckoner value / guideline rate as obtained from registrar department ; or
- The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017.

Particulars	₹ in million	
	March 31, 2023	March 31, 2022
Investment in joint venture		
Meenakshi Towers LLP	0.05	0.05
Total	0.05	0.05



NOTE 8 : INVESTMENTS

A) Current investment:	March 31, 2023	March 31, 2022
Investments carried at fair value through statement of profit and loss:		
Investments in bonds and debentures		
(a) 30.2271 (March 31, 2022: 32.0834) units of Rs. 1,00,000 each of Piramal - Indiareit Fund Scheme V	3.02	3.21
(b) 12.659 (March 31, 2022: 13.295) units of Rs. 1,00,000 each of Piramal - Indiareit Fund Scheme V	1.27	1.33
(c) 40 (March 31, 2022: 40) units of IIFL HOME FINANCE LIMITED SR D7 8.20 NCD 28SP26 FVRS10LAC (ISIN: INE477L07AK5)	41.73	41.63
(d) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP A 9.70 BD 31MR25 FVRS10LAC (ISIN: INE540P07368)	-	100.05
(e) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP B 9.70 BD 31MR26 FVRS10LAC (ISIN: INE540P07376)	-	100.05
(f) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP C 9.70 BD 31MR27 FVRS10LAC (ISIN: INE540P07384)	-	100.05
(g) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP D 9.70 BD 31MR28 FVRS10LAC (ISIN: INE540P07392)	-	100.05
(h) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP E 9.70 BD 30MR29 FVRS10LAC (ISIN: INE540P07400)	-	100.05
(i) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP F 9.70 BD 29MR30 FVRS10LAC (ISIN: INE540P07418)	-	100.05
(j) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP G 9.70 BD 31MR31 FVRS10LAC (ISIN: INE540P07426)	-	100.05
(k) Nil (March 31, 2022: 100) units of U.P. POWER CORPORATION LIMITED SR I STRPP H 9.70 BD 22MR32 FVRS10LAC (ISIN: INE540P07434)	-	100.05
(l) Optionally convertible debenture (475 units @ face value Rs.1,00,000 each)	47.50	47.50
Others:		
Investments in alternate investment funds		
(a) 670,611.798 (March 31, 2022: 199,646.608) units of IIFL Securities Capital Enhancer Fund	7.72	2.01
(b) 2,999.850 (March 31, 2022: 2,999.850) units of IIFL Securities Capital Enhancer Fund	0.03	0.03
(c) 943,288.344 (March 31, 2022: 943,288.344) units of Rs. 10 each of IIFL Special Opportunities Fund – Series 4	6.84	9.25
Investments in Mutual funds	101.91	-
Total	210.02	905.36
- Quoted	143.64	842.04
- Unquoted	66.39	63.32

NOTE 9 : LOANS

A) Non Current	March 31, 2023	March 31, 2022
Loans receivables considered good - Unsecured		
(a) Inter corporate deposit	81.00	-
Total	81.00	-

B) Current	March 31, 2023	March 31, 2022
Loans receivables considered good - Unsecured		
(a) Inter corporate deposit	-	-
Total	-	-

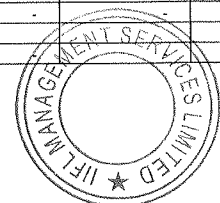
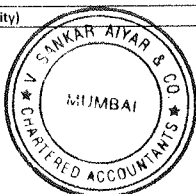
FY 2022-23		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	81.00	100%

FY 2021-22		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

NOTE 10 : DEFERRED TAX ASSETS (NET)

FY 2022-23						
Particulars	Balance as at April 01, 2022	Recognised/(reversed) in statement of profit and loss	Recognised/(reversed) in other comprehensive income	Impact of change in rate on opening deferred tax	Mat Credit Utilised	Balance as at March 31, 2023
Deferred tax assets						
Compensated absences and retirement benefits	-	-	-	-	-	-
Provisions for doubtful receivables/other financial asset (including expected credit loss)	25.87	1.52	-	-	-	27.39
Minimum alternate tax carry-forward	-	-	-	-	-	-
Unrealised profit on investments	7.73	(1.06)	-	-	-	6.67
Depreciation on property, plant and equipment	2.71	(1.05)	-	-	-	1.66
Total	36.31	(0.59)	-	-	-	35.72
Deferred tax liabilities						
Compensated absences and retirement benefits	(0.37)	0.17	0.10	-	-	(0.10)
Impact of INDAS 116 (lease)	-	(0.07)	-	-	-	(0.07)
Total	(0.37)	0.10	0.10	-	-	(0.17)
Net deferred tax assets/(liability)	35.94	(0.49)	0.10	-	-	35.55

FY2021-22						
Particulars	Balance as at April 01, 2021	Recognised/(reversed) in statement of profit and loss	Recognised/(reversed) in other comprehensive income	Impact of change in rate on opening deferred tax	Mat Credit Utilised	Balance as at March 31, 2022
Deferred tax assets						
Compensated absences and retirement benefits	-	-	-	-	-	-
Provisions for doubtful receivables/other financial asset (including expected credit loss)	24.10	1.77	-	-	-	25.87
Unrealised profit on investments	(0.33)	8.06	-	-	-	7.73
Depreciation on property, plant and equipment	4.64	(1.93)	-	-	-	2.71
Total	28.41	7.90	-	-	-	36.31
Deferred tax liabilities						
Compensated absences and retirement benefits	(0.14)	(0.02)	(0.21)	-	-	(0.37)
Total	(0.14)	(0.02)	(0.21)	-	-	(0.37)
Net deferred tax assets/(liability)	28.27	7.88	(0.21)	-	-	35.94



NOTE 11 : OTHER ASSETS

(₹ in million)

	March 31, 2023	March 31, 2022
A) Non Current		
(a) Capital advance		
Unsecured considered good	-	-
(b) Advance tax (net of provision)	22.07	8.21
(c) Prepaid Expense	0.30	1.48
Total	22.37	9.69
B) Current		
(a) Prepaid expense	2.15	1.59
(b) Other current assets		
Unsecured considered good	2.92	0.05
(c) Capital advance		
Unsecured considered good	2.50	
Total	7.57	1.64

NOTE 12 : TRADE RECEIVABLES

(₹ in million)

	March 31, 2023	March 31, 2022
Current		
(a) Trade receivables considered good - Unsecured	36.21	21.27
(b) Trade receivables which have significant increase in credit risk	2.26	14.38
(c) Trade receivables - credit impaired	108.69	96.67
Total - Gross	147.16	132.32
Less: Allowance for credit loss (refer note 34)	(108.81)	(102.76)
Total	38.35	29.56

Trade Receivables ageing schedule FY 2022-23

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	36.21	-	-	-	-	36.21
(ii) Undisputed Trade receivables - which have significant increase in credit risk	2.25	-	0.01	-	-	2.26
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	108.69	108.69
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule FY 2021-22

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	21.27	-	-	-	-	21.27
(ii) Undisputed Trade receivables - which have significant increase in credit risk	2.36	-	-	12.01	-	14.38
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	96.67	96.67
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

NOTE 13 : CASH AND CASH EQUIVALENTS

(₹ in million)

	March 31, 2023	March 31, 2022
Particulars		
Cash on hand	-	-
Cheque and draft on hand	-	-
Balances with banks:		
In current accounts *	4.09	10.08
In deposit account (Maturity less than 3 months)	-	-
Total	4.09	10.08

NOTE 14 : OTHER FINANCIAL ASSETS

(₹ in million)

	March 31, 2023	March 31, 2022
Current		
(a) Interest accrued on deposits/loans and investments	0.17	-
(b) Provision for gratuity (funded) (refer note 25)	1.63	2.27
(c) Other Financial Assets	10.49	5.08
(d) Security deposits with landlords and tenants	0.29	0.02
(e) Receivable from related party (refer note 35)	1.31	-
(f) Others Receivables	138.95	138.95
Total	152.84	146.32

NOTE 15 : EQUITY SHARE CAPITAL

(₹ in million)

	March 31, 2023	March 31, 2022
Particulars		
Authorized share capital:		
400,000 (P.Y. 400,000) Equity Shares of ₹ 10 each	4.00	4.00
100,000 (P.Y. 100,000) Preference shares of ₹ 10 each	1.00	1.00
Issued, subscribed and paid up:		
280,630 (Previous Year 280,630) Equity Shares of ₹ 10 each fully paid-up with voting rights	2.81	2.81

The company has only two class of shares referred to as equity shares and preference share having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. Preference shares has been reclassified as borrowings.

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

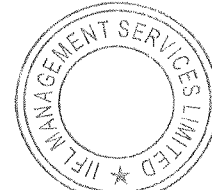
(₹ in million)

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and paid up at the beginning of the year	2,80,630	2.81	2,80,630	2.81
Add: Issued during the Year	-	-	-	-
Less: Equity shares bought back	-	-	-	-
Issued, subscribed and paid up at the end of the year	2,80,630	2.81	2,80,630	2.81

B. Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Preference shares has been reclassified as other non current non financial liabilities.

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



C. Equity Shares held by holding company and its subsidiaries

Equity shares of ₹ 10 each fully paid (Refer policy 1.1)	March 31, 2023		March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
IIFL Securities Ltd, the Holding Company	2,80,630	100	2,80,630	100
IIFL Holdings Limited, the Holding Company)	-	-	-	-

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

Equity shares of ₹ 10 each fully paid (Refer policy 1.1)	March 31, 2023		March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of ₹ 10 each fully paid				
IIFL Securities Ltd, the Holding Company	2,80,630	100	2,80,630	100
IIFL Holdings Limited, the Holding Company)	-	-	-	-

E. During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.

NOTE 16 : OTHER EQUITY

Particulars	March 31, 2023		March 31, 2022	
	₹	₹	₹	₹
Capital reserve				
Opening balance	368.28	368.28	-	-
Addition during the year	-	-	-	-
Deduction during the year	-	-	-	-
Balance in capital reserve	368.28	368.28		
Capital Redemption Reserve				
Opening balance	0.90	0.90	-	-
Addition during the year	-	-	-	-
Deduction during the year	-	-	-	-
Balance in Capital Redemption Reserve	0.90	0.90		
Securities premium				
Opening balance	7.19	7.19	-	-
Addition during the year	-	-	-	-
Deduction during the year	-	-	-	-
Balance in securities premium	7.19	7.19		
Retained earnings				
Opening balance	173.31	140.80	-	-
Profit during the year as per statement of profit and loss	(258.79)	32.51	-	-
Transferred to Capital Redemption Reserve	-	-	-	-
Balance in retained earnings	(85.48)	173.31		
Other comprehensive income				
Opening balance	1.30	0.69	-	-
Addition during the year	-	-	-	-
Deduction during the year	(0.30)	0.61	-	-
Balance in other comprehensive income	1.00	1.30		
Total other equity	291.89	550.98		

Other note:

- Capital reserves : Capital reserve is created due to composite Scheme of Arrangement.
- Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- Retained earnings : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.
- During the year preference share redeemed out of profit as per companies act nominal amount of preference share to be transferred to capital redemption reserve.

NOTE 17 : BORROWINGS

Particulars	March 31, 2023		March 31, 2022	
	₹	₹	₹	₹
A) Non - Current				
(a) Inter corporate deposits (refer note 36)	1,141.60	456.20	-	-
Total	1,141.60	456.20		
B) Current				
Unsecured				
(i) Non-convertible debentures	-	800.08	-	-
(a) Short term borrowings	-	800.08	-	-
Total	-	800.08		

Inter corporate deposits during the year were borrowed as per the business requirement. The rate of interest for the ICD is linked to marginal cost of funds / treasury bills, etc. plus applicable spread, closing applicable rate of interest as at March 31, 2023 @ 10.80% and March 31, 2022 @ 9.50%.

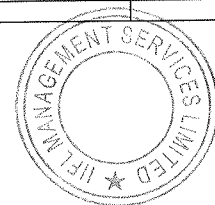
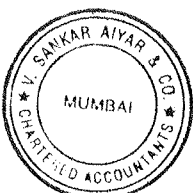
NOTE 18 : OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2023		March 31, 2022	
	₹	₹	₹	₹
A) Non Current				
(a) Non convertible preference share	-	-	-	-
(b) Provision for gratuity (funded) (refer note 25)	-	-	-	-
Total	-	-		
B. Current				
(a) Payable to related party (refer note 36)	-	2.61	-	-
-Unsecured considered good	-	-	-	-
(b) Provision for gratuity (funded) (refer note 25)	-	-	-	-
(c) Book overdraft	10.96	232.53	-	-
(d) Payable to joint venture (net of investments) (refer note 36)	1.61	8.27	-	-
(e) Other payable	-	-	-	-
(f) Security deposits from tenants	0.05	-	-	-
-Unsecured considered good	-	-	-	-
Total	12.62	243.41		

Other payable includes amounts payable to vendors / customers in the usual course of business

NOTE 19 : PROVISIONS

Particulars	March 31, 2023		March 31, 2022	
	₹	₹	₹	₹
A) Non current				
(A) Non current				
Provision for leave encashment	1.16	0.65	-	-
Total	1.16	0.65		
B) Current				
Provision for leave encashment	0.45	0.23	-	-
Total	0.45	0.23		



NOTE 20 : OTHER LIABILITIES

(₹ in million)

	March 31, 2023	March 31, 2022
A) Current		
(a) Advances received from customers	1.29	13.11
(b) Others	12.47	2.72
(c) Statutory dues	4.52	4.09
Total	18.28	19.92

NOTE 21 : TRADE PAYABLES

(₹ in million)

	March 31, 2023	March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises		
(a) Creditors for supplies and services	-	-
(b) Accrued salaries & benefits	-	-
(b) Creditors for accrued wages and salaries	-	-
(c) Provision for expenses	-	-
Total (a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Creditors for supplies and services	0.22	0.43
(b) Accrued salaries & benefits	0.13	0.18
(c) Provision for expenses	8.00	6.23
(d) Other payables	0.29	0.12
Total (b)	8.64	6.96
Total (a+b)	8.64	6.96

Trade payables are non-interest bearing and are settled in accordance with the contract terms with the vendors.

Trade Payables ageing schedule FY 22-23

Particulars	Unbilled	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	8.42	0.22	-	-	-	8.64
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule FY 21-22

Particulars	Unbilled	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	6.53	0.43	-	-	-	6.96
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

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

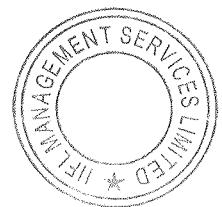
(₹ in million)

Particulars	March 31, 2023	March 31, 2022
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-

NOTE 22 : CURRENT TAX LIABILITIES (NET)

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Current tax liabilities (net of provision)	0.36	-



NOTE 23 : REVENUE FROM OPERATIONS

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
(a) Commission / Marketing support income	110.37	154.15
(b) Brokerage income	-	4.87
(c) Management Fees	62.61	13.51
(d) Advisory fees	9.44	-
Total	182.42	172.53

NOTE 24 : OTHER INCOME

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
(a) Interest income from:		
- Investments	10.99	30.05
- Inter corporate deposit	0.19	-
- Fixed deposit	-	-
- Income tax refund	0.50	1.09
(b) Dividend income on current investment	0.06	0.15
(c) Net gain on financial assets measured at fair value through profit & loss account (net)	4.21	1.50
(d) Capital gains on investments	91.06	195.27
(e) Net gain on derecognition of property, plant and equipment	0.04	0.86
(f) Share of Profit in Partnership Firm	173.60	-
(g) Other income	2.14	0.14
Total	282.79	229.06

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
(a) Salaries and wages	49.96	32.66
(b) Contribution to provident and other funds	1.49	0.96
(c) Share based payments	0.14	0.06
(d) Staff welfare expenses	0.25	0.05
(e) Gratuity	0.14	0.10
(f) Leave encashment	0.63	0.42
Total	52.61	34.25

The company have recognised the following amounts as an expense in the Statement of Profit and Loss:

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
A : Defined contribution plans		
Employer's contribution to provident fund and other fund	1.29	0.87
Employer's contribution to pension fund	0.13	0.08
Employer's contribution to NPS	0.08	0.01
Employer's contribution to ESIC	-	-
Labour welfare fund contribution for workmen	0.00	0.00

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

B : Defined benefit plans

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
i) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of benefit obligation at the beginning of the year	1.97	3.98
Interest cost	0.13	0.25
Liability transferred in / acquisitions	0.18	0.06
(Liability transferred out / divestments)	(0.07)	(0.02)
Current service cost	0.30	0.20
Actuarial (gains)/ loss on obligations – Due to change in demographic assumptions	-	0.00
Actuarial (gains)/ loss on obligations – Due to change in financial assumptions	(0.17)	(0.07)
Actuarial (gains)/ loss on obligations – Due to experience	0.38	(0.77)
(Benefit paid directly by the employer)	-	0.00
(Benefit paid from the fund)	-	(1.66)
Present value of benefit obligation at the end of the year	2.72	1.97
ii) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	4.24	5.57
Interest income	0.28	0.35
Contributions by the employer	-	-
(Benefit paid from the fund)	-	(1.66)
Return on plan assets, excluding interest income	(0.18)	(0.02)
Fair value of plan assets at the end of the year	4.34	4.24
iii) Amount recognised in the balance sheet		
(Present value of benefit obligation at the end of the period)	(2.71)	(1.97)
Fair value of plan assets at the end of the period	4.34	4.24
Funded status (surplus/ (deficit))	1.63	2.27
Net (liability)/asset recognized in the balance sheet	1.63	2.27
iv) Expenses recognised during the year		
Current service cost	0.29	0.20
Net interest cost	(0.15)	(0.10)
Expense recognised in the statement of profit and loss under "Employee benefits expenses"	0.14	0.10



HFL MANAGEMENT SERVICES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

iv) Expense recognised in the other comprehensive income (OCI) during the year		
Actuarial (gains)/loss on obligation for the period	0.22	(0.84)
Return on plan assets, excluding Interest income	0.18	0.02
Net (income)/expense for the period recognized in OCI	0.40	(0.82)
v) Balance sheet reconciliation		
Opening net liability	(2.27)	(1.59)
Expenses recognized in statement of profit or loss	0.14	0.10
Expenses recognized in OCI	0.40	(0.82)
Net liability/(asset) transfer in	0.18	0.06
Net (liability)/asset transfer out	(0.07)	(0.02)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	-
Net liability/(asset) recognized in the balance sheet	(1.63)	(2.27)
vi) Classification of defined benefit obligations		
Current portion	(1.63)	(2.27)
Non-current portion	-	-
Actuarial assumptions		
Interest / discount rate	7.35%	6.70%
Annual expected increase in salary cost	9.00%	9.00%

C : General description of significant defined plans

Gratuity plan

Gratuity is payable to all eligible employees of the company on death or on resignation, or on retirement after completion of five years of service. During the year, the company has changed the benefit scheme in line with Payment if Gratuity Act, 1972 by making monetary ceiling as prescribed under the Act. Changing in liability (if any) due to this scheme change is recognised as past service cost / (Income)

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

D : Investment details :

(₹ in million)

Category of investment	March 31, 2023	March 31, 2022
Insurance fund	4.34	4.24
Total	4.34	4.24

E : Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Projected benefit obligation on current assumptions	2.71	1.97
Delta effect of +1% change in rate of discounting	(0.23)	(0.17)
Delta effect of -1% change in rate of discounting	0.26	0.20
Delta effect of +1% change in rate of salary increase	0.12	0.14
Delta effect of -1% change in rate of salary increase	(0.19)	(0.17)
Delta effect of +1% change in rate of employee turnover	(0.04)	(0.04)
Delta effect of -1% change in rate of employee turnover	0.04	0.04

F : Expected employer's contribution in future years

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
1 year	-	-

G : Maturity Analysis of the Benefit Payments

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st Following year	0.23	0.02
2nd Following year	0.03	0.02
3rd Following year	0.04	0.03
4th Following year	0.04	0.03
5th Following year	0.05	0.03
Sum of years 6 To 10	2.84	2.55
Sum of years 11 and above	2.98	1.50

H : Risk exposure

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

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

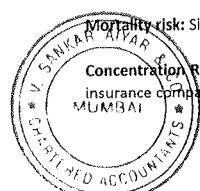
Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

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

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

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



NOTE 26 : FINANCE COSTS

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
(a) Interest expenses on borrowing	75.42	100.07
(b) Interest expenses on lease	0.03	-
(c) Other finance expense	0.01	0.00
Total	75.46	100.07

NOTE 27 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment	17.55	17.84
Depreciation on right of use asset	0.10	-
Total	17.65	17.84

NOTE 28 : OTHER EXPENSES

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
(a) Advertisement expense	0.00	0.01
(b) Brokerage and related expenses	99.56	98.25
(c) Communication expense	0.29	0.07
(d) Corporate social responsibility expense (refer note 35)	-	1.48
(e) Electricity	0.23	0.06
(f) Exchange and statutory charges	1.60	2.00
(g) Legal and professional charges	5.20	8.88
(h) Miscellaneous expenses	1.01	0.46
(i) Office expenses	1.62	2.22
(j) Subscription	0.00	-
(k) Printing and stationery	-0.01	0.14
(l) Expected credit loss (including provision for doubtful debts)	6.11	7.03
(m) Rent expenses	3.99	3.66
(n) Insurance charges	0.12	0.16
(o) Marketing and commission expenses	0.04	0.00
(p) Rates & taxes	0.47	2.55
(q) Infrastructure Support Charges	1.33	0.29
(r) Repairs & maintenance	-	-
- Computer	0.00	-
- Others	0.23	-
(s) Remuneration to auditors:	-	-
- As auditors - statutory audit	0.30	0.13
- Certification work and other matters	-	-
- Out of pocket expenses	-	0.01
(t) Share of loss in partnership firm (refer note 31)	-	33.79
(u) Net loss on financial assets measured at fair value through profit & loss account (net)	-	33.52
(v) Travelling and conveyance	0.91	0.26
(w) Liquidated Damage*	450.00	-
Total	573.00	194.97

*During the year, the Company has terminated the Joint Development Agreement (JDA) entered into with Meenakshi Towers LLP and Shreyansh Foundation LLP. Consequent to the termination, the company has paid compensation of Rs 45 crores in lieu of profits foregone by Meenakshi Towers LLP, the developer. The said compensation has been charged to the Statement of Profit and Loss as liquidated Damages for cancellation of JDA in the profit and loss account.

NOTE 29 : TAX EXPENSE

(a) Components of income tax expenses:

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Current tax		
Current Year	4.98	29.85
Changes in estimates related to prior years	(0.19)	(0.02)
Total current tax expense	4.79	29.83
Deferred tax		
Origination and reversal of temporary differences	0.49	(7.87)
Total deferred tax expense/(benefit)	0.49	(7.87)
Income tax expenses	5.28	21.96

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

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Profit before tax	(253.51)	54.46
Tax using domestic tax rates	25.17%	25.17%
Tax amount	(63.80)	13.71
Tax effect of:		
Non-deductible expenses	69.56	8.88
Differential tax rate on income	0.10	(0.60)
Tax-exempt income- Others	(0.02)	-
Recognition of previously unrecognised deductible temporary differences	(0.37)	(0.01)
Adjustments for current tax for prior periods	(0.19)	(0.02)
Tax expense reported in the statement of profit and loss	5.28	21.96



NOTE 30 : EARNINGS PER EQUITY SHARE

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Face value of equity share (₹)	10.00	10.00
Profit after tax as per statement of profit and loss	(258.79)	32.50
Weighted average number of equity shares for EPS (in No.)	0.28	0.28
Basic earnings per share (₹)	(922.19)	115.83
Diluted earnings per share (₹)	(922.19)	115.83

NOTE 31 : LIST OF JOINTLY CONTROLLED ENTITY

The Company is a partner in a Limited Liability Partnership Firm M/S. Meenakshi Towers LLP. The Partners of the said LLP are IIFL MANAGEMENT SERVICES LIMITED Both have agreed for equal share in Profit/(Loss) and have contributed ₹ 0.05 million each as capital contribution w.e.f. April 01, 2017, transferred on account of scheme of arrangement.

NOTE 32 : SEGMENT REPORTING

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

NOTE 33 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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

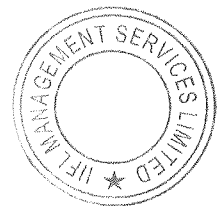
Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Other Civil Cases	0.27	0.27

B : Capital commitments

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Capital contracts (net of advances)	-	-

C : Other litigations

The company is subject to legal proceedings and claims which arises in the ordinary course of the business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the company's financial position.



NOTE 34 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification

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

(₹ in million)

Particulars	CARRYING VALUE			
	As at March 31, 2023		As at March 31, 2022	
	Fair Value through Profit or loss	Amortised Cost	Fair Value through Profit or loss	Amortised Cost
Financial assets				
Cash and cash equivalents	-	4.09	-	10.08
Other bank balances	-	-	-	-
Trade receivables	-	38.35	-	29.56
Loans:				
Inter corporate deposits	-	81.00	-	-
Investments:				
Investments in bonds and debentures	46.02	-	846.57	-
Investment in mutual funds	-	-	-	-
Investment in joint ventures	-	0.05	-	0.05
Investments in Optionally convertible Debentures	47.50	-	47.50	-
Investments in Mutual funds	101.91	-	-	-
Investments in Subsidiaries	-	-	-	-
Investments in alternate investment funds	14.59	-	11.29	-
Other financial assets	-	152.84	-	146.32
Total	210.02	276.33	905.36	186.01
Financial liabilities				
Borrowings:				
Inter corporate deposits (refer note 36)	-	1,141.60	-	456.20
Short term borrowings	-	-	-	800.08
Trade and other payables	-	8.64	-	6.96
Other financial liabilities	-	12.62	-	243.41
Total	-	1,162.87	-	1,506.65

B. Fair value hierarchy

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

(₹ in million)

As at March 31, 2023	CARRYING VALUE	FAIR Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial instrument measured at fair value				
(a) Investments in bonds and debentures	46.02	-	41.73	4.29
(b) Investments in Optionally convertible Debentures	47.50	-	-	47.50
(c) Investments in alternate investment funds	14.59	-	-	14.59
(d) Investments in Mutual funds	101.91	101.91	-	-
Total	210.02	101.91	41.73	66.38
Financial instrument not measured at fair value				
Financial liabilities				
Borrowings:				
(a) Non-convertible preference shares	-	-	-	-
Total	-	-	-	-

(₹ in million)

As at March 31, 2022	CARRYING VALUE	FAIR Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial instrument measured at fair value				
(a) Investments in bonds and debentures	846.57	800.40	41.63	4.54
(b) Investments in Optionally convertible Debentures	47.50	-	-	47.50
(c) Investments in alternate investment funds	11.29	-	-	11.29
Total	905.36	800.40	41.63	63.33
Financial instrument not measured at fair value				
Financial liabilities				
Borrowings:				
(a) Non-convertible preference shares	-	-	-	-
Total	-	-	-	-

34 B. 1. MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

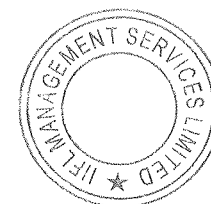
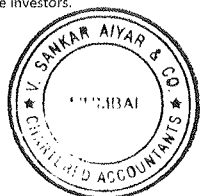
(₹ in million)

Particulars	Preference Share	Alternate Investment Fund	Debt	Equity
Balances as at March 31, 2021	-	8.87	52.51	-
Purchase	-	2.03	-	-
Sale/adjustment	-	(3.35)	-	-
Total gain / losses recognise In profit or loss	-	3.74	(0.47)	-
Balances as at March 31, 2022	-	11.29	52.04	-
Purchase	-	5.00	-	-
Sale/adjustment	-	(0.73)	-	-
Total gain / losses recognise In profit or loss	-	(0.96)	(0.25)	-
Balances as at March 31, 2023	-	14.60	51.79	-

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

C. Measurement of fair values

The fair values of investments in bonds is based on last traded price or valuation issued by care/fund house and alternate investment fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the balance sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.



Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase / (decrease) as below
Financial Assets:				
(a) Investments in alternate investment funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at balance Sheet date. NAV represents the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
(b) Investment in non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses or last traded price for respective instruments during every reporting date	Not Applicable	Not Applicable	Not Applicable
(c) Security deposits from tenants	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor	Discount Rate	6.40% - 6.92% (last year 3.30% - 5.50%) based in SBI FD rate for respective period of Deposit	Not Applicable

Transfers between Levels 1, 2 and 3

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

D. Financial risk management

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

- Credit risk
- Liquidity risk; and
- Market risk

i. Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

Credit quality analysis

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is provided in case of broking and advisory business when a debtor fails to make the contractual payments beyond the company policy. The company have identified the provisions based on simplified approach for various buckets based on days past dues.

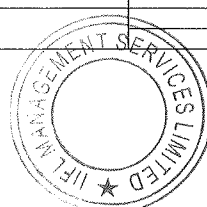
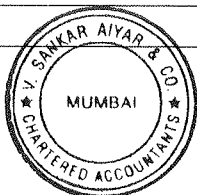
As per the simplified approach, the Company makes provision of expected credit losses on trade receivables and other assets to mitigate the risk of default payments and makes appropriate provision at each reporting date whenever outstanding is for longer period and involves high risk.

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

(₹ in million)				
As at March 31, 2023	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	36.21	2.26	108.69	147.16
Less: Impairment loss allowance	-	(0.12)	(108.69)	(108.81)
Carrying amount	36.21	2.14	-	38.35
Other financial assets	152.84	-	-	152.84
Less: Impairment loss allowance	-	-	-	-
Carrying amount	152.84	-	-	152.84

(₹ in million)				
As at March 31, 2022	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	21.27	14.38	96.67	132.32
Less: Impairment loss allowance	-	(6.09)	(96.67)	(102.76)
Carrying amount	21.27	8.28	-	29.56
Other financial assets	146.32	-	-	146.32
Less: Impairment loss allowance	-	-	-	-
Carrying amount	146.32	-	-	146.32

(₹ in million)				
Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total	
As at March 31, 2021	7.30	88.44	95.74	
Increase / (decrease) net	(1.21)	8.23	7.02	
As at March 31, 2022	6.09	96.67	102.76	
Increase / (decrease) net	(5.97)	12.02	6.05	
As at March 31, 2023	0.12	108.69	108.81	



Measurement of ECL

The company has applied the simplified approach of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since Initial recognition, as permitted by Ind AS 101.

Cash and cash equivalents / Deposits with Banks

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

ii. Liquidity risk

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

Exposure to liquidity risk

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

(₹ in million)					
As at March 31, 2023	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 year	5-10 year	More than 10 years
(a) Inter corporate deposits (refer note 36)	1,141.60	-	1,141.60	-	-
(b) Short term borrowings	-	-	-	-	-
(c) Non-convertible preference shares	-	-	-	-	-
(d) Trade and other payables	8.64	8.64	-	-	-
(e) Other financial liabilities	12.62	9.90	2.73	-	-
Total	1,162.87	18.53	1,144.33	-	-

(₹ in million)					
As at March 31, 2022	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 year	5-10 year	More than 10 years
(a) Inter corporate deposits (refer note 36)	456.20	-	456.20	-	-
(b) Short term borrowings	800.08	800.08	-	-	-
(c) Non-convertible preference shares	-	-	-	-	-
(d) Trade and other payables	6.96	6.96	-	-	-
(e) Other financial liabilities	243.41	243.41	-	-	-
Total	1,506.65	1,050.45	456.20	-	-

iii. 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.

Currency risk

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

Interest rate risk

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

Exposure to Interest rate risk

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

(₹ in million)		
Particulars	March 31, 2023	March 31, 2022
Financial Assets		
Fixed-rate Instruments		
(a) Investments in bonds and debentures	41.73	842.03
Total	41.73	842.03
Financial Liabilities		
Fixed-rate Instruments		
(a) Short term borrowings	-	800.08
Total	-	800.08

Fair value sensitivity analysis for fixed-rate Instruments

The company's fixed-rate financial assets or financial liabilities are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss, since neither the carrying amount nor the future cash flows will fluctuate.

The following table shows sensitivity analysis for impact on interest cost of borrowings on variable interest rate

(₹ in million)		
Particulars	March 31, 2023	March 31, 2022
Inter corporate deposits taken (refer note 36)	1,141.60	456.20
Applicable rate & 12 months weighted average rate	10.80%	9.50%
Annualised interest cost	123.29	43.34

Sensitivity analysis for impact on variable interest cost

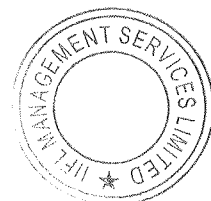
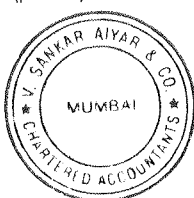
(₹ in million)		
Particulars	March 31, 2023	March 31, 2022
Increase in 1% change in ROI	11.42	4.56
Decrease in 1% change in ROI	(11.42)	(4.56)

Exposure to Price Risk

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

(₹ in million)		
Particulars	March 31, 2023	March 31, 2022
(a) Alternate Investment Funds	14.59	11.29
(b) Optionally Convertible Debentures	47.50	47.50
(c) Investment in Mutual Fund	101.91	-
(d) Debt Securities	46.02	846.57

The effect of upward movement of 5% in the price affects the projected net income by ₹ 10.50 million (previous year ₹ 45.27 million) and further downward movement of 5% the projected net loss will be ₹ 10.50 million (previous year ₹ 45.27 million) for FY 2022-23.



IIFL MANAGEMENT SERVICES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

E. Capital management

The Company's objective when managing capital are to:

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

The company's adjusted net debt to equity ratio is as follows:

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Total debt (A)	1,141.60	1,256.28
Less: Cash & cash equivalent	4.09	10.08
Net debt (C=A-B)	1,137.51	1,246.20
Total equity (Including all reserves) (D)	294.70	553.79
Net debt to equity (C/D) (in times)	3.86	2.25

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY

During the year ended March 31, 2023, the Company spent ₹ Nil (FY 2021-22: ₹ 1.48 million) out of the total amount of ₹ Nil (FY 2021-22: ₹ 1.48 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to India Infoline Foundation.

Particulars	(₹ in million)	
	March 31, 2023	March 31, 2022
Amount required to be spent by the company during the year	-	1.48
Amount of expenditure incurred	-	1.48
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	No Shortfall
Nature of CSR activities	NA	Contribution to Foundation
Details of related party transactions	NA	Contributed to India Infoline Foundation

NOTE 36 : RELATED PARTY

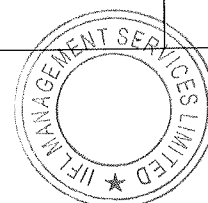
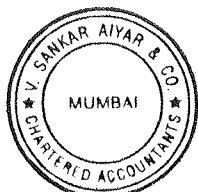
(A) As Per Ind As 24, the disclosures of transaction with the related parties are given below :

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

Name of the Company	Holding /Subsidiary/Other related parties
Director or his Relatives	Mr. R. Venkataraman Mr. Narendra Deshmaj Jain Mr. Ujwal Shah (Whole-time Director w.e.f. February 21, 2023) Mr. Prasad Umarale (w.e.f. January 20, 2021)
Holding Company	IIFL Securities Limited
Joint Venture	Meenakshi Towers LLP
Fellow Subsidiaries	1. IIFL Commodities Limited 2. Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited) 3. IIFL Facilities Services Limited 4. Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited) 5. IIFL Capital Inc. 6. IIFL Securities Services IFSC Limited 7. IIFL Wealth (UK) Limited 8. India Infoline Foundation 9. Shreyans Foundation LLP
Other Related Parties	1. IIFL Finance Limited 2. Spaisa Capital Limited 3. IIFL Home Finance Limited 4. IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited) 5. IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited) 6. India Infoline Employee Trust 7. 360 ONE PORTFOLIO MANAGERS LIMITED (Formerly known as IIFL Wealth Portfolio Managers Limited) 8. 360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited)

(B) Significant Transactions with Related Parties

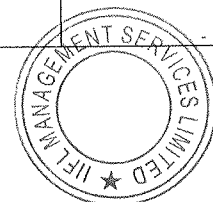
Nature of transaction	(₹ in million)	
	March 31, 2023	March 31, 2022
Interest Income		
(i) Joint Venture		
Meenakshi Tower LLP	0.19	-
Commission Income/Advisory Fees /Arranger Fees /Customer Support/Infrastructure Support/ Marketing Support		
(i) Other related parties		
IIFL Samasta Finance Limited	4.95	-
Interest Income Investment		
(i) Other related parties		
IIFL Home Finance Limited	3.28	-
Rent Income		
(i) Other related parties		
Spaisa Capital Limited	0.05	-
Donation Paid		
(i) Fellow Subsidiaries		
India Infoline Foundation	-	1.48
Delayed Pay in Charges/Dp Bill/Document Charges		
(i) Holding Company		
IIFL Securities Limited	1.45	1.90
Brokerage Expense/ Rebroker Expenses/ Brokerage Expense AIF		
(i) Holding Company		
IIFL Securities Limited	0.40	12.05
Commission Expense		
(i) Holding Company		
IIFL Securities Limited	1.40	-
Consultancy Fees/Distribution Fee		
(i) Other related parties		
360 ONE PORTFOLIO MANAGERS LIMITED (Formerly known as IIFL Wealth Portfolio Managers Limited)		3.55



IIFL MANAGEMENT SERVICES LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Interest Expense		
(i) Holding Company		
IIFL Securities Limited	13.21	77.25
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	58.62	16.71
(iii) Other related parties		
IIFL Finance Limited	-	0.13
Other Expense (Liquidated Damage)		
(i) Joint Venture		
Meenakshi Tower LLP	450.00	-
Allocation/Reimbursement of expenses Received		
(i) Holding Company		
IIFL Securities Limited	0.68	0.92
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	-	0.15
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited)	0.06	0.01
(iii) Other related parties		
IIFL Finance Limited	4.09	1.76
IIFL Home Finance Limited	0.78	0.85
IIFL Wealth Prime Limited	0.81	0.16
Spaipa Capital Limited	-	0.00
Allocation/Reimbursement of expenses Paid		
(i) Holding Company		
IIFL Securities Limited	0.33	0.04
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	0.57	0.39
(iii) Other related parties		
IIFL Finance Limited	1.30	0.26
IIFL Home Finance Limited	0.08	0.00
Others Paid		
(i) Holding Company		
IIFL Securities Limited	0.60	0.13
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	-	0.03
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	-	5.00
(iii) Other related parties		
IIFL Finance Limited	0.97	0.00
IIFL Home Finance Limited	0.00	0.04
Spaipa Capital Limited	0.09	-
India Infoline Employee Trust	0.10	-
Others Received		
(i) Holding Company		
IIFL Securities Limited	0.40	0.04
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	-	0.10
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited)	-	0.10
(iii) Other related parties		
IIFL Finance Limited	0.02	0.33
360 ONE Asset Management Limited(Formerly Known as IIFL Asset Management Limited)	-	0.20
India Infoline Employee Trust	0.10	-
IIFL Home Finance Limited	0.00	0.00
ICD Taken		
(i) Holding Company		
IIFL Securities Limited	1,520.00	4,316.80
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	3,151.60	1,795.20
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	-	-
(iii) Other related parties		
IIFL Finance Limited	-	500.00
ICD Taken Returned Back		
(i) Holding Company		
IIFL Securities Limited	1,680.00	4,670.80
(ii) Fellow Subsidiaries		
IIFL Facilities Services Limited	2,306.20	1,499.00
(iii) Other related parties		
IIFL Finance Limited	-	500.00
ICD Given		
(i) Joint Venture		
Meenakshi Tower LLP	81.00	-
Deposit Taken/Advance taken(Given)		
(i) Fellow Subsidiaries		
Shreyans Foundation LLP	(2.50)	-
(ii) Other related parties		
Spaipa Capital Limited	0.05	-
Share of profit/(loss)		
(i) Joint Venture		
Meenakshi Towers LLP	173.60	(33.79)
Partners Contribution		
(i) Joint Venture		
Meenakshi Towers LLP	47.97	-
Investment in MLD/NCD/Bonds		
(i) Other related parties		
IIFL Finance Limited	300.00	58.07
IIFL Samasta Finance Limited	550.89	1,007.37
Director Remuneration		
Sale of Investment		
(i) Other related parties		
IIFL Finance Limited	3.76	1.85
Other related parties		
IIFL Finance Limited	-	1,081.09



(C) Closing Balance		(₹ in million)	
A) Outstanding Balance of ICD Receivable/ (Payable)		March 31, 2023	March 31, 2022
(i) Holding Company			
IIFL Securities Limited		-	(160.00)
(ii) Fellow Subsidiaries			
IIFL Facilities Services Limited		(1,141.60)	(296.20)
(iii) Joint Venture			
Meenakshi Towers LLP		81.00	-
B) Outstanding Balance of MLD/NCD			
IIFL Home Finance Limited		40.00	40.00
C) Outstanding Balance of Investment in Joint Venture			
Meenakshi Towers LLP		0.05	0.05
D) Other receivables/ (payables)			
(i) Holding Company			
IIFL Securities Limited		0.08	(2.81)
(ii) Fellow Subsidiaries			
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited) (Formerly known as IIFL Asset Reconstruction Limited)		0.06	0.00
(iii) Other related parties			
IIFL Finance Limited		1.11	(0.01)
IIFL Home Finance Limited		0.01	(0.05)
360 ONE Asset Management Limited(Formerly Known as IIFL Asset Management Limited)		-	0.20
IIFL Wealth Prime Limited		0.01	0.06
Spaisa Capital Limited		0.03	-
E) Outstanding Balance of Deposit/Advance (Given)			
(i) Fellow Subsidiaries			
Shreyans Foundation LLP		(2.50)	-
F) Interest accrued and Due			
(i) Joint Venture			
Meenakshi Towers LLP		0.17	-
G) Payable to joint venture			
Meenakshi Towers LLP		(10.96)	232.53
H) Interest Accrued on MLD/NCD			
IIFL Home Finance Limited		1.66	1.60

NOTE 37 : Ratio Analysis

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (%)	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	9.97	1.02	877%	Increase in ratio to payment of short term borrowings
(b) Debt-Equity Ratio	Short Term Loan + Long Term Loan	Shareholders Equity	3.87	2.27	71%	Increase in ratio due to long term borrowing increase
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	-0.13	0.13	-204%	Negative ratio due to loss incurred in current financial year
(d) Return on Equity Ratio	Profit after tax	Average shareholder's equity	-61%	6%	-1108%	Negative ratio due to loss incurred in current financial year
(e) Inventory turnover Ratio			N.A.	N.A.		
(f) Trade Receivables turnover Ratio	Revenue from operations	Average Trade Receivable	5.37	7.92	-32%	Decrease in ratio due to increase in debtor outstanding
(g) Trade Payables turnover Ratio	Other expenses	Average Trade Payables	73.45	49.88	47%	Increase in ratio due to payment done within due date to vendor
(h) Net capital turnover Ratio	Total Income	Working Capital	1.25	17.95	-93%	Decrease in ratio due to long term borrowings taken and repayment of short term borrowings
(i) Net Profit Ratio	Profit after tax	Total Income	-56%	8%	-787%	Negative ratio due to loss incurred in current financial year due to increase in other expense
(j) Return on capital employed	EBIT	Shareholders Equity	-60%	28%	-317%	Negative ratio due to loss incurred in current financial year due to increase in other expense
(k) Return on investment	Income generated from investments	Average investments	19%	45%	-58%	Decrease in ratio due to investment liquidated



NOTE 38 : NOTE ON RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

NOTE 39: Labour Code

"The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective."

NOTE 40: Other Disclosure

(i) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

(iv) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.

(v) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(vi) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

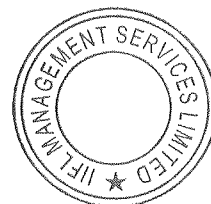
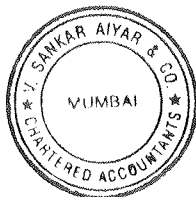
(vii) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(viii) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.

(x) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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



IIFL MANAGEMENT SERVICES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

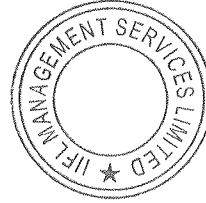
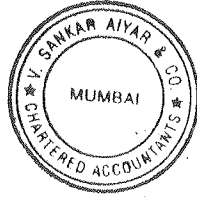
NOTE 41 : Figures for the previous year have been regrouped, re-arranged, reclassified wherever necessary

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

S Nagabushanam

S Nagabushanam
Partner
Membership No. : 107022

Place : Mumbai
Dated : April 21, 2023



For and on Behalf of Board of Directors

N. Deshmaj *P. Umarale*

Narendra Deshmaj Jain
Director
(Din: 01984467)

Prasad Umarale
Director
(Din: 09078192)